

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

September 1, 1993



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Union Oil Company of California (UNOCAL)
Attention: Glen O. Papp
3300 North Butler Avenue - Suite 200
Farmington, NM 87401

Administrative Order NSL-3306

Dear Mr. Papp:

Reference is made to your application dated August 2, 1993 for a non-standard South Blanco Tocito oil well location for your existing Rincon Unit Well No. 166 which was drilled in 1962 and completed in the Basin Dakota Pool at a standard gas well location 1850 feet from the South line and 1750 feet from the West line (Unit K) of Section 32, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

It is our understanding that UNOCAL proposes to either plug-back and abandon the Dakota interval or commingle production from both the Basin Dakota Pool and Undesignated South Blanco Tocito Oil Pool.

By the authority granted me under the provisions of the Special Rules and Regulations for the Undesignated South Blanco Tocito Oil Pool, as promulgated by Division Order No. R-1191, dated June 10, 1958, and Division Memorandum No. 4-86, dated June 2, 1986, the above-described unorthodox oil well location is hereby approved. Further, the N/2 SW/4 of said Section 32 shall be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool.

Also, if applicable, UNOCAL shall comply with all provisions of Division General Rule 303.C pertaining to the downhole commingling of gas production from the Basin Dakota Pool with oil production from the Undesignated South Blanco Tocito Oil Pool.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington