



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

DEC 13 1999

IN REPLY REFER TO:

Rincon Unit
3162.3-2 (07100)

Union Oil Company of California
Attn.: Heather Dahlgren
P.O. Box 3100
Midland, Texas 79702

RECEIVED
DEC 15 1999
OIL CON. DIV.
DIST. 3


Re: Rincon Unit Nos. 172M & 169M
Section 26-27N-7W
Rio Arriba Co., NM
Lease No. SF-080385

Dear Ms. Dahlgren:

Reference is made to your application for down hole commingling of gas and associated liquid hydrocarbons from the Mesaverde and the Dakota Formations in the above referenced wells. After reviewing your application and the anticipated well performance based on offsetting well production, we concur that commingling production between the Mesaverde and Dakota intervals is the most economic method of developing reserves in the Rincon Unit. Once well testing and well production results are in, file your proposed allocation factors for these wells. The effective date will be the date down hole commingling actually occurs.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,



Stephen Mason
Acting Team Leader, Petroleum Management Team

cc:
NMOCD, Santa Fe
NMOCD, Aztec