



ELIUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**ADMINISTRATIVE ORDER DHC-863**

UNOCAL Oil and Gas Division  
Attention: William L. Irwin  
3300 North Butler Avenue, Suite 200  
Farmington, NM 87401

**RECEIVED**  
NOV 13 1992  
OIL CON. DIV. 1  
DIST. 3

*Rincon Unit No. 167-M  
Unit C, Section 13, Township 27 North, Range 7 West, NMPM, Rio  
Arriba County, New Mexico.  
Blanco Mesaverde and Basin Dakota Pools*

Dear Mr. Irwin:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 30 barrels per day, and total water production shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

*Administrative Order DHC-863*  
*UNOCAL Oil and Gas Division*  
*November 5, 1992*  
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Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco Mesaverde Pool:	Oil	0%,	Gas	21%
Basin Dakota Pool:	Oil	100%,	Gas	79%

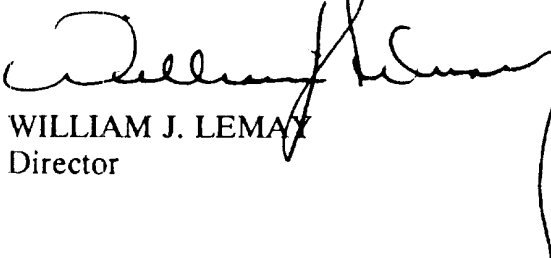
In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

**FURTHER:** The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 5th day of November, 1992.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

cc: Bureau of Land Management - Farmington (Ken Townsend)

de,

Rincon Unit (GC)  
3186.1 (019)

NOV 9 1992

RECEIVED  
NOV 9 1992  
OIL CON. DIV.  
DIST. 3

Mr. William L. Irwin  
Unocal North American  
Oil & Gas Division  
Unocal Corporation  
3300 North Butler Avenue  
Suite 200  
Farmington, NM 87401

Dear Mr. Irwin:

The Farmington Resource Area (FRA) of the Bureau of Land Management has evaluated your application dated October 2, 1992, for commingling of the Blanco Mesaverde and Basin Dakota Formations in the Rincon Unit No. 167M located 1154' FNL and 1850' FWL in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of sec. 13, T. 27 N., R. 7 W., lease No. SF-079298-D, Rio Arriba County, New Mexico, NMPM.

We have reviewed the analysis presented in your application and agree that downhole commingling is a viable alternative to not developing the Blanco Mesaverde.

We hereby approve downhole commingling of the Blanco Mesaverde and Basin Dakota Formations using the following allocation formula:

Gas Production: Mesaverde Rate = 21% of total production.

Dakota Rate = 79% of total production.

Oil Production: Mesaverde Rate = 0% of total production.

Dakota Rate = 100% of total production.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-8994 or 327-5344.

Sincerely,

/s/ John L. Keller

John L. Keller  
Chief, Branch of Mineral Resources

cc:  
NMOCD, Aztec, NM