

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

DISTRICT IV

2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
Revised March 17, 1999

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

UNION OIL COMPANY OF CALIFORNIA (UNOCAL)

1004 N. BIG SPRING, MIDLAND, TX 79702

Operator

Address

RINCON UNIT

201

G - 2 - 26N - 7W

RIO ARRIBA

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 023708

Property Code 011510

API NO. 30-039-20774

Federal ☐ , State ☒ , (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO MESAVERDE - 72319		BASIN DAKOTA - 71599
2. Top and Bottom of Pay Section (Perforations)	TO BE DETERMINED		7267 - 7450
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	a. (Current) 231 psia b. (Original) 1054 psia	a. b.	a. 372 psia b. 3455 psia
6. Oil Gravity (EAPI) or Gas BTU Content	1122 BTU		1235 BTU
7. Producing or Shut-In?	Not completed Shut-in		Producing
Production Marginal? (yes or no)	YES		YES
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates: SEE ATTACHED	Date: Rates:	Date: 12-98 Rates: 59 MCFD, 2.9 BOPD, .3 BWPD
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No (R-9893)
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). SEE ATTACHED

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Heather Dahlgren TITLE: Senior Engineering Tech DATE: 5/5/99TYPE OR PRINT NAME HEATHER DAHLGREN TELEPHONE NO. (915) 685-7665

May 4, 1999

Supplemental Data for C-107-A, Rincon Unit Well No. 201

Well History: The Rincon Unit Well No. 201 was drilled and completed as a Dakota gas producer in January 1974. Mesaverde reserves would be developed most economically at this time with a downhole commingled completion. An estimated completion date for the Mesaverde is August 1999.

Production History: The average 1998 gas rate was 56 Mcfd from the Dakota with trace oil and water production. Currently the well has an obstruction in the tubing and is producing less than 20 mcfd. An estimated initial rate for the first 30 days of Mesaverde production is 300 Mcfd and 4 Bopd. This estimate is an average based on actual IP's and production from six recent Mesaverde completions on the Rincon Unit.

Pressure Data: Original and current bottom hole pressures were calculated from surface shut-in casing pressures. Pressure data from the offset Mesaverde well Rincon Unit #233 was used for the #201 Mesaverde completion. Current pressures are based on a three day shut-in in June of 1998. Please see attachments for the bottom hole pressure data.

Allocation of Production: Unocal proposes to use an allocation based on an established Dakota annual decline rate of 10.5%. Dakota production will be extrapolated monthly using Bureau of Land Management recommended allocation methods with the remainder of the commingled production being allocated to the Mesaverde formation. Please see attachments for the Dakota forecast. Initial flush production volumes have been added to the Dakota due to the anticipated extended shut-in during the workover. While tabular data has been provided for the first five years of the Dakota forecast, we anticipate being able to convert to a fixed allocation factor within 12 to 24 months. Unocal proposes using a yield factor for allocating liquid production. This factor is based on the average oil and water yield for 1998.

NMOCD Reference Cases for Rule 303(D) Exceptions

Unocal, Rincon Unit, Rio Arriba County, New Mexico

Rincon Unit Well	Legal Description UL S TWN RNG.	NMOCD Order No.	Issue Date
167M	C 13 27 N 7 W	DHC-863	11/5/1992
175M	F 20 27 N 6 W	DHC-864	11/24/1992
158M	J 22 27 N 6 W	DHC-909	4/27/1993
159M	F 18 27 N 6 W	DHC-904	6/18/1993
129M	P 29 27 N 6 W	DHC-903	6/18/1993
1E	G 30 27 N 6 W	DHC-902	6/18/1993
127M	D 28 27 N 6 W	DHC-916	8/17/1993
184M	P 15 27 N 7 W	DHC-911	8/25/1993
170M	I 20 27 N 6 W	DHC-920	9/17/1993
126M	P 27 27 N 6 W	DHC-914	9/17/1993
151M	O 14 27 N 7 W	DHC-918	9/17/1993
136E	D 23 27 N 7 W	DHC-912	9/17/1993
125M	F 26 27 N 6 W	DHC-95	9/17/1993
137E	J 24 27 N 7 W	DHC-913	9/17/1993
180M	D 21 27 N 6 W	DHC-940	10/25/1993
174M	F 19 27 N 6 W	DHC-966	1/31/1994
128M	O 28 27 N 6 W	DHC-1042	8/31/1994
133E	D 14 27 N 7 W	DHC-1043	8/31/1994
185E	J 22 27 N 7 W	DHC-1038	8/31/1994
178E	I 23 27 N 7 W	DHC-1040	8/31/1994
138E	P 25 27 N 7 W	DHC-1044	8/31/1994
139E	F 25 27 N 7 W	DHC-1041	8/31/1994
149M	F 30 27 N 7 W	DHC-1037	8/31/1994
131E	C 36 27 N 7 W	DHC-1039	8/31/1994
302	C 11 26 N 7 W	DHC-1050	11/3/1994
303	E 33 27 N 6 W	DHC-1086	2/3/1995
171M	J 21 27 N 6 W	DHC-1101	3/7/1995
229E	M 34 27 N 7 W	DHC-1124	5/16/1995
186M	L 33 27 N 6 W	DHC-1176	12/21/1995
187E	P 35 27 N 7 W	DHC-1176	12/21/1995
134	B 12 26 N 7 W	DHC-1190	3/7/1996
170	M 20 27 N 6 W	DHC-1192	3/7/1996
168E	I 36 27 N 7 W	DHC-1191	3/7/1996
203	M 27 27 N 7 W	DHC-1261	5/23/1996
183	K 31 27 N 6 W	DHC-1376	10/16/1996
168	A 36 27 N 7 W	DHC-1778	2/4/1998
139	K 25 27 N 6 W	DHC-1777	2/4/1998
181	G 22 27 N 6 W	DHC-1779	2/4/1998
166E	F 32 27 N 6 W	DHC-1784	2/24/1998
201E	J 2 26 N 7 W	DHC-1841	3/6/1998
57E	O 1 26 N 7 W	DHC-1865	4/1/1998
57	A 1 26 N 7 W	DHC-1892	4/9/1998
131	K 36 27 N 7 W	DHC-1906	4/14/1998
137	K 24 27 N 7 W	DHC-1907	4/14/1998
137E	J 24 27 N 7 W	DHC-913	4/14/1998
169	K 26 27 N 7 W	DHC-1917	4/27/1998
192	K 1 26 N 7 W	DHC-1918	4/27/1998
192E	D 1 26 N 7 W	DHC-2097	9/15/1998

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102
Supersedes C-128
Effective 1-1-65

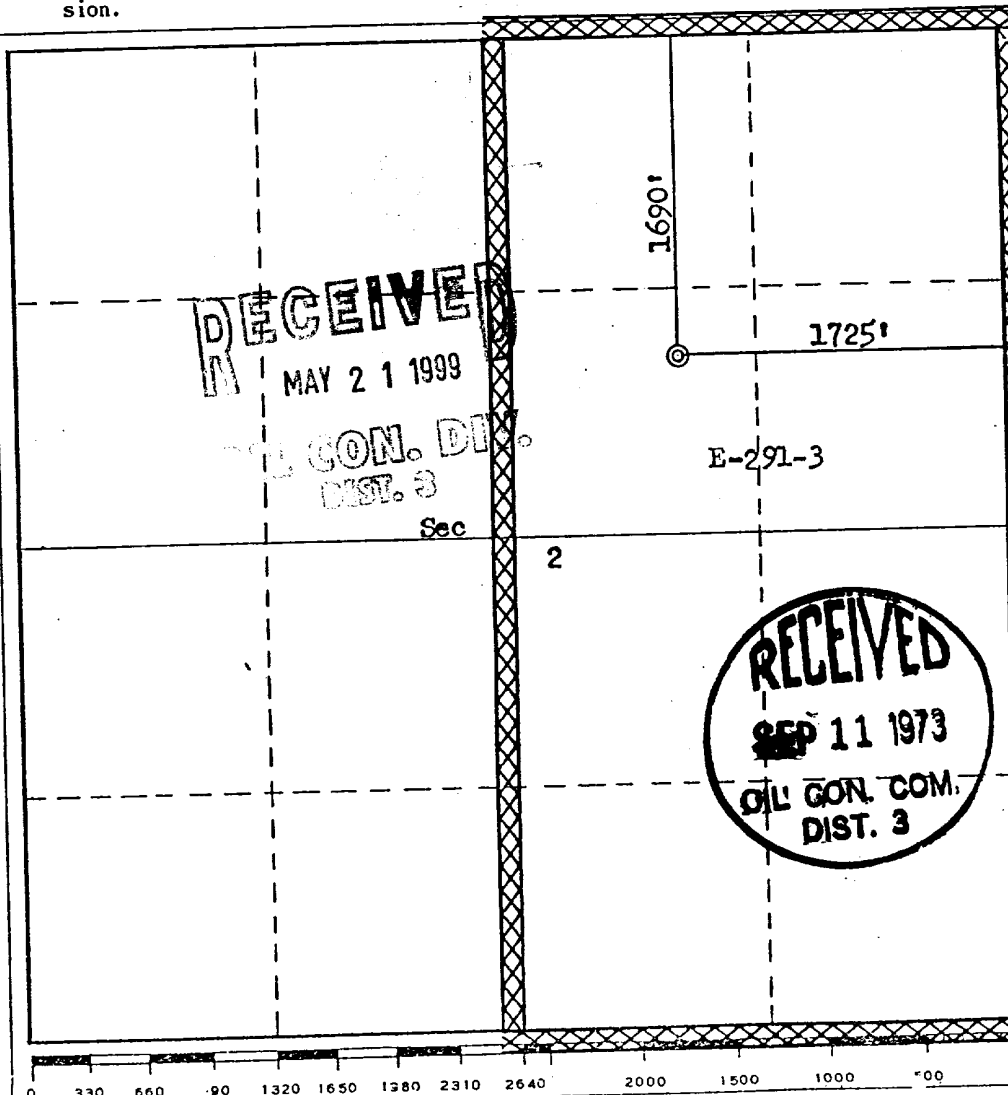
All distances must be from the outer boundaries of the Section.

Operator El Paso Natural Gas Company			Lease Rincon Unit (E-291-3)		Well No. 201
Unit Letter G	Section 2	Township 26N	Range 7W	County Rio Arriba	
Actual Footage Location of Well:					
1690 feet from the North line and 1725 feet from the East line					
Ground Level Elev. 6661	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage 320.76 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **Unitization**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original Signed by
Name **D. G. Brisco**
Position **Drilling Clerk**
Company **El Paso Natural Gas Co.**
Date **September 11, 1973**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
August 27, 1973
Registered Professional Engineer
and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No.
3950

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20774		² Pool Code 72319		³ Pool Name BLANCO MESA VERDE	
⁴ Property Code 011510		⁵ Property Name RINCON UNIT			⁶ Well Number 201
⁷ OGRID No. 023708		⁸ Operator Name UNION OIL COMPANY OF CALIFORNIA (UNOCAL)			⁹ Elevation 6661'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	2	26N	7W		1690	N	1725	E	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.76	¹³ Joint or Infill Y	¹⁴ Consolidation Code U	¹⁵ Order No. Unitization
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</i> Signature Printed Name HEATHER DAHLGREN Title ENGINEERING TECHNICIAN Date 5-3-99	
	18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by</i> Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	
	RECEIVED MAY 21 1999 OIL CON. DIV. DIST. 3	

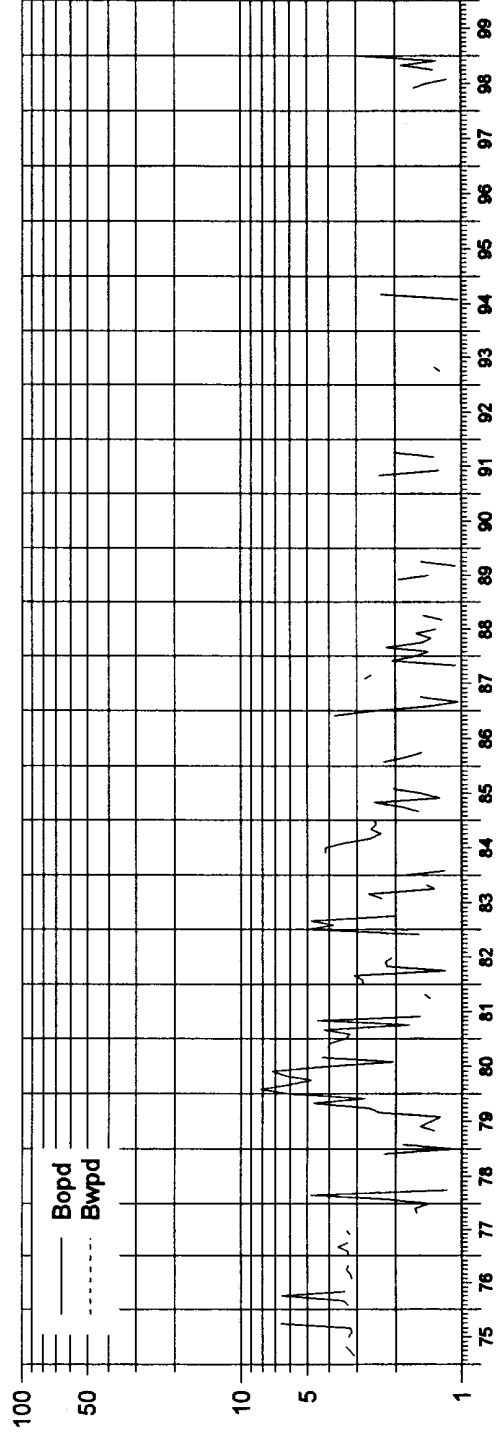
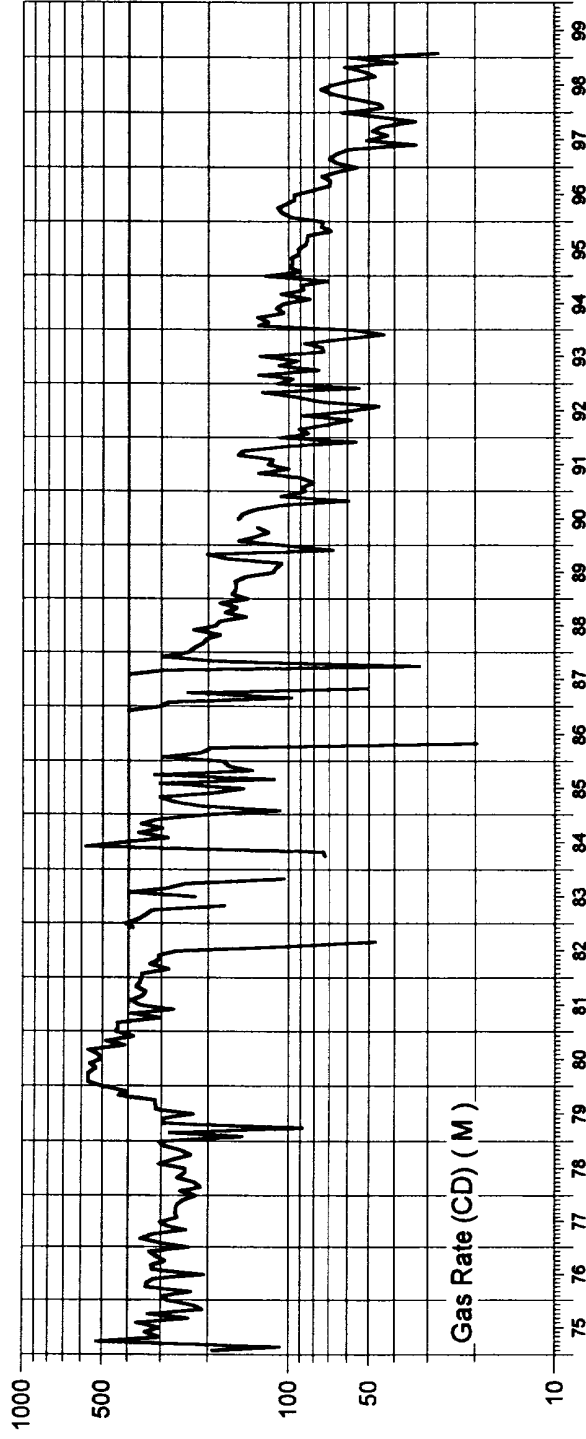
UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT 201:DK

RIO ARRIBA CO., NEW MEXICO

Annual Production - 1998

Gas: 20,529 Mscf, Oil: 444 Bbls, Water: 108 Bbls



RINCON_UNIT_201:DK

DATE	GAS VOL PROD Mcf	OIL VOL PROD bbl	WATER VOL PROD bbl	Gas Rate (CD) Mcf/d	Oil Rate (CD) bbl/d	Water Rate (CD) bbl/d	Cum Gas Prod Mcf	Cum Oil Prod bbl
19970131	2037	19	12	66	0.6	0.4	1764795	14085
19970228	1953	13	7	70	0.5	0.3	1766748	14098
19970331	2040	22	18	66	0.7	0.6	1768788	14120
19970430	1780	0	9	59	0.0	0.3	1770568	14120
19970531	1024	0	9	33	0.0	0.3	1771592	14120
19970630	1522	0	9	51	0.0	0.3	1773114	14120
19970731	1308	4	9	42	0.1	0.3	1774422	14124
19970831	1493	3	9	48	0.1	0.3	1775915	14127
19970930	1346	0	9	45	0.0	0.3	1777261	14127
19971031	1031	0	9	33	0.0	0.3	1778292	14127
19971130	1353	6	9	45	0.2	0.3	1779645	14133
19971231	1951	3	9	63	0.1	0.3	1781596	14136
19980131	1364	20	9	44	0.6	0.3	1782960	14156
19980228	1274	41	9	46	1.5	0.3	1784234	14197
19980331	1749	2	9	56	0.1	0.3	1785983	14199
19980430	2030	0	9	68	0.0	0.3	1788013	14199
19980531	2337	51	9	75	1.6	0.3	1790350	14250
19980630	2064	43	9	69	1.4	0.3	1792414	14293
19980731	1824	36	9	59	1.2	0.3	1794238	14329
19980831	1456	23	9	47	0.7	0.3	1795694	14352
19980930	1547	40	9	52	1.3	0.3	1797241	14392
19981031	1904	58	9	61	1.9	0.3	1799145	14450
19981130	1165	39	9	39	1.3	0.3	1800310	14489
19981231	1815	91	9	59	2.9	0.3	1802125	14580

WELL NAME : **RINCON UNIT 233 MESAVERDE OFFSET**

	ORIGINAL
Test Date:	Dec-81
GAS GRAVITY:	0.674
CONDENSATE (YES=1):	1
RESERVOIR TEMP:	150 F
SURFACE TEMP:	60 F
DEPTH OF ZONE:	5200 ft
% N2	2.14
% CO2	1.71
% H2S	0.00
Pc =	670.71
Tc =	371.78

SURFACE PRESS	921	psia
BHP	1,054	psia
Z	0.8977	
BHP/Z	1,174	psia

	CURRENT
Test Date:	Jun-98
GAS GRAVITY:	0.674
CONDENSATE (YES=1):	1
RESERVOIR TEMP:	150 F
SURFACE TEMP:	60 F
DEPTH OF ZONE:	5200 ft
% N2	2.14
% CO2	1.71
% H2S	0.00
Pc =	670.71
Tc =	371.78

SURFACE PRESS	200	psia
BHP	226	psia
Z	0.9757	
BHP/Z	231	psia

WELL NAME : **RINCON UNIT 201 DAKOTA**

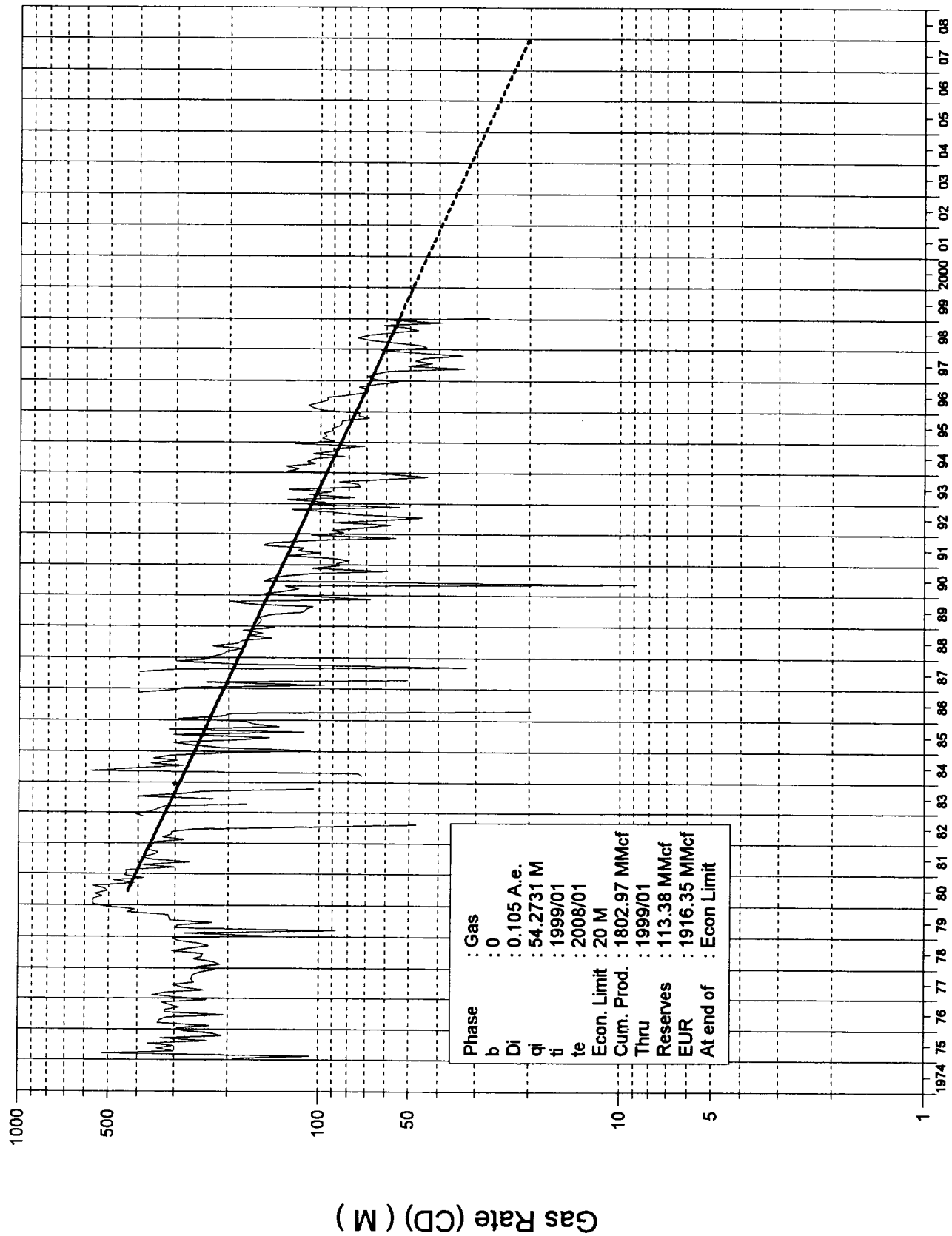
	ORIGINAL
Test Date:	Jan-74
GAS GRAVITY:	0.72
CONDENSATE (YES=1):	1
RESERVOIR TEMP:	187 F
SURFACE TEMP:	60 F
DEPTH OF ZONE:	7358 ft
% N2	0.38
% CO2	0.65
% H2S	0.00
Pc =	665.47
Tc =	386.49

SURFACE PRESS	2,403	psia
BHP	2,997	psia
Z	0.8673	
BHP/Z	3,455	psia

	CURRENT
Test Date:	Jun-98
GAS GRAVITY:	0.72
CONDENSATE (YES=1):	1
RESERVOIR TEMP:	187 F
SURFACE TEMP:	60 F
DEPTH OF ZONE:	7358 ft
% N2	0.38
% CO2	0.65
% H2S	0.00
Pc =	670.71
Tc =	371.78

SURFACE PRESS	300	psia
BHP	359	psia
Z	0.9757	
BHP/Z	372	psia

RINCON UNIT 201:DK



RU 201DK Forecast

Well	RU 201
Existing Completion Prior to DHC	DK
Annual Decline	10.50%
Monthly Decline Factor (Annual / 12)	0.8750
Average Monthly volume (Mcf) prior to DHC	1711
Average Yield (bbbls/mcf) Oil	0.022
Average Yield (bbbls/mcf) Water	0.005
Est. Volume Prior to DHC (Mcf) - Aug. 1999	1585
	1998 Annual Average
	1998 Annual Average
	1998 Annual Average

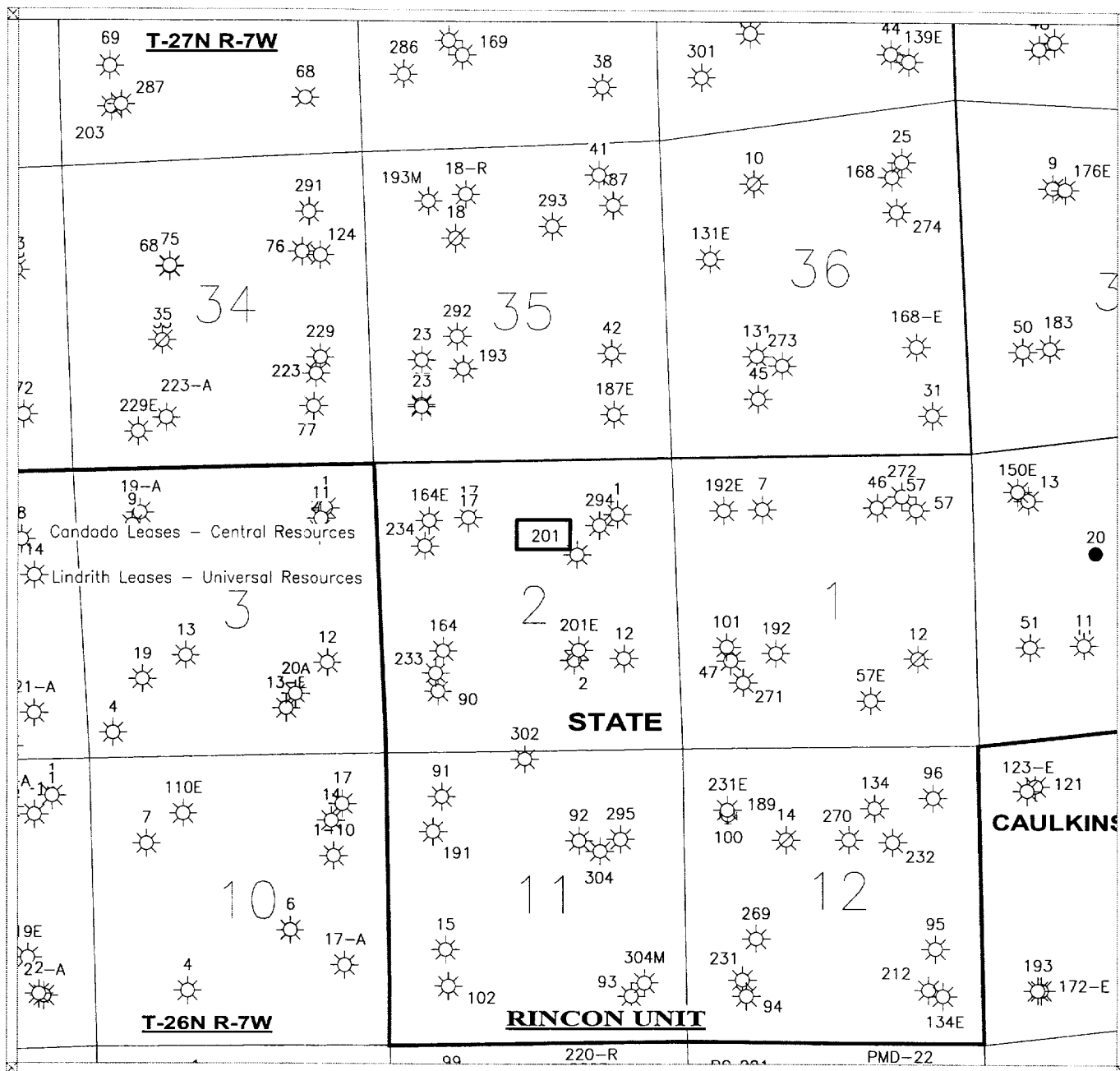
* Forecasted volumes to be adjusted for actual days on production & actual volume prior to commingling

Month	DK Forecast (Mcf)	DK Forecast (Bbls-Oil)	DK Forecast (Bbls-Water)	
1	60	1823	39.4	9.1
2	57	1728	37.3	8.6
3	52	1585	34.2	7.9
4	52	1571	33.9	7.9
5	51	1557	33.6	7.8
6	51	1544	33.3	7.7
7	50	1530	33.1	7.7
8	50	1517	32.8	7.6
9	49	1504	32.5	7.5
10	49	1490	32.2	7.5
11	49	1477	31.9	7.4
12	48	1464	31.6	7.3
13	48	1452	31.4	7.3
14	47	1439	31.1	7.2
15	47	1426	30.8	7.1
16	46	1414	30.5	7.1
17	46	1402	30.3	7.0
18	46	1389	30.0	6.9
19	45	1377	29.7	6.9
20	45	1365	29.5	6.8
21	44	1353	29.2	6.8
22	44	1341	29.0	6.7
23	44	1330	28.7	6.6
24	43	1318	28.5	6.6

+ DK flush volume @ 15%
+ DK flush volume @ 10%

RINCON UNIT 201:DK - Gas Forecast @ 10.5% A.E.

DATE	Average Rate Mscf/d	Monthly Volume MMscf	Cumulative Volume MMscf	Remaining Reserves MMscf
1999/ 2	54.02	1.51	1804.5	111.9
1999/ 3	53.34	1.65	1806.1	110.2
1999/ 4	53.09	1.59	1807.7	108.6
1999/ 5	52.49	1.63	1809.4	107
1999/ 6	52.12	1.56	1810.9	105.4
1999/ 7	51.53	1.6	1812.5	103.8
1999/ 8	51.11	1.58	1814.1	102.2
1999/ 9	50.69	1.52	1815.6	100.7
1999/10	50.12	1.55	1817.2	99.2
1999/11	49.77	1.49	1818.7	97.7
1999/12	49.2	1.53	1820.2	96.2
2000/ 1	48.8	1.51	1821.7	94.6
2000/ 2	48.46	1.41	1823.1	93.2
2000/ 3	47.8	1.48	1824.6	91.8
2000/ 4	47.52	1.43	1826	90.3
2000/ 5	46.98	1.46	1827.5	88.9
2000/ 6	46.65	1.4	1828.9	87.5
2000/ 7	46.12	1.43	1830.3	86
2000/ 8	45.74	1.42	1831.7	84.6
2000/ 9	45.37	1.36	1833.1	83.3
2000/10	44.86	1.39	1834.5	81.9
2000/11	44.54	1.34	1835.8	80.5
2000/12	44.03	1.37	1837.2	79.2
2001/ 1	43.68	1.35	1838.5	77.8
2001/ 2	43.42	1.22	1839.7	76.6
2001/ 3	42.73	1.32	1841.1	75.3
2001/ 4	42.53	1.28	1842.3	74
2001/ 5	42.05	1.3	1843.6	72.7
2001/ 6	41.75	1.25	1844.9	71.4
2001/ 7	41.28	1.28	1846.2	70.2
2001/ 8	40.94	1.27	1847.5	68.9
2001/ 9	40.61	1.22	1848.7	67.7
2001/10	40.15	1.24	1849.9	66.4
2001/11	39.86	1.2	1851.1	65.2
2001/12	39.41	1.22	1852.3	64
2002/ 1	39.09	1.21	1853.5	62.8
2002/ 2	38.86	1.09	1854.6	61.7
2002/ 3	38.24	1.19	1855.8	60.5
2002/ 4	38.06	1.14	1857	59.4
2002/ 5	37.63	1.17	1858.1	58.2
2002/ 6	37.36	1.12	1859.2	57.1
2002/ 7	36.94	1.15	1860.4	56
2002/ 8	36.64	1.14	1861.5	54.8
2002/ 9	36.34	1.09	1862.6	53.7
2002/10	35.93	1.11	1863.7	52.6
2002/11	35.68	1.07	1864.8	51.5
2002/12	35.27	1.09	1865.9	50.5
2003/ 1	34.99	1.08	1867	49.4
2003/ 2	34.78	0.97	1868	48.4
2003/ 3	34.23	1.06	1869	47.3
2003/ 4	34.07	1.02	1870	46.3
2003/ 5	33.68	1.04	1871.1	45.3
2003/ 6	33.44	1	1872.1	44.3
2003/ 7	33.06	1.02	1873.1	43.2
2003/ 8	32.79	1.02	1874.1	42.2
2003/ 9	32.53	0.98	1875.1	41.2
2003/10	32.16	1	1876.1	40.3
2003/11	31.93	0.96	1877.1	39.3
2003/12	31.57	0.98	1878	38.3



Scale 1:33060.04

1000. 0. 1000. 2000. 3000. 4000. 5000. feet



0.1 0. 0.1 0.2 0.3 0.4 0.5 miles



SPIRIT ENERGY 		
LEASE MAP RINCON UNIT NO. 201 OPERATOR: UNION OIL CO. OF CALIFORNIA		
Scale 1:33060.04		
HADAHLCREN	5/3/1999	201dk.GPF



May 4, 1999

United States Department of the Interior
Bureau of Land Management
Attn. Joe Hewitt
1235 La Plata Highway
Farmington, NM 87401

Gentlemen,

Union Oil Company of California (UNOCAL) has requested from the State of New Mexico Oil Conservation Division, approval to down hole commingle production from the Largo Gallup and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

Well	Lease	Legal Location
201	State	1690' FNL, 1725' FEL, NE Sec 2, T26N, R7W

Attached for Bureau of Land Management review is this proposal. If there are any objections to the proposed action, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Heather Dahlgren
Senior Engineering Technician



May 3, 1999

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0420

Gentlemen:

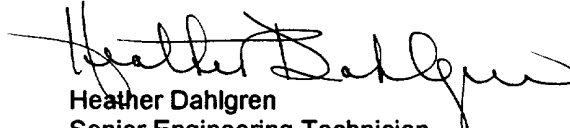
Union Oil Company of California (UNOCAL) has requested from the State of New Mexico Oil Conservation Division, approval to down hole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

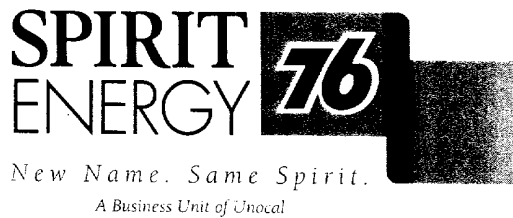
Well	Legal Location
201	1690' FNL, 1725' FEL, NE Sec 2, T26N, R7W

If Dugan Production, as an offset operator, has an objection to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL


Heather Dahlgren
Senior Engineering Technician



May 3, 1999

Central Resources Inc.
P.O. Box 2810
Farmington, NM 87499

Gentlemen:

Union Oil Company of California (UNOCAL) has requested from the State of New Mexico Oil Conservation Division, approval to down hole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

<u>Well</u>	<u>Legal Location</u>
201	1690' FNL, 1725' FEL, NE Sec 2, T26N, R7W

If Central Resources, as an offset operator, has an objection to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Heather Dahlgren
Senior Engineering Technician



May 3, 1999

Universal Resources Corp.
1331 17th St. Suite 800
Denver, CO 80202

Gentlemen:

Union Oil Company of California (UNOCAL) has requested from the State of New Mexico Oil Conservation Division, approval to down hole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

Well	Legal Location
201	1690' FNL, 1725' FEL, NE Sec 2, T26N, R7W

If Universal Resources, as an offset operator, has an objection to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Heather Dahlgren
Senior Engineering Technician



New Name. Same Spirit.

A Business Unit of Unocal

May 3, 1999

**Conoco
10 Desta Dr. W, Suite 100W
Midland, TX 79705**

Gentlemen:

Union Oil Company of California (UNOCAL) has requested from the State of New Mexico Oil Conservation Division, approval to down hole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

Well	Legal Location
201	1690' FNL, 1725' FEL, NE Sec 2, T26N, R7W

If Conoco, as an offset operator, has an objection to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

A handwritten signature in black ink, appearing to read "Heather Dahlgren", written over a horizontal line.

**Heather Dahlgren
Senior Engineering Technician**