NMSF-079366 (WC)
3162.3-2 (07327)

OCT. 8 1993

DHC 920

Mr. Glenn O. Papp
Unocal Oil and Gas Division
3300 North Butler Avenue, Suite 200
Farmington, NM 87401

Dear Mr. Papp:

We have reviewed your application for downhole co-mingling of the Basin Dakota and Blanco Mesaverde formations in the following well:

Rincon Unit No. 170M
1495' FSL, 935' FEL
Section 20, T. 27 N., R. 6 W.
Rio Arriba County, New Mexico

The referenced well was completed November 19, 1992 as a multiple completion in the Dakota and Mesaverde formation. Formation conditions indicate no adverse effects will result when co-mingling occurs. Our earlier concern regarding the bottom hole pressure differential between the two formations was placated with submission of flowing pressures and rates from the Dakota formation. Based upon this data, we are satisfied that cross flow between formations will not be significant and will not damage either formation in any way. Please submit written documentation of your verbal response for our records.

Natural gas allocation factors based on common backpressure calculations were found to be equitable. Natural Gas: 75% Dakota, 25% Mesaverde. Oil: 50% Dakota and 50% Mesaverde. It is noted that neither formation produces liquids at this time. Future liquid production (if any) is anticipated to be insignificant.

Your application is hereby approved effective November 19, 1992. Please comply with New Mexico Oil Conservation Division (NMOCD) guidelines when reporting the allocated production.

If you have any questions regarding this approval, please contact Ray Hager at (505) 599-6366.

Sincerely,

**/s/ Duane Spencer**

Duane W. Spencer
Chief, Branch of Reservoir Management

cc:
See Attached List

Minerals Management Service
Royalty Management Program
Reference Data Branch
P. O. Box 5760 - (MS-3240)
Denver, CO 80217

New Mexico Oil Conservation Division ✓
1000 Rio Brazos Road
Aztec, NM 87410

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503