



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:

December 22, 1997

Rincon Unit
3162.3-2 (07400) commingle

Thomas E. Baiar
Union Oil Company of California.
P. O. Box 3100
Midland, Texas 79702

Dear Mr. Baiar:

We have reviewed your application to commingle production downhole from the Blanco Mesaverde and the Basin Dakota pools in the following wells in Rio Arriba County, New Mexico:

Rincon Unit #139	1650' FSL 1650' FWL Sec. 25, T-27N, R-7W	SF-079321
Rincon Unit #168	1190' FNL 1190' FEL Sec. 36, T-27N, R-7W	State Land
Rincon Unit #166E	1815' FNL 1840' FWL Sec. 32, T-27N, R-6W	State Land
Rincon Unit #181	1550' FNL 1750' FEL Sec. 22, T-27N, R-6W	SF-079365A

The referenced wells are located in a unit containing Federal acreage. Your application indicates that you intend to complete the Mesaverde formation in an existing Dakota well and commingle production downhole. Since the Mesaverde formation will be a new completion, there will be "flush" production. To accurately allocate production, you must extrapolate Dakota production based on the established decline rate, then allocate the remainder of each months production to the Mesaverde formation. You may convert this allocation method to fixed percentages when both formations have established similar decline rates. Your application to commingle is hereby approved contingent upon using the allocation method described above. The effective date of this approval will be the date of actual commingling of the production. Please notify this office by written correspondence when commingling occurs.

If you have any questions regarding this correspondence, please direct them to Ray Hager at (970) 490-2942 or Joe Hewitt at (505) 599-6365.

Sincerely

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader-Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
Well Files W/Application
AFMSS
DOM Reader
07400:JHewitt:12/22/97: /ca/commingle4wells.unocal