



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington District Office  
1235 La Plata Highway  
Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF079160 (WC)  
3162.7 (07400)

April 29, 1998

Ms. Heather Dahlgren  
Union Oil Company of California (UNOCAL)  
1004 N. Big Spring  
Midland, Texas 79702

RE: Downhole Commingling Application

Dear Ms: Dahlgren:

We have received and reviewed your Application for Downhole Commingling on the following well:

| WELL             | Lease      | Legal Location                             | Proposed Commingled Formations |
|------------------|------------|--|--------------------------------|
| 192E Rincon Unit | NMSF079160 | 1020' FNL & 1970' FWL<br>Sec. 1, T26N, R7W | Mesaverde & Gallup & Dakota    |

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Gallup and Dakota Formations, allocating 25% gas and 40% oil to the Gallup and 75% of the gas volume and 60% of the oil volume to the Dakota Formation. Then the remainder of the production volumes would be allocated to the Mesaverde Formation. We are also in agreement with your Gallup/Dakota decline rate and yield factors for allocating liquids. We hereby approve your application for downhole commingling on the above well. The effective date will be the date downhole commingling occurs.

When fixed allocation factors are determined, submit the factors for **approval**. This approval is not for operational activities. Operational approval must be obtained by submitting a Notice of Intent Sundry Notice.

If you have any questions please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/s/ Duane W. Spencer

Duane Spencer  
Team Leader, Petroleum Management

cc:

NMOCD, Santa Fe

NMOCD, Aztec

Well File

DOMR

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