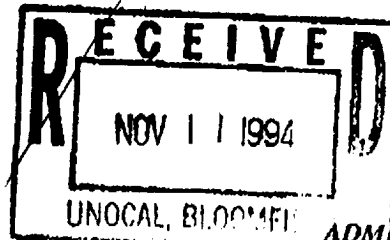


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR
ANITA LOCKWOOD
CABINET SECRETARY



2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

ADMINISTRATIVE ORDER DIIC-1050

Unocal Oil & Gas Division
P. O. Box 850
Bloomfield, New Mexico 87413

Attention: Bob Caine

*Rincon Unit No. 302
Unit C, Section 11, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde and Basin-Dakota Gas Pools*

RECEIVED
DEC 13 1994
OIL CON. DIV.
DIST. 3

Dear Mr. Caine:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. 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 pool as printed in the Division's San Juan Basin Gas Proration Schedule.

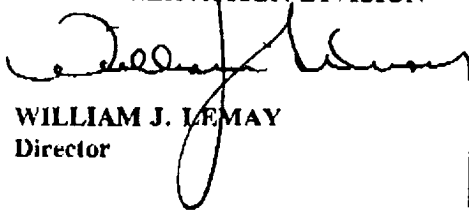
In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Administrative Order DHC-1050
Unocal Oil & Gas Division
November 3, 1994
Page 2

Approved at Santa Fe, New Mexico on this 3rd day of November, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/DC/kv

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