STATE OF NEW MEXICO



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

May 5, 1994

Union Oil Company of California (UNOCAL) P.O. Box 2620 Casper, WY 82602-2620

Attention: Jim Benson

Administrative Order NSL-3389

Dear Mr. Benson:

Reference is made to your application dated April 4, 1994 for an unorthodox gas well location for both the Basin-Dakota and Undesignated Largo-Gallup Pools for your proposed Rincon Unit Well No. 186M. Said well is to be drilled 1670 feet from the South line and 1240 feet from the West line (Unit L) of Section 33, Township 27 North, Range 7 West, NMPM Rio Arriba County, New Mexico.

The S/2 of said Section 33 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools.

By the authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Basin-Dakota Pool, as promulgated by Division Order No. R-8170, as amended; the applicable rules governing the Largo-Gallup Pool under Division Order No. R-2462, as amended; and General Rule 104.F(1), the aforementioned unorthodox gas well location is hereby approved.

Sincerely, William J. LeMa Director WJL/MES/amg

cc: Oil Conservation Division - Aztec US Bureau of Land Management - Farmington