

Unocal Oil & Gas Division  
Unocal Corporation  
P.O. Box 760  
Moab, Utah 84532  
Telephone (801) 686-2236

**UNOCAL** <sup>76</sup>

January 28, 1988

*well file*

Mr. Frank T. Chavez  
State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
Aztec District Office  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

RECEIVED  
FEB 04 1988  
OIL CON. DIV.  
DIST. 3

PRODUCTION ALLOCATION  
RINCON UNIT WELL #164  
RIO ARRIBA CO, N.M.

Dear Mr. Chavez:

Unocal is the operator of the Rincon Unit well no. 164 that is in Sec. 2, T26N, R7W, Rio Arriba Co., New Mexico. In this well the Dakota and Largo Gallup formation have been commingled downhole since September 1980 and a production allocation order R-6375 was issued by your office for commingling on February 13, 1981. At that time El Paso Natural Gas Co. was the operator and somehow mixed up the proper allocation in the gas metering and accounting department. Even though Unocal is now the operator, El Paso Natural Gas Co. remains the transporter and has been providing incorrect allocations to our office.

As per our phone conversation on 1-27-88, Unocal is agreeable to amend the production reports starting with January 1, 1987. The amended production reports and all future reports will use the production allocation issued by your office. We have also notified El Paso Natural Gas Co. of the errors and they will revise their allocations and send your office the amended reports.

As you are aware Unocal just recently received a shut in order due to over production for the Gallup formation on this well. As we discussed Unocal will continue to produce this well until you receive and review the amended reports.

If you have any questions, please call me at the above number.

Sincerely,



David C. Peters  
Area Engineer

DGP:aj

cc: Bob Loewecke/Bob Caine  
L.L. Reed/ File 25.03  
Well File Rincon #164