

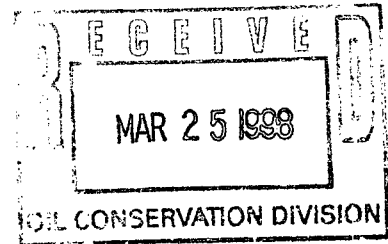
SPIRIT ENERGY 76

New Name. Same Spirit.
A Business Unit of Unocal

DHC 4/14/98

1907

March 23, 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
2040 S. Pacheco Street
Santa Fe, NM 87505
Cc: NMOCD, Aztec, NM

Gentlemen,

Union Oil Company of California (UNOCAL) requests approval to down hole commingle production in the following Rincon Unit wells, Rio Arriba County, New Mexico.

Well	Lease	Legal Location
131 DK/MV	State	1800' FSL, 1550' FWL, SW Sec 36, T27N, R7W
137 DK/MV	Federal	1500' FSL, 1800' FWL, SW Sec 24, T27N, R7W
137E DK/GL/MV	Federal	1540' FSL, 1500' FEL, SE Sec 24, T27N, R7W

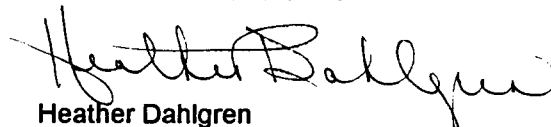
As provided by Order No. R-9893, administrative approval may be granted without notice and hearing.

Form C-107-A with supporting data is attached.

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

NMOCD Reference Cases for Rule 303(D) Exceptions

Unocal, Rincon Unit, Rio Arriba County, New Mexico

Rincon Unit Well	Legal Description	NMOCD Order No.	Issue Date
167M	C S 13 T 27 N R 7 W	DHC-863	11/5/92
175M	F S 20 T 27 N R 6 W	DHC-864	11/24/92
158M	J S 22 T 27 N R 6 W	DHC-909	4/27/93
159M	F S 18 T 27 N R 6 W	DHC-904	6/18/93
129M	P S 29 T 27 N R 6 W	DHC-903	6/18/93
1E	G S 30 T 27 N R 6 W	DHC-902	6/18/93
127M	D S 28 T 27 N R 6 W	DHC-916	8/17/93
184M	P S 15 T 27 N R 7 W	DHC-911	8/25/93
170M	I S 20 T 27 N R 6 W	DHC-920	9/17/93
126M	P S 27 T 27 N R 6 W	DHC-914	9/17/93
151M	O S 14 T 27 N R 7 W	DHC-918	9/17/93
136E	D S 23 T 27 N R 7 W	DHC-912	9/17/93
125M	F S 26 T 27 N R 6 W	DHC-95	9/17/93
137E	J S 24 T 27 N R 7 W	DHC-913	9/17/93
180M	D S 21 T 27 N R 6 W	DHC-940	10/25/93
174M	F S 19 T 27 N R 6 W	DHC-966	1/31/94
128M	O S 28 T 27 N R 6 W	DHC-1042	8/31/94
133E	D S 14 T 27 N R 7 W	DHC-1043	8/31/94
185E	J S 22 T 27 N R 7 W	DHC-1038	8/31/94
178E	I S 23 T 27 N R 7 W	DHC-1040	8/31/94
138E	P S 25 T 27 N R 7 W	DHC-1044	8/31/94
139E	F S 25 T 27 N R 7 W	DHC-1041	8/31/94
149M	F S 30 T 27 N R 7 W	DHC-1037	8/31/94
131E	C S 36 T 27 N R 7 W	DHC-1039	8/31/94
302	C S 11 T 26 N R 7 W	DHC-1050	11/3/94
303	E S 33 T 27 N R 6 W	DHC-1086	2/3/95
171M	J S 21 T 27 N R 6 W	DHC-1101	3/7/95
229E	M S 34 T 27 N R 7 W	DHC-1124	5/16/95
186M	L S 33 T 27 N R 6 W	DHC-1176	12/21/95
187E	P S 35 T 27 N R 7 W	DHC-1176	12/21/95
134	B S 12 T 26 N R 7 W	DHC-1190	3/7/96
170	M S 20 T 27 N R 6 W	DHC-1192	3/7/96
168E	I S 36 T 27 N R 7 W	DHC-1191	3/7/96
203	M S 27 T 27 N R 7 W	DHC-1261	5/23/96
183	K S 31 T 27 N R 6 W	DHC-1376	10/16/96
168	A S 36 T 27 N R 7 W	DHC-1778	2/4/98
139	K S 25 T 27 N R 6 W	DHC-1777	2/4/98
181	G S 22 T 27 N R 6 W	DHC-1779	2/4/98
166E	F S 32 T 27 N R 6 W	DHC-1784	2/24/98

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 South First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

UNION OIL COMPANY OF CALIFORNIA (UNOCAL) 1004 N. BIG SPRING, MIDLAND TX 79702

Operator Address
RINCON UNIT 137 K 24-T27N-R7W RIO ARRIBA
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 023708 Property Code 011510 API NO. 30-039-06975 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	BLANCO MESAVERDE 72319		BASIN DAKOTA 71599
2. Top and Bottom of Pay Section (Perforations)	5456-5596 Proposed 4982-5032		7474-7536
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 236 psia	a.	a. 439 psia
	b. (Original) 1282 psia	b.	b. 2884 psia
6. Oil Gravity (°API) or Gas BTU Content	1296 BTU		1176 BTU
7. Producing or Shut-In?	PRODUCING		PRODUCING
Production Marginal? (yes or no)	YES		YES
* If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 1-98 55 mcf/d, Rates: 0 bopd, 0 bwpd	Date: Rates:	Date: 1-98 209 mcf/d, Rates: 1 bopd, 0 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, overriding, and royalty interests been notified by certified mail? R-9893 Yes ☐ No ☐
Have all offset operators been given written notice of the proposed downhole commingling? No offset Yes ☐ No ☐

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). SEE ATTACHED

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Heather Dahlgren TITLE Engineering Tech DATE 3-23-98

TYPE OR PRINT NAME HEATHER DAHLGREN TELEPHONE NO. (915) 685 7665

March 23, 1998

Supplemental Data for C-107-A, Rincon Unit Well No. 137

Well History: The Rincon Unit Well No. 137 was drilled and completed as a Dakota / Mesaverde (Point Lookout) dual well in January 1960. Unocal proposes to add perforations in the Cliff House member of the Mesaverde. This well would be operated most economically with a downhole commingled completion. An estimated completion date is late April or May 1998.

Production History: Current gas production is 209 Mcfd from the Dakota and 55 Mcfd from the Mesaverde. The Dakota produces trace amounts of oil and water. An estimated initial rate for the first 30 days of additional Mesaverde production is 307 Mcfd and 4 Bopd. This estimate is an average based on actual IP's and production from six recent Mesaverde completions on the Rincon Unit. Please see attachments for this supporting data.

Pressure Data: Original and current bottom hole pressures were calculated from surface shut-in casing pressures. Please see attachments for the bottom hole calculation, date and duration of these tests.

Allocation of Production: Unocal proposes to use an allocation based on an established Dakota annual decline rate of 4.23%. Dakota production will be extrapolated monthly using Bureau of Land Management recommended allocation methods with the remainder of the commingled production being allocated to the Mesaverde formation. Please see attachments for the Dakota forecast. Initial flush production volumes have been added to the Dakota due to the anticipated extended shut-in during the workover. While tabular data has been provided for the first five years of the Dakota forecast, we anticipate being able to convert to a fixed allocation factor within 12 to 24 months. Unocal also proposes to use a yield factor for allocating liquid production. This factor based on the average oil and water yield for 1997.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06975		² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 011510	⁵ Property Name RINCON UNIT		⁶ Well Number 137
⁷ OGRID No. 023708	⁸ Operator Name UNION OIL COMPANY OF CALIFORNIA (UNOCAL)		⁹ Elevation 6750'

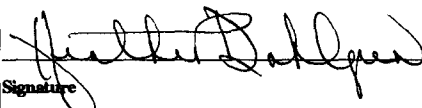
¹⁰ Surface Location

UL or lot no. K	Section 24	Township 27N	Range 7W	Lot Idn	Feet from the 1500	North/South line S	Feet from the 1800	East/West line W	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.00	¹³ Joint or Infill Y	¹⁴ Consolidation Code U		¹⁵ Order No. Unitization					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Printed Name HEATHER DAHLGREN Title ENGINEERING TECHNICIAN Date 3-17-98
					¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06975		² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 011510	⁵ Property Name RINCON UNIT		⁶ Well Number 137
⁷ OGRID No. 023708	⁸ Operator Name UNION OIL COMPANY OF CALIFORNIA (UNOCAL)		⁹ Elevation 6750'

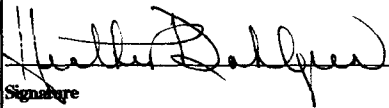
¹⁰ Surface Location

UL or lot no. K	Section 24	Township 27N	Range 7W	Lot Idn	Feet from the 1500	North/South line S	Feet from the 1800	East/West line W	County Rio Arriba
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.00	¹³ Joint or Infill Y	¹⁴ Consolidation Code U		¹⁵ Order No. Unitization					

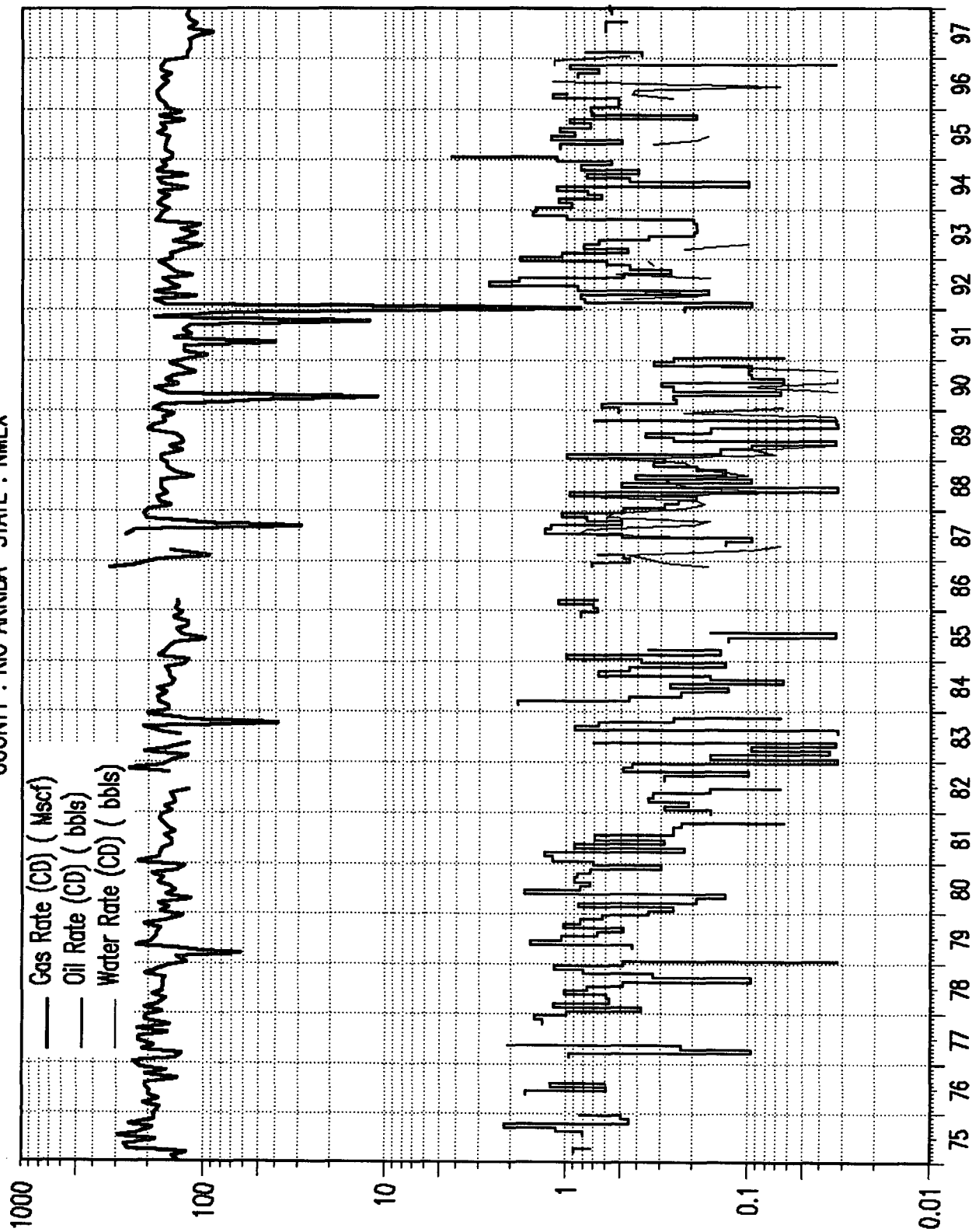
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WELL: RINCON UNIT 137:DK

LOCATION : N027 W007 24 NESW

COUNTY : RIO ARriba STATE : NMEX



WELL: RINCON UNIT 137:DK

LOCATION : N027 W007 24 NESW

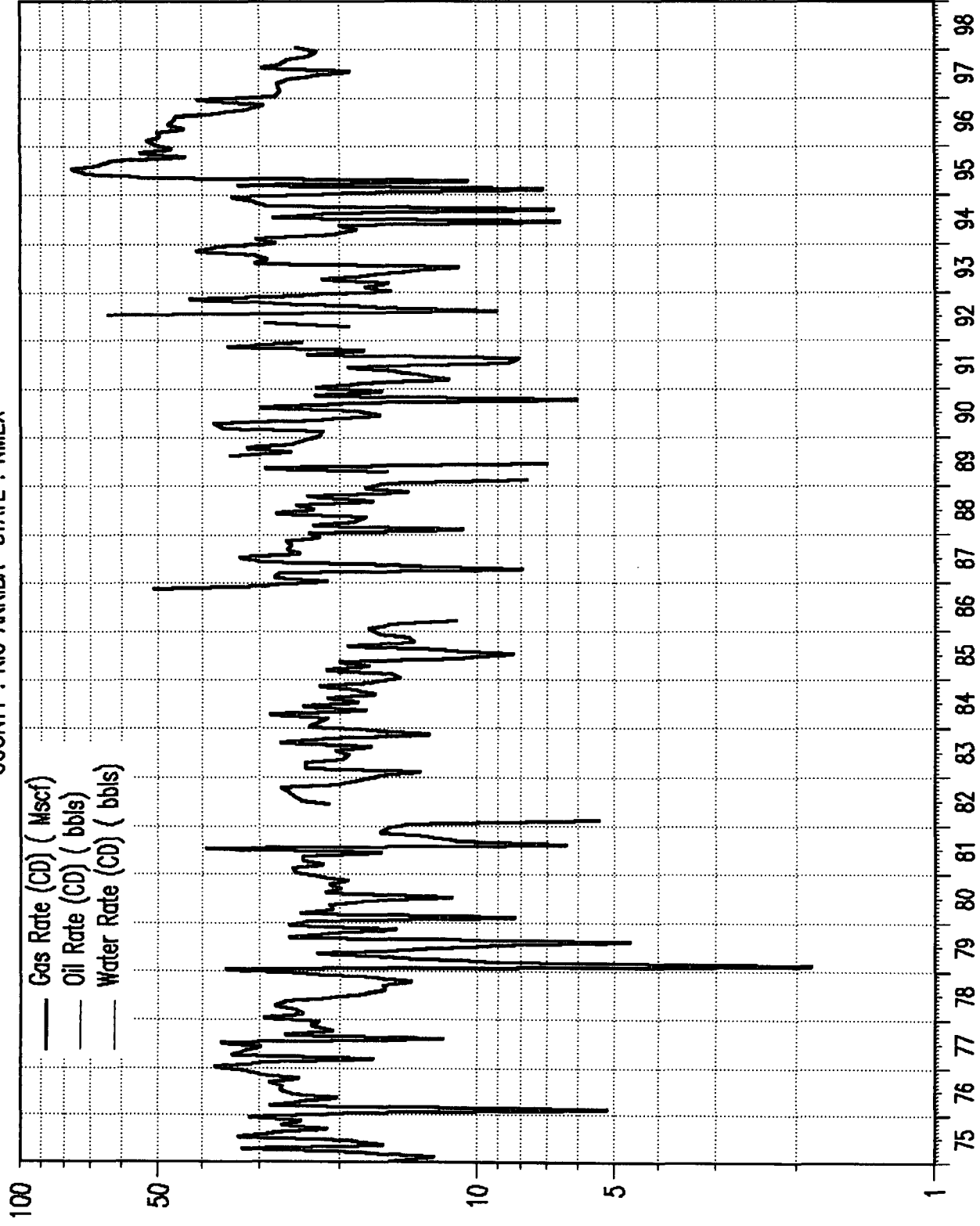
COUNTY : RIO ARRIBA STATE : NMEX

DATE	DAYS ON PROD Days	OIL VOL PROD bbls	GAS VOL PROD Mscf	WATER VOL PROD bbls	OIL RATE (PD) bbls	GAS RATE (PD) Mscf	WATER RATE (PD) bbls	CUM OIL PROD bbls	CUM GAS PROD Mscf
9601	31	16	4957	0	0.5	160	0.0	8827	2506342
9602	29	15	4798	0	0.5	165	0.0	8842	2511140
9603	31	37	5468	8	1.2	176	0.3	8879	2516608
9604	27	30	5450	13	1.1	202	0.5	8909	2522058
9605	31	0	5552	13	0.0	179	0.4	8909	2527610
9606	30	26	5082	2	0.9	169	0.1	8935	2532692
9607	31	0	4883	37	0.0	158	1.2	8935	2537575
9608	31	27	5244	0	0.9	169	0.0	8962	2542819
9609	25	20	4528	0	0.8	181	0.0	8982	2547347
9610	31	30	5359	0	1.0	173	0.0	9012	2552706
9611	30	1	5082	35	0.0	169	1.2	9013	2557788
9612	31	0	5012	36	0.0	162	1.2	9013	2562800
9701	31	12	3842	14	0.4	124	0.5	9025	2566642
9702	28	22	3480	0	0.8	124	0.0	9047	2570122
9703	31	0	3709	31	0.0	120	1.0	9047	2573831
9704	30	25	3578	0	0.8	119	0.0	9072	2577409
9705	30	0	3745	0	0.0	125	0.0	9072	2581154
9706	30	0	3266	0	0.0	109	0.0	9072	2584420
9707	17	19	2765	0	1.1	163	0.0	9091	2587185
9708	19	19	3758	0	1.0	198	0.0	9110	2590943
9709	19	14	3291	0	0.7	173	0.0	9124	2594234
9710	19	0	3758	0	0.0	198	0.0	9124	2597992
9711	19	17	3700	0	0.9	195	0.0	9141	2601692
9712	19	18	3757	0	0.9	198	0.0	9159	2605449

WELL: RINCON UNIT 137:MV

LOCATION : N027 W007 24 NESW

COUNTY : RIO ARriba STATE : NMEX



WELL: RINCON UNIT 137:MV

LOCATION : N027 W007 24 NESW

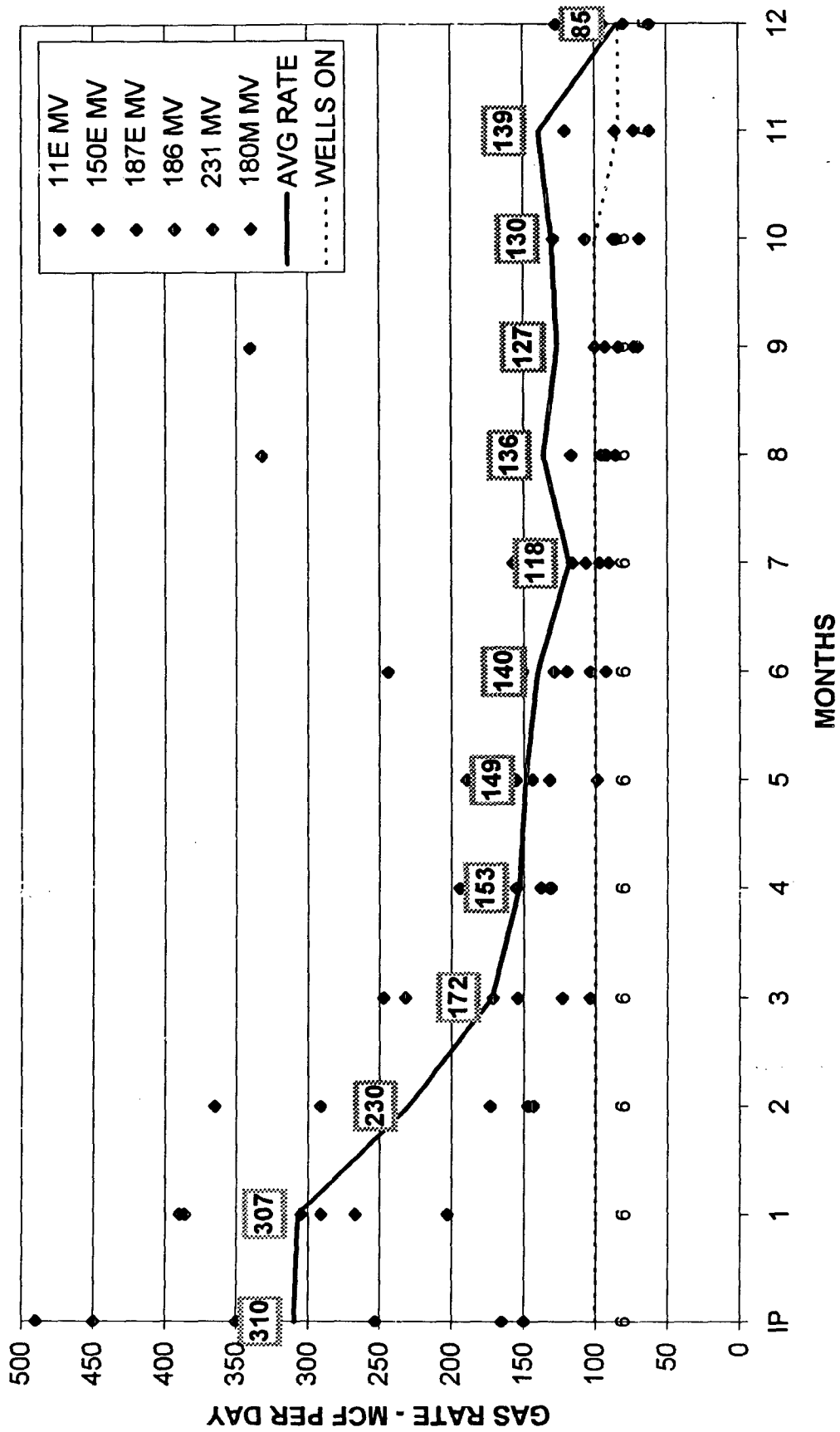
COUNTY : RIO ARriba STATE : NMEX

DATE	DAYS ON PROD Days	OIL VOL PROD bbls	GAS VOL PROD Mscf	WATER VOL PROD bbls	OIL RATE (PD) bbls	GAS RATE (PD) Mscf	WATER RATE (PD) bbls	CUM OIL PROD bbls	CUM GAS PROD Mscf
9601	31	0	1567	0	0.0	51	0.0	755	331573
9602	29	0	1526	0	0.0	53	0.0	755	333099
9603	31	0	1537	0	0.0	50	0.0	755	334636
9604	25	0	1497	0	0.0	60	0.0	755	336133
9605	31	0	1357	0	0.0	44	0.0	755	337490
9606	30	0	1420	0	0.0	47	0.0	755	338910
9607	31	0	1429	0	0.0	46	0.0	755	340339
9608	31	0	1410	0	0.0	45	0.0	755	341749
9609	25	0	1091	0	0.0	44	0.0	755	342840
9610	31	0	977	0	0.0	32	0.0	755	343817
9611	30	0	882	0	0.0	29	0.0	755	344699
9612	31	0	1264	0	0.0	41	0.0	755	345963
9701	31	0	854	0	0.0	28	0.0	755	346817
9702	28	0	755	0	0.0	27	0.0	755	347572
9703	31	0	843	0	0.0	27	0.0	755	348415
9704	30	0	822	0	0.0	27	0.0	755	349237
9705	30	0	808	0	0.0	27	0.0	755	350045
9706	30	0	687	0	0.0	23	0.0	755	350732
9707	11	0	590	0	0.0	54	0.0	755	351322
9708	15	0	914	0	0.0	61	0.0	755	352236
9709	14	0	804	0	0.0	57	0.0	755	353040
9710	14	0	808	0	0.0	58	0.0	755	353848
9711	14	0	698	0	0.0	50	0.0	755	354546
9712	14	0	697	0	0.0	50	0.0	755	355243

LEGEND:

- 11E MV
- 150E MV
- 187E MV
- 186 MV
- 231 MV
- 180M MV
- AVG RATE
- WELLS ON

MONTHS	11E MV	150E MV	187E MV	186 MV	231 MV	180M MV	AVG RATE	WELLS ON
0	500	450	350	310	310	310	310	11E, 150E, 187E, 186, 231, 180M
1	400	350	300	307	307	307	307	11E, 150E, 187E, 186, 231, 180M
2	250	250	250	230	230	230	230	11E, 150E, 187E, 186, 231, 180M
3	200	200	200	172	172	172	172	11E, 150E, 187E, 186, 231, 180M
4	150	150	150	153	153	153	153	11E, 150E, 187E, 186, 231, 180M
5	100	100	100	149	149	149	149	11E, 150E, 187E, 186, 231, 180M
6	100	100	100	140	140	140	140	11E, 150E, 187E, 186, 231, 180M
7	100	100	100	118	118	118	118	11E, 150E, 187E, 186, 231, 180M
8	100	100	100	136	136	136	136	11E, 150E, 187E, 186, 231, 180M
9	100	100	100	127	127	127	127	11E, 150E, 187E, 186, 231, 180M
10	100	100	100	130	130	130	130	11E, 150E, 187E, 186, 231, 180M
11	100	100	100	139	139	139	139	11E, 150E, 187E, 186, 231, 180M
12	100	100	100	85	85	85	85	11E, 150E, 187E, 186, 231, 180M



--BHPCALC--

Calculated BHP and Z-factor from surface shut-in pressure

TEST DATE: Jul-97

WELL NAME : Rincon Unit 137 DK (Current Pressure)

GAS GRAVITY: 0.68 % N2 0.21
CONDENSATE (YES=1): 1 % CO2 1.12 %
RESERVOIR TEMP: 195 F % H2S 0.00 %
SURFACE TEMP: 60 F Pc = 670.69 %
DEPTH OF ZONE: 7505 Foot Tc = 377.11

SURFACE PRES	BHP	Z	BHP/Z
psia	psia		psia
370	439	0.9618	457

Current pressure obtained after 5 day shut-in.

--BHPCALC--

Calculated BHP and Z-factor from surface shut-in pressure

TEST DATE: Jan-60

WELL NAME : Rincon Unit 137 DK (Original Pressure)

GAS GRAVITY: 0.68 % N2 0.21
CONDENSATE (YES=1): 1 % CO2 1.12 %
RESERVOIR TEMP: 195 F % H2S 0.00 %
SURFACE TEMP: 60 F Pc = 670.69 %
DEPTH OF ZONE: 7505 Foot Tc = 377.11

SURFACE PRES	BHP	Z	BHP/Z
psia	psia		psia
2349	2,884	0.8859	3,255

Initial pressure obtained after 19 day shut-in following completion of well.

--BHPCALC--

Calculated BHP and Z-factor from surface shut-in pressure

TEST DATE: Jul-97

WELL NAME : Rincon Unit 137 MV (Current Pressure)

GAS GRAVITY: 0.74 % N2 0.44
CONDENSATE (YES=1): 1 % CO2 0.60 %
RESERVOIR TEMP: 145 F % H2S 0.00 %
SURFACE TEMP: 60 F PC = 663.49 %
DEPTH OF ZONE: 5526 Foot Tc = 391.88

SURFACE PRES	BHP	Z	BHP/Z
psia	psia		psia
205	236	0.9680	244

Current pressure obtained following 5 day shut-in.

--BHPCALC--

Calculated BHP and Z-factor from surface shut-in pressure

TEST DATE: Jan-60

WELL NAME : Rincon Unit 137 MV (Initial Pressure)

GAS GRAVITY: 0.74 % N2 0.44
CONDENSATE (YES=1): 1 % CO2 0.60 %
RESERVOIR TEMP: 145 F % H2S 0.00 %
SURFACE TEMP: 60 F Pc = 663.49 %
DEPTH OF ZONE: 5526 Foot Tc = 391.88

SURFACE PRES	BHP	Z	BHP/Z
psia	psia		psia
1080	1,282	0.8451	1,517

Initial pressure obtained after 9 day shut-in following completion of well.

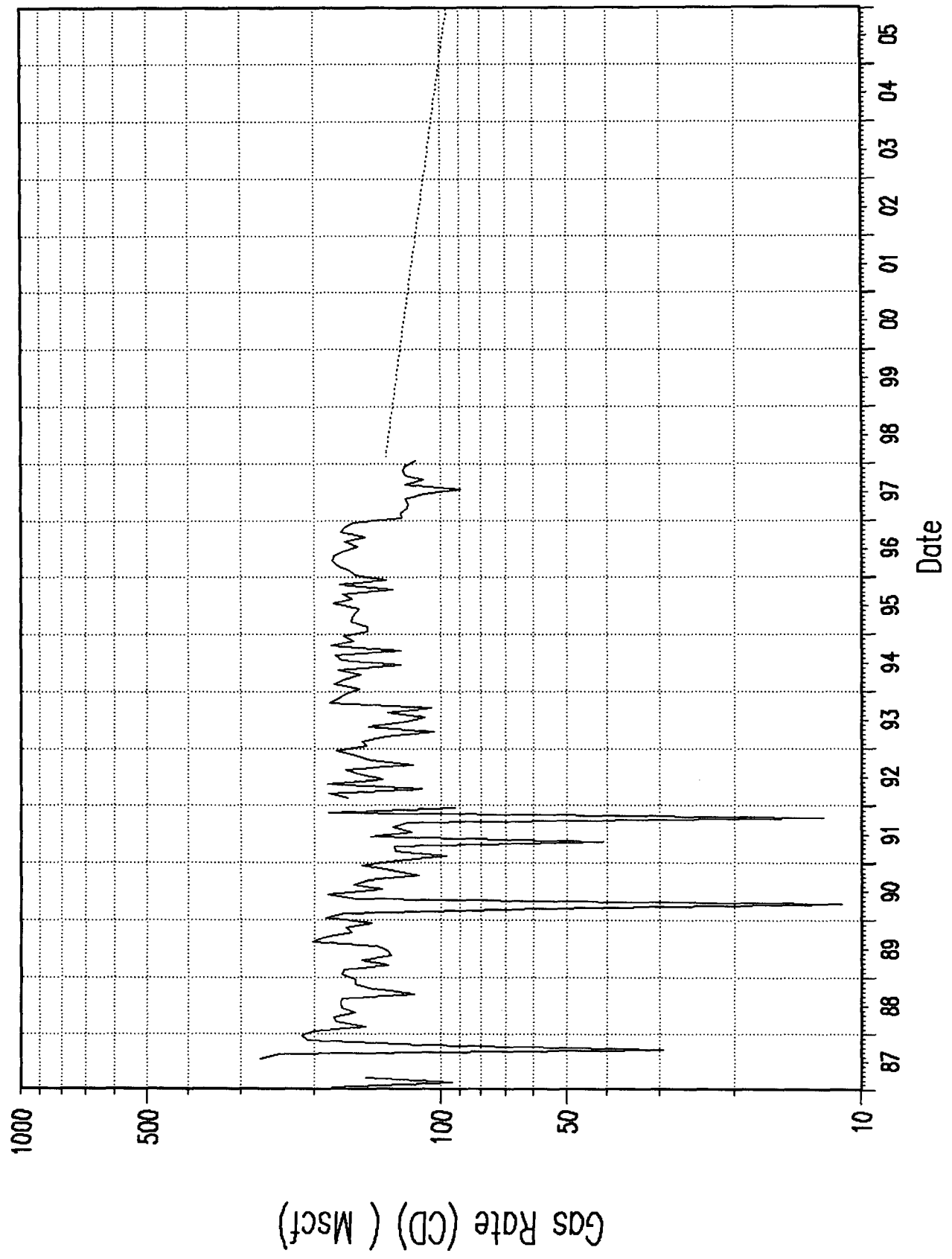
RU 137/DK Forecast

Well	RU 137
Existing Completion Prior to DHC	DK
Annual Decline	4.23%
Monthly Decline Factor (Annual / 12)	0.3521
Average 3 month volume (Mcf) prior to DHC	3668
Average Yield (bbls/mcf) Oil	0.0034
Average Yield (bbls/mcf) Water	0.0011
Volume Prior to DHC (Mcf)	
Nov 97 - Jan 98	
97 annual average	
97 annual average	

* Forecasted volumes to be adjusted for actual days on production

Month	DK Forecast (Mcf)	DK Forecast (Bbls-Oil)	DK Forecast (Bbls-Water)	
1	4720	16.0	5.2	
2	4514	15.3	5.0	
3	4104	14.0	4.5	
4	4090	13.9	4.5	
5	4075	13.9	4.5	
6	4061	13.8	4.5	
7	4046	13.8	4.5	
8	4032	13.7	4.4	
9	4018	13.7	4.4	
10	4004	13.6	4.4	
11	3990	13.6	4.4	
12	3976	13.5	4.4	
13	3962	13.5	4.4	
14	3948	13.4	4.3	
15	3934	13.4	4.3	
16	3920	13.3	4.3	
17	3906	13.3	4.3	
18	3892	13.2	4.3	
19	3879	13.2	4.3	
20	3865	13.1	4.3	
21	3852	13.1	4.2	
22	3838	13.0	4.2	
23	3824	13.0	4.2	
24	3811	13.0	4.2	
				+ DK flush volume
				+ DK flush volume

WELL: RINCON UNIT 137:DK
LOCATION : N027 W007 24 NESW
COUNTY : RIO ARriba STATE : NMEX



WELL: RINCON UNIT 137:DK

Cum. Gas Production: 2608997.00 Mscf
Remaining Recoverable Gas Reserves: 780745.69 Mscf
Ultimate Recoverable Gas Reserves: 3389742.69 Mscf

SCHEDULE 1

Qi: 364.43 Mscf
Di: 0.003598
Hyperbolic B: 0.0000
Start Date: 1998/02
Monthly Nominal Decline (Dn): 0.003598
Monthly Effective Decline (De): 0.003592
Yearly Effective Decline (De): 0.042257
Initial Forecast Rate: 135.00 Mscf
Economic Limit: 25.00 Mscf
Cumulative Produced: 2608997.00 Mscf
Total Forecasted Reserves: 780745.70 Mscf
Total Recovered Reserves: 3389742.70 Mscf

DATE	AVERAGE DAILY RATE Mscf	MONTHLY FORECAST PROD. Mscf	CUM. PROD. Mscf	REMAINING RECOV. RESERVES Mscf
1998/02	134.76	3773.24	2612770.25	776972.44
1998/03	134.27	4162.39	2616932.75	772810.06
1998/04	133.79	4013.74	2620946.25	768796.31
1998/05	133.31	4132.68	2625079.00	764663.63
1998/06	132.83	3984.99	2629064.00	760678.63
1998/07	132.35	4102.97	2633167.00	756575.69
1998/08	131.88	4088.24	2637255.25	752487.44
1998/09	131.40	3942.12	2641197.50	748545.31
1998/10	130.94	4059.06	2645256.50	744486.25
1998/11	130.46	3913.87	2649170.25	740572.38
1998/12	130.00	4029.88	2653200.25	736542.50
1999/01	129.53	4015.28	2657215.50	732527.25
1999/02	129.06	3613.76	2660829.25	728913.44
1999/03	128.60	3986.62	2664815.75	724926.88
1999/04	128.14	3844.15	2668660.00	721082.69
1999/05	127.68	3957.96	2672618.00	717124.75
1999/06	127.22	3816.61	2676434.50	713308.13
1999/07	126.76	3929.56	2680364.00	709378.56
1999/08	126.31	3915.56	2684279.75	705463.00
1999/09	125.85	3775.58	2688055.25	701687.44
1999/10	125.40	3887.43	2691942.75	697800.00
1999/11	124.95	3748.48	2695691.25	694051.50
1999/12	124.50	3859.55	2699550.75	690191.94
2000/01	124.05	3845.69	2703396.50	686346.25
2000/02	123.61	3584.66	2706981.00	682761.63
2000/03	123.17	3818.15	2710799.25	678943.44
2000/04	122.72	3681.69	2714481.00	675261.75

2000/05

122.28

3790.73 2718271.75 671471.06

DATE	AVERAGE DAILY RATE Mscf	MONTHLY FORECAST PROD. Mscf	CUM. PROD. Mscf	REMAINING RECOV. RESERVES Mscf
2000/06	121.84	3655.28	2721927.00	667815.75
2000/07	121.41	3763.59	2725690.50	664052.19
2000/08	120.97	3750.05	2729440.50	660302.13
2000/09	120.53	3616.03	2733056.50	656686.13
2000/10	120.10	3723.16	2736779.75	652962.94
2000/11	119.67	3590.08	2740369.75	649372.88
2000/12	119.24	3696.47	2744066.25	645676.38
2001/01	118.81	3683.19	2747749.50	641993.19
2001/02	118.39	3314.83	2751064.25	638678.38
2001/03	117.96	3656.77	2754721.00	635021.63
2001/04	117.54	3526.08	2758247.25	631495.50
2001/05	117.11	3630.55	2761877.75	627865.00
2001/06	116.69	3500.83	2765378.50	624364.13
2001/07	116.27	3604.52	2768983.00	620759.63
2001/08	115.86	3591.56	2772574.50	617168.06
2001/09	115.44	3463.23	2776037.75	613704.88
2001/10	115.03	3565.86	2779603.75	610139.00
2001/11	114.61	3438.42	2783042.00	606700.56
2001/12	114.20	3540.22	2786582.25	603160.38
2002/01	113.79	3527.53	2790110.00	599632.81
2002/02	113.38	3174.77	2793284.75	596458.06
2002/03	112.98	3502.23	2796787.00	592955.81
2002/04	112.57	3377.11	2800164.00	589578.69
2002/05	112.17	3477.13	2803641.00	586101.56
2002/06	111.76	3352.86	2806994.00	582748.75
2002/07	111.36	3452.20	2810446.25	579296.50
2002/08	110.96	3439.84	2813886.00	575856.69
2002/09	110.56	3316.86	2817203.00	572539.81
2002/10	110.17	3415.13	2820618.00	569124.69
2002/11	109.77	3293.14	2823911.25	565831.56
2002/12	109.38	3390.67	2827301.75	562440.88
2003/01	108.98	3378.45	2830680.25	559062.44



4/14/98

RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

March 30, 1998

Union Oil Company of California (UNOCAL)
1004 North Big Spring
Midland, Texas 79702

Attn: Ms. Heather Dahlgren

Re: Downhole Commingling Application
Rincon Unit Well No. 137
Unit Letter K, Section 24-27N-07W
Blanco Mesaverde and Basin Dakota Pools
Rincon Unit Well No. 131
Unit Letter K, Section 36-27N-07W
Blanco Mesaverde and Basin Dakota Pools
Rincon Unit Well No. 137E
Unit Letter J, Section 24-27N-07W
Blanco Mesaverde, Largo Gallup and Basin Dakota Pools
Rio Arriba County, New Mexico

Dear Ms. Dahlgren:

Your applications to downhole commingle the production from within the wellbore of the above-captioned wells was received on March 23, 1998.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit your \$30.00 filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure

pc: Reader File

OCD--Attention: David Catanach, Ben Stone

BLM