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MAR 13 1998

NEW MEXICO OIL CONSERVATION DIVISION

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

State of New Mexico  
Commissioner of Public Lands

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

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. 57E  
Unit Letter O, Section 1-26N-07W  
Largo Gallup and Basin Dakota Pools  
Rio Arriba County, New Mexico

Dear Ms. Dahlgren:

This office is in receipt of your application of February 24, 1998, requesting our approval to downhole commingle the production from the above subject well from the Largo Gallup 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>
Largo Gallup	82 %	82 %
Basin Dakota	18 %	18%
	-----	-----
	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.

Also, please submit a copy of the Oil Conservation's approval order.

Spirit Energy 76 (UNOCAL)

March 12, 1998

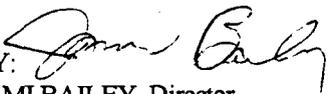
Page 2

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