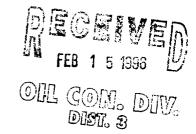


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO: STATE(WC) 3162.3-2 (07327) February 13, 1996



Brett H. Liggett Unocal Oil and Gas Division 913 West Broadway, P.O. Box 850 Bloomfield, New Mexico 87413

Dear Mr. Liggett:

We have completed our review of your application to downhole commingle Blanco Mesaverde, Basin Dakota, and Largo Gallup production in the following well located on State Land:

Rincon Unit 168E, 1845' FSL - 840' FEL SECTION 36, T-27N, R-7W SAN JUAN COUNTY, NEW MEXICO

The BLM has no objection to commingling these formations if production is allocated properly.

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,

Is/ Duana Spancer

Duane Spencer Team Lead, Petroleum Management

cc: NMOCD, Santa FE NMOCD, Aztec