AMEND #

90

SPIRIT ENERGY 76

New Name. Same Spirit.

A Business Unit of Unocal

OPERATIONS DEPARTMENT

FAX Cover Sheet _____ Pages (including cover)

Date:

To: DAVID CATANACH

Company:

Location:

Phone:

FAX #: 505 - 827 -1389

From: Ted Pail

Spirit Energy 76

Mailing Address - P.O. Box 3100

Street Address - 1004 N. Big Spring, Suite 300

Midland, Texas 79702

FAX: 915/ 685-6703

Comments:

SPIRIT ENERGY 76

New Name. Same Spirit.

October 21, 1999

New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410
Attn: David Catanach

Subject:
To amend Commingle Order PLC-90
Exception to Rule 303-A, surface commingling
Rincon Unit Lateral #1
Rio Arriba County, New Mexico

The following information is submitted to amend Union Oil Company of California's previously approved surface commingling order PLC-90 for the Rincon Unit Lateral #1.

The Lateral #1 gathering system transports gas from 31 current and one proposed Rincon completion (see attachment 5a) to a central delivery point for compression. The wells produce through low-pressure separators for efficient liquid removal and have allocation meters at each location. Gas has been allocated back to each wellbore for years now on an mmbtu basis. In reviewing the original PLC 90 it was noticed that the allocation formula was incorrectly based on an mcf basis. It was believed that an amendment was submitted for approval in 1996, however Mr. David Catanach of the OCD has informed me that no amendment to the Commingle order was to be found. Therefore, the attached exhibit #5 demonstrates the correct allocation of production at Lateral #1 the allocation formula that has been in use since the Lateral #1 compressor has gone on line.

Also, in reviewing the approved commingle order PLC-90 dated 7/29/92 a typo was noted. At the bottom of page 1 a reference is made to Rincon Unit Lateral No. 1 Tract 30. First, there is no Tract 30 in Rincon. Second, the legal description which follows is the exact legal description of Tract 10 which was indeed a part of the original Lateral #1 surface commingle application. Hence the typo – 30 should have been 10. For reference another map of the Rincon Unit with Tract #'s has been included.

Should you have any questions or need any additional information, please contact Ted Paul (915) 685-6889.

Very truly yours,

Union Oil Company of California
dba Unocal

Diane Van Deventer
Field Superintendent

CC: BLM - attn: Jim Lavato

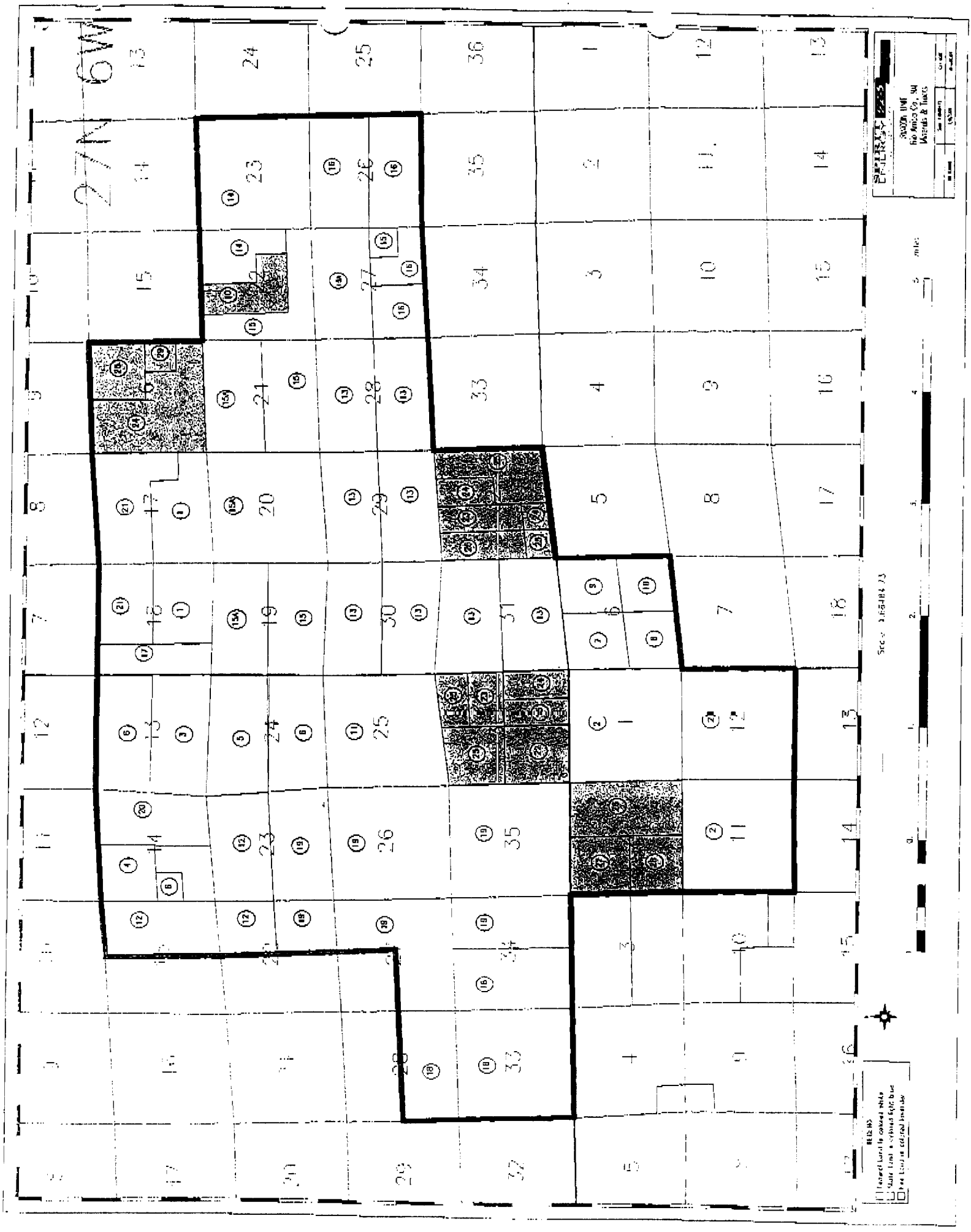
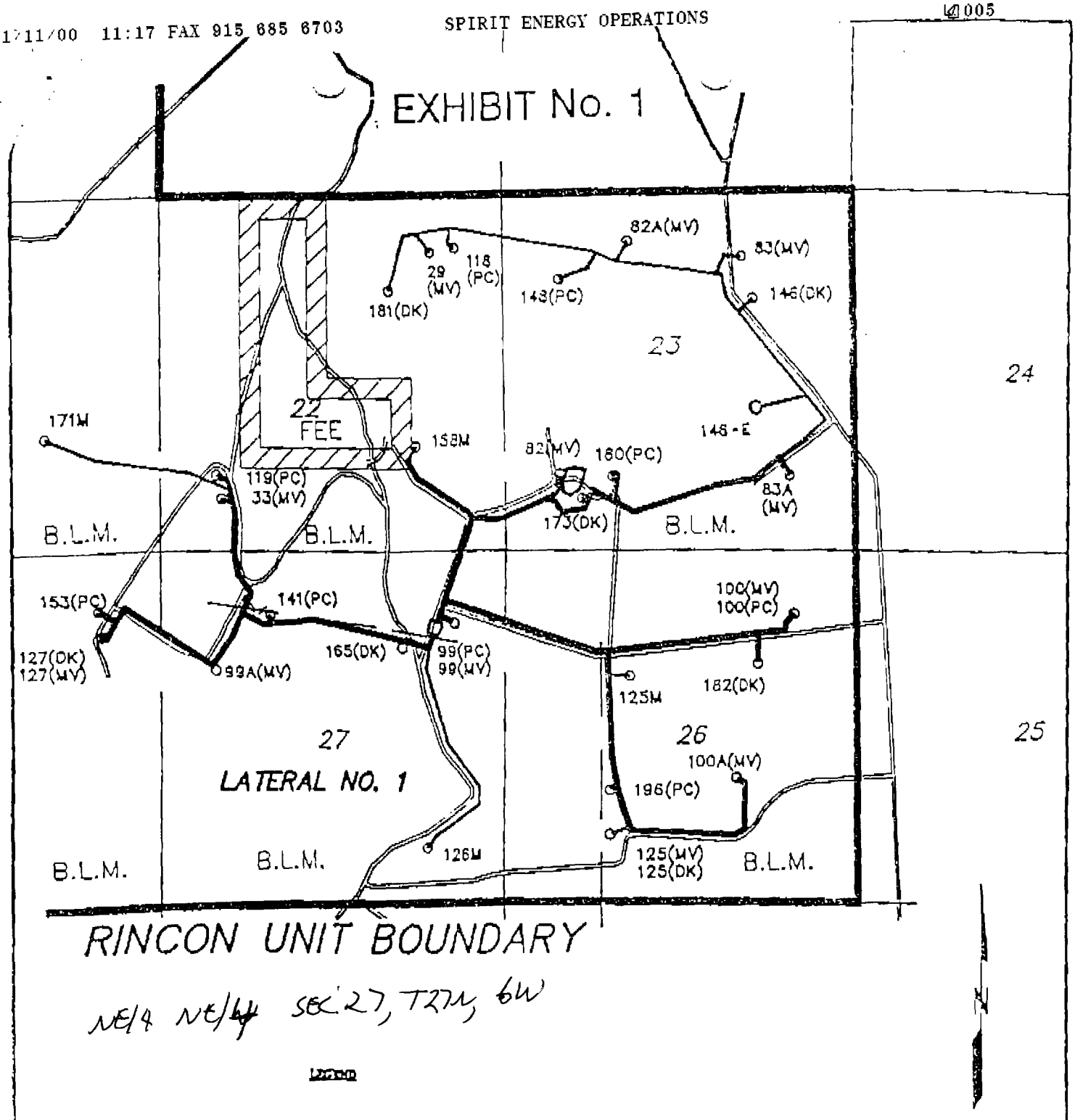


EXHIBIT No. 1



NE/4 NE/4 SEC 27, T22N, 6W

LEGEND

- SURVEYED PIPELINE
- BLM APPROVED PIPELINE
- EXISTING UNOCAL PIPELINE
- EXISTING PIPELINE (OTHERS)
- PROPOSED WELLS
- EXISTING WELLS
- UNOCAL DELIVERY POINT
- ARCHEOLOGICAL SITE LOCATION

UNOCAL 76
FARMINGTON, NEW MEXICO

RINCON UNIT
LATERAL NO. 1

PREPARED BY
TRICON ENGINEERING INC
DENVER COLORADO
FARMINGTON NEW MEXICO

1"=2000' | DRAWN BY: LL | DATE: 1/10/01 | SHEET

Exhibit #5a

Wells producing into Lateral #1 Central Delivery Point

well	formation	
125	DK	
127	DK	
146	DK	
165	DK	
173	DK	
181	DK	
182	DK	
182 E	DK/GL	
126 M	DK/MV	
158 R	DK/MV	proposed well
100	MV	
100 A	MV	
125	MV	
127	MV	
158 M	MV	
29	MV	
33	MV	
82	MV	
82 A	MV	
83	MV	
83 A	MV	
99	MV	
99 A	MV	
100	PC	
118	PC	
119	PC	
141	PC	
148	PC	
153	PC	
160	PC	
196	PC	
99	PC	

Exhibit #5

GAS ALLOCATION CALCULATIONS

Lateral 1

1)	Integrated Central Meter Volume	MV		mcf/mo
2)	Central Meter gas BTU	B		
3)	Central Meter mmBTU	CM	=MV * B	mmBTU

Well	integrated mcf/mo	sample btu	metered mmbtu/mo	Well allocation factor	allocated sales mmbtu/mo
1	a1	b1	a1*b1	AF1	CM * AF1
2	a2	b2	a2*b2	AF2	CM * AF2
↓					
n	an	bn	an*bn	AFn	CM * AFn

example well allocation factor

$$AF1 = \frac{a1*b1}{a1*b1 + a2*b2 + \ldots\ldots + an*bn}$$

Production shall be allocated to each lease on an mmbtu basis by multiplying the total central delivery point mmbtu (CM in above example) by an allocation factor. The allocation factor shall be determined by dividing the individual allocation meter mmbtu by the sum of the individual allocation meter mmbtus.