

ΔHC 913



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMSF079298D (WC)
3162.7 (07400)

September 4, 1998

Ms. Heather Dahlgren
Union Oil Company of California (UNOCAL)
1004 N. Big Spring
Midland, Texas 79702

RE: Downhole Commingling Allocation

Dear Ms: Dahlgren:

We have received and reviewed your allocation method for the Application to Downhole Commingling that was submitted on the following well:

WELL	Lease	Legal Location	Proposed Commingled Formations
137E Rincon Unit	NMSF079298D	1540' FSL & 1500' FEL Sec. 24, T27N, R7W	Mesaverde, Gallup & Dakota

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Dakota/ Gallup and allocating the remainder of the production volume to the Mesaverde formation. We are also in agreement with your Dakota / Gallup decline rate and yield factors for allocating liquids. We hereby approve your applications for downhole commingling on the above well. The effective date will be the date downhole commingling occurs.

When fixed allocation factors are determined, submit the factors for **approval**.

If you have any questions please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

Duane Spencer
Team Leader, Petroleum Management

cc:
NMOCD, Santa Fe
NMOCD, Aztec
Well File
DOMR
07400::WTownsend:9/4/98