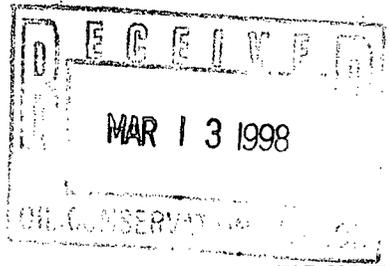


DHC 1784



State of New Mexico
Commissioner of Public Lands

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

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

March 12, 1998

Spirit Energy 76 (UNOCAL)
P.O. Box 3100
Midland, Texas 79702

Attn: Ms. Heather Dahlgren

Re: Downhole Commingling Application
Rincon Unit Well No. 166E
Unit Letter F, Section 32-27N-06W
Blanco Mesaverde and Basin Dakota Pools
Rio Arriba County, New Mexico

Dear Ms. Dahlgren:

This office is in receipt of your application of February 23, 1998, requesting our approval to downhole commingling the production from the above subject well from the Blanco Mesaverde and Basin Dakota Pools in Rio Arriba County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil %</u>	<u>Gas %</u>
Blanco Mesaverde	53 %	35 %
Basin Dakota	47 %	65 %
	-----	-----
	100	100

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 downhole commingling the production from the above-mentioned well 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.

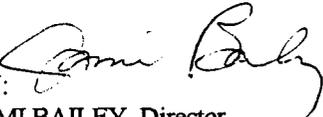
Please submit your filing fee in the amount of \$30.00.

Spirit Energy 76 (UNOCAL)
March 12, 1998
Page 2

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

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure

pc: Reader File

OCD-Santa Fe-Attention: David Catanach, Ben Stone