

**SPIRIT
ENERGY**

76

New Name. Same Spirit.
A Business Unit of Unocal

November 9, 1998

U.S. Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Commissioner of Public Lands
State of New Mexico
310 Old Santa Fe Trail
Santa Fe, NM 87504

New Mexico Oil Conservation Division
District III
1000 Rio Brazos Road
Aztec, NM 87505
Cc: NMOCD, Santa Fe, NM

NOV 12 1998

**Re: Amended/DHC-913
Production Allocation
Rincon Unit 137E: DK/GL**

Gentlemen,

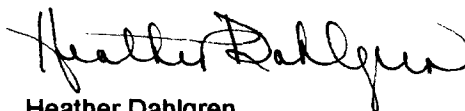
In accordance with **Amended DHC Order-913 (4-14-98)**, Union Oil Company of California (UNOCAL) performed a production test on the Gallup horizon in the Rincon Unit Well No. 137E. Unocal recommends that the allocated percentages remain the same as approved by **DHC Order-913 issued September 17th, 1993**. Copies of these orders are provided as attachments.

Based on the above, Unocal's recommends that 19% of the commingled Dakota / Gallup gas volume continue to be allocated to the Gallup horizon. The remaining volume, based upon the approved decline rate for the combined horizons, will comprise the Dakota volume.

If you have any questions, please contact Heather Dahlgren at 915/685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL



Heather Dahlgren
Engineering Technician