



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA
COMMISSIONER

September 15, 1992

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Unocal Corporation
3300 North Butler Avenue, Suite 200
Farmington, New Mexico 87401

Attn: Mr. Glen O. Papp

Re: Request to Surface Commingle Condensate
Rincon Unit Well No. 130-E
Gallup/Dakota Production
Sec. 32-27N-6W
Rio Arriba County, New Mexico

This office is in receipt of your letters of August 20, 1992 and September 11, 1992 wherein you have requested our approval to surface commingle the Gallup and Dakota condensate from the Rincon Unit Well No. 130-E located on State Lease No. E-290-28.

According to the information provided, the Rincon Unit Well No. 130-E is a development gas well scheduled to be drilled and completed as a Dakota/Gallup producer and therefore, request our approval to surface commingle the produced fluids from individual separators into a common stock tank.

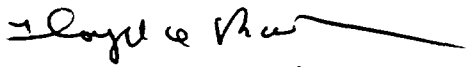
Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling of the condensate production from the Rincon Unit Well No. 130-E, is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please advise this office when the Bureau of Land Management approves your the expansion of the Gallup PA to include this lease.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD-Santa Fe
BLM-Farmington
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JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 25, 1992

Unocal Corp.
3300 North Butler Avenue, Suite 200
Farmington, NM 87401

Attn: Mr. Glen O. Papp

Re: Request to Surface Commingle Condensate
Rincon Unit Well No. 130-E
Gallup/Dakota Production
Sec. 32-27N-6W
Rio Arriba County, NM

Dear Mr. Papp:

This office is in receipt of your letter of August 20, 1992. Your letter requests our approval to surface commingle Gallup and Dakota condensate from the Rincon Unit Well No. 130-E.

Before the Commissioner can approve this application, we would like additional information to be submitted regarding an economic analysis of the proposed operation showing profit or loss to the State of New Mexico. Please submit additional data which shows the gravity and price of both the Gallup and Dakota condensate prior to commingling and after commingling.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File

OCD - ATTN: David C. Martinez