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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:
NMNM078406D (WC)
3162.7 (07400)

April 29, 1998

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

RE: Downhole Commingling Application

Dear Ms: Dahlgren:

We have received and reviewed your Application for Downhole Commingling on the following well:

WELL	Lease	Legal Location	Proposed Commingled Formations
168 Rincon Unit	State (In Dakota PA) NMNM078406D	1190' FNL & 1190' FEL Sec. 36, T27N, R7W	Mesaverde & Dakota

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Dakota and allocating the remainder of the production volume to the Mesaverde formation. We are also in agreement with your Dakota 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,
/S/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management

cc:
NMOCD, Santa Fe
NMOCD, Aztec
Well File
DOMR
07400::WTownsend:4/29/98