



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:
NMSF079160 (WC)
3162.7 (07400)

April 15, 1998

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

RECEIVED
APR 20 1998
OIL CON. DIV.
DIST. 3

RE: Downhole Commingling Application
57E Rincon Unit
790' FSL & 1825' FEL
0 Sec. 1, T26N, R7W
Lease No. NMSF079160
Rio Arriba County, NM

Dear Ms. Dahlgren:

We have reviewed your Application for Downhole Commingling on the above referenced well. The production volumes were analyzed for the Gallup and Dakota Formations. It was found that a great disparity exists in the decline rates between the formations. Because of the difference in the decline rates, fixed allocation factors are not acceptable. Therefore, your Downhole Commingling Application for this well is rejected.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CAR 3165.4 and 43 CAR 4.400 et seq.

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 Team

cc:
NMOCD, Santa Fe
NMOCD, Aztec
Well file
DOMR
07400:WTownsend:4/15/98