



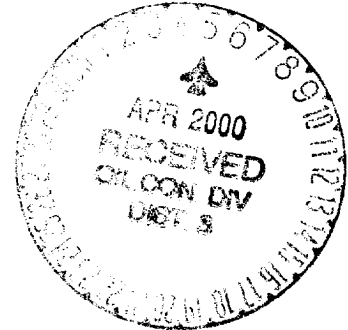
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

AMENDED ADMINISTRATIVE ORDER DHC-1841

Union Oil Company of California (UNOCAL)
P.O. Box 3100
Midland, Texas 79702

Attention: Mr. Ted Paul



*Rincon Unit No. 201E
API No. 30-039-25174
Unit J, Section 2, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Largo-Gallup (Gas – 80000),
Blanco-Mesaverde (Prorated Gas – 72319) and
Basin-Dakota (Prorated Gas – 71599) Pools*

Dear Mr. Paul:

Reference is made to your recent application for an amendment to Division Order No. DHC-1841 dated March 6, 1998, which authorized the downhole commingling of Largo-Gallup and Basin-Dakota Gas Pool production in the well, to permit the addition of the Blanco-Mesaverde Gas Pool as a third commingled zone in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Production from the well shall be allocated as follows:

Oil and gas production from the Largo-Gallup and Basin-Dakota Gas Pools shall be determined utilizing the production forecast submitted by the applicant as an attachment to the downhole commingling application, and in accordance with the fixed percentages established by Order No. DHC-1841. Oil and gas production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Largo-Gallup/Basin-Dakota Gas Pool production from the well's total monthly oil and

gas production.

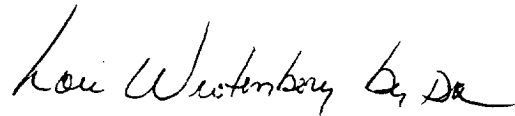
Within 12-24 months after the effective date of this order, the applicant shall submit the necessary data to establish a fixed allocation percentage for each of the commingled zones.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 3rd day of April, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington
State Land Office-Oil & Gas Division