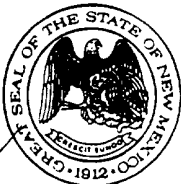


Handwritten notes and signatures in the top left corner.



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



BRUCE KING
GOVERNOR

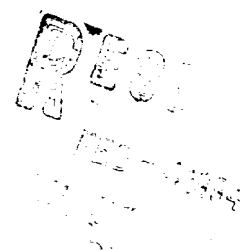
ANITA LOCKWOOD
CABINET SECRETARY

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

ADMINISTRATIVE ORDER DHC-969

Union Oil Company of California
3300 North Butler Avenue, Suite 200
Farmington, NM 87401

Attention: Glen O. Papp



Rincon Unit Well No. 125
~~Unit N~~, **Section 26, Township 27 North, Range 6 West, NMPM,**
Rio Arriba County, New Mexico.
Blanco Mesaverede and Basin-Dakota Gas Pools

Dear Mr. Papp:

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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

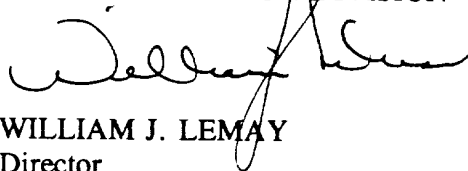
Blanco-Mesaverde Pool	Oil	0%	Gas	14%
Basin-Dakota Pool	Oil	100%	Gas	86%

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

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.

Approved at Santa Fe, New Mexico on this 2nd day of February, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC/amg

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



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 1-26-94

Attn: Ben Stone

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC X _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 1-12-94

for the UNOCAL
OPERATOR

BEACON Unit # 1.2.5
LEASE & WELL NO.

N-24-22A1-06W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Gene Busch

Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145

UNOCAL 76

January 10, 1994

CERTIFIED RETURN RECEIPT REQUESTED

Farmington District

New Mexico Oil Conservation Division
Attn: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

New Mexico Oil Conservation Division
Attn: Mr. Frank Chavez
1000 Rio Brazos Road
Aztec, New Mexico 87410

RECEIVED
JAN 12 1994
N.M. CON. DIV.
DIST. 3

Dear Sirs:

Union Oil Company of California (UNOCAL) requests permission to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 125
990' FSL, 1650' FWL
Section 26, T27N, R6W
Rio Arriba County, New Mexico

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

As required for an exception to rule 303-A, the following information is attached:

1. An acreage dedication plat showing offset lease ownership.
2. A Form C-116 showing current productivity from each zone.
3. A wellbore diagram with completion detail.
4. A bottomhole pressure from each zone and a calculated adjustment to a common datum.
5. Gas analyses from each zone.
6. An allocation formula for commingled production.
7. A copy of the notification letter sent to all offset operators and the Bureau of Land Management.

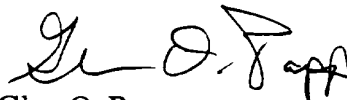
The Blanco Mesaverde formation is currently marginally economic. Commingling will allow for better lift of liquids production and benefits from compression.

Both zones produce essentially dry gas. Therefore, the respective formation fluids are compatible. Also, no crossflow will occur between the commingled zones.

If you have any questions, please contact Dana Delventhal at (505)326-7600. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
dba UNOCAL

A handwritten signature in black ink, appearing to read "Glen O. Papp", written in a cursive style.

Glen O. Papp
Field Superintendent

Attachments

GOP/DLD/df

RECEIVED
JAN 12 1994
OIL CON. DIV.
DIST. 3

OFFSET LEASE OWNERSHIP

R 6 W

22	23	EL PASO SF079365	EL PASO
		24	
27	26	EL PASO SF079367B	25
EL PASO SF079210	CAULKINS 3547	CAULKINS 3547	EL PASO E290-28 E290-68
34	35	36	3290-36 E290

T 27 N

RECEIVED
JAN 12 1994
OIL CON. DIV.
DIST. 2

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator		Pool		County										
UNION OIL COMPANY OF CALIFORNIA		BLANCO MESAVERDE/BASIN DAKOTA		RIO ARRIBA										
Address		TYPE OF TEST - (X)		Completion <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/>										
3300 NORTH BUTLER, SUITE 200, FARMINGTON, NEW MEXICO 87401														
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
RINCON UNIT	125	N	26	27N	6W	11/93	F	64/64"	263	24	-0-	-0-	17	--
BLANCO MESAVERDE BASIN DAKOTA						11/93	F	64/64"	271	24	-0-	0.7	105	150,000

RECEIVED
JAN 2 1994
OIL CON. DIV.
DIST. 3

Instructions:

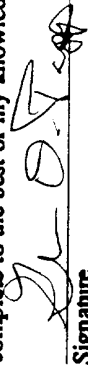
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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


Signature

GLEN O. PAPP

FIELD SUPERINTENDENT

Printed name and title

JANUARY 10, 1994

(505) 326-7600

Date

Telephone No.

RINCON UNIT #125

990' FSL, 1650' FWL
SEC. 26, T27N, R6W

13 3/8", 48#, H-40 CSA 334'

CMT W/ 240 SX
TOC AT SURFACE.

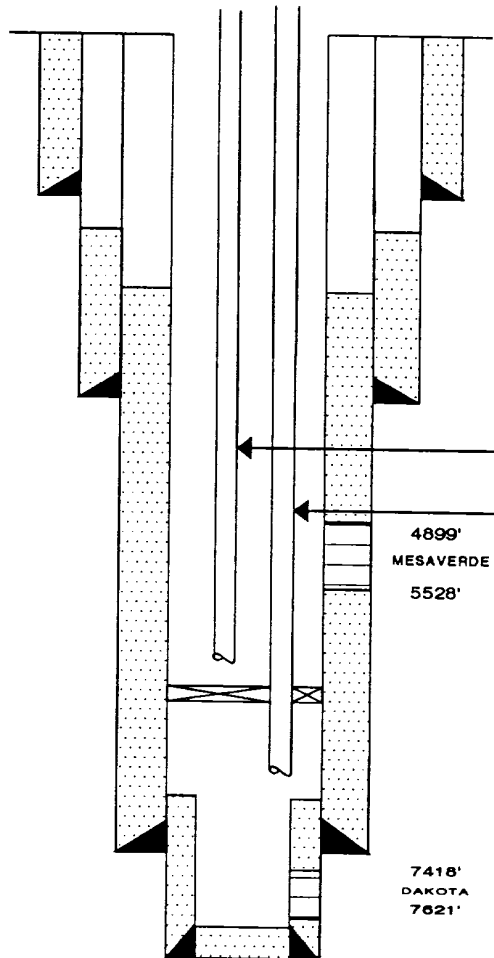
9 5/8", 36#, J-55
and 40# N-80
CASING SET AT 3421'

CMT W/ 190 SX
TOC AT 2220' BY TEMP SURV.

BAKER "D" PKR AT 6248'

7", 23# N-80 AND J-55
CASING SET AT 7368'
CMT W/ 960 SX
TOC AT 3200' BY TEMP SURV.

5", 15#, J-55 SET FROM
7283' TO 7759'.
CMT W/ 100 SX.
TOC AT 7300' BY TEMP SURV.



1 1/4" TBG AT 5490'

2 3/8" TBG AT 7568'

4899'
MESAVERDE
5528'

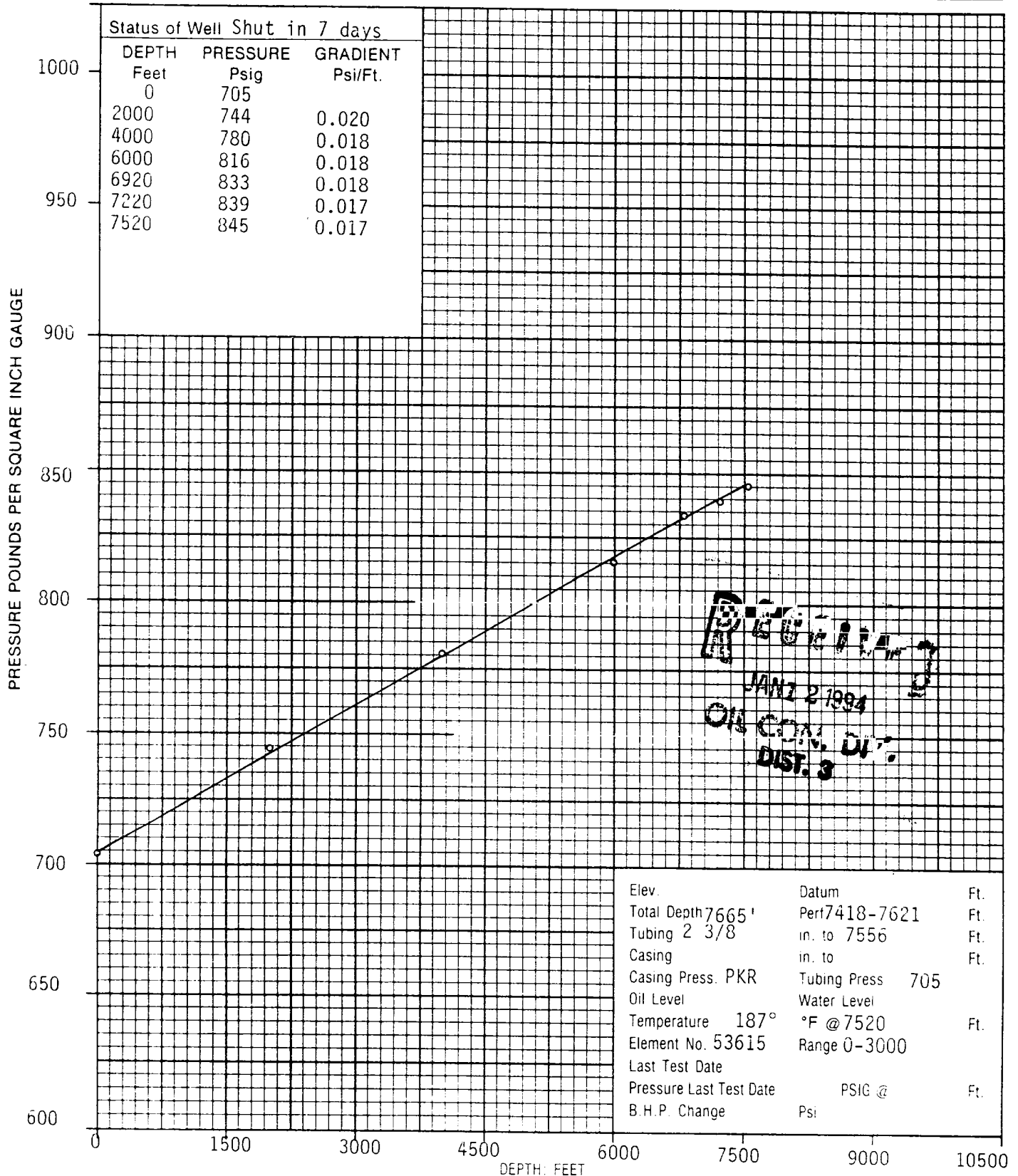
7418'
DAKOTA
7621'

PBO 7665'

7283' TO 7759'
JAN 1 1964
CON. D.
3513



Company UNOCAL Lease RINCON UNIT Well No. 125
Field SAN JUAN BASIN County RIO ARriba State N.M.
Formation DAKOTA- MESA VERDE Test Date 9-21-93



APR 12 1964
OIL CON. DIV.
DIST. 3

Page 4 of 19

File 2-25399-FL&P

COMPANY UNOCAL LEASE RINCON UNIT WELL NO. 125
FIELD _____ COUNTY RIO ARriba STATE NEW MEXICO
FORMATION MESA VERDE TEST DATE 9-21-93 TIME _____

FLUID LEVEL REPORT

WELL DATA

Elevation _____ feet Datum _____ feet subsea Total Depth _____ feet
Perforations 4899-5528 feet Test Depth 5214 feet Packer 6718 feet
Tubing Size 1 1/4 in. to 5490 feet Tubing Pressure _____ psig
Casing Size _____ in. to _____ feet Casing Pressure 457 psig
Oil Level _____ feet Water Level _____ feet Average Tubing Joint 31.5 feet
Well Makes _____ % Oil, _____ % Water Atmospheric Temperature _____ °F
Status of Well Shut in 7 days Operator JR-SB Unit No. P-204

PRESSURE DATA

	Feet	Gradient Psig/Ft.	Psi
Casing Pressure			457
GAS			
Average Tubing Joints _____ ft. Joints to Fluid _____ * Feet to Fluid.	5214	0.012	63
OIL			
Fluid Column Length _____ ft. % Oil _____ Oil Column Length.			
WATER			
Fluid Column Length _____ Ft. % Water _____ Water Column Length.			

PRESSURE AT TEST DEPTH

**5214 520

Calculated subsurface pressure at datum depth of 5214 feet subsea is 520 psig
Last Test Date _____ Pressure Last Test _____ psig BHP Change _____ psi
Remarks: *FLUID LEVEL BELOW PERFORATIONS
**MID-PERFORATION

RINCON UNIT NO. 125

After a 7 day SI period:

Mesaverde BHP = 520 psi @ 5214'

Dakota BHP = 845 psi @ 7520'

Gas Gradient = 0.018 psi/ft

Adjusting to a common datum of 5214':

Mesaverde BHP = 520 psi

Dakota BHP = $845 - [(0.018)(7520 - 5214)] = 803$ psi

Therefore the reservoir pressures fall within the 50% requirement.

RECEIVED
JAN 2 1994
OIL CON. DIST.
DIST. 3

EL PASO NATURAL GAS COMPANY
VOLUME ACCOUNTING DEPARTMENT
MEASUREMENT DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978
PHONE: (915) 541-5267

DATE 1/08/93

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MAILEE

94100 UNION OIL CO. OF CALIFORNIA
ATTN: SHARON L. MILLER
P.O. BOX 671
MIDLAND, TEXAS 79702

METER NUMBER 72567 - RINCON UNIT #125 MV
OPERATOR 9165 - UNION OIL CO OF CALIF

ANALYSIS DATE 11/20/92 TYPE CODE 2 - ACTUAL
SAMPLE DATE 11/18/92 H2S GRAINS 0
EFFECTIVE DATE 1/01/93 LOCATION F - FARMINGTON
EFFECTIVE FOR 6 MONTHS

COMPONENTS	NORMALIZED MOL %	GPM
CO2	1.14	.000
H2S	.00	.000
N2	.32	.000
METHANE	85.24	.000
ETHANE	7.76	2.076
PROPANE	3.28	.904
ISO-BUTANE	.57	.186
NORM-BUTANE	.86	.271
ISO-PENTANE	.32	.117
NORM-PENTANE	.22	.080
HEXANE PLUS	.29	.127
	100.00	3.761

RECEIVED
JAN 2 1994
OIL CON. DIV.
DIST. 3

SPECIFIC GRAVITY .677

MIXTURE HEATING VALUE
(BTU @ 14.73 DRY) 1170

RATIO OF SPECIFIC HEATS .000

NO TEST SECURED FOR H2S CONTENT

EL PASO NATURAL GAS COMPANY
VOLUME ACCOUNTING DEPARTMENT
MEASUREMENT DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978
PHONE: (915) 541-5267

DATE 7/08/92

CHROMATOGRAPHIC GAS ANALYSIS REPORT

MAILEE
84100

UNION OIL CO. OF CALIFORNIA
ATTN: MIDLAND PRODUCTION DEPT.
P.O. BOX 871
MIDLAND, TEXAS 79702

METER NUMBER 74971 - RINCON UNIT #125 DK
OPERATOR 9165 - UNION OIL CO OF CALIF

ANALYSIS DATE 5/28/92
SAMPLE DATE 5/21/92
EFFECTIVE DATE 7/01/92
EFFECTIVE FOR 3 MONTHS

TYPE CODE 2 - ACTUAL
H2S GRAINS 0
LOCATION F - FARMINGTON

COMPONENTS	NORMALIZED MOL. %	GPM
CO2	1.37	.000
H2S	.00	.000
N2	.39	.000
METHANE	88.28	.000
ETHANE	7.09	1.897
PROPANE	1.71	.471
ISO-BUTANE	.36	.118
NORM-BUTANE	.42	.132
ISO-PENTANE	.17	.062
NORM-PENTANE	.09	.033
HEXANE PLUS	.12	.052
	100.00	2.765

RECEIVED
JUL 12 1992
OIL CON. DIV.
DIST. 3

RINCON UNIT NO. 125
ALLOCATION FORMULA

<u>GAS PRODUCTION:</u>	Mesaverde Rate	17 MCFD
	Dakota Rate	<u>105</u> MCFD
	Total Rate	<u>122</u> MCFD

Therefore,	Mesaverde	14%
	Dakota	86%

<u>OIL PRODUCTION:</u>	Mesaverde Rate	0.0 BOPD
	Dakota Rate	<u>0.7</u> BOPD
	Total Rate	<u>0.7</u> BOPD

Therefore,	Mesaverde	0%
	Dakota	100%

RECEIVED
JAN 2 1994
OIL CON. DIV
DIST. 3

Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145

UNOCAL 76

January 10, 1994

Farmington District

United States Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Dear Sirs:

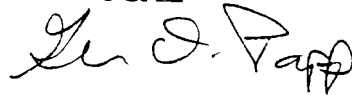
Union Oil Company of California (UNOCAL) has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 125
990' FSL, 1650' FWL
Section 26, T27N, R6W
Rio Arriba County, New Mexico

If you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have any questions about this application, please contact Dana Delventhal at (505)326-7600.

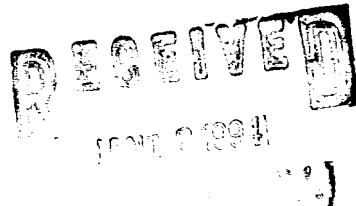
Sincerely,

Union Oil Company of California
dba UNOCAL



Glen O. Papp
Field Superintendent

GOP/DLD/df



Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145

UNOCAL 76

January 10, 1994

Farmington District

Meridian Oil Production Inc.
P.O. Box 4289
Farmington, New Mexico 87499

Dear Sirs:

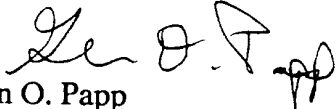
Union Oil Company of California (UNOCAL) has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 125
990' FSL, 1650' FWL
Section 26, T27N, R6W
Rio Arriba County, New Mexico

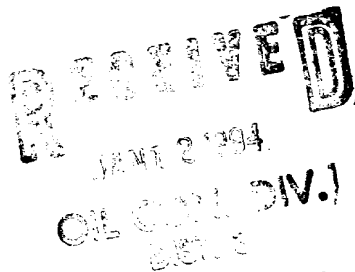
If you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have any questions about this application, please contact Dana Delventhal at (505)326-7600.

Sincerely,

Union Oil Company of California
dba UNOCAL


Glen O. Papp
Field Superintendent

GOP/DLD/df



Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145

UNOCAL 76

January 10, 1994

Farmington District

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Dear Sirs:

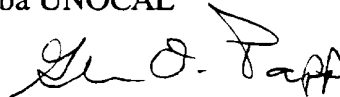
Union Oil Company of California (UNOCAL) has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 125
990' FSL, 1650' FWL
Section 26, T27N, R6W
Rio Arriba County, New Mexico

If you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have any questions about this application, please contact Dana Delventhal at (505)326-7600.

Sincerely,

Union Oil Company of California
dba UNOCAL



Glen O. Papp
Field Superintendent

GOP/DLD/df

RECEIVED
JAN 12 1994
OIL CON. DIV.
DIST. 3