

OIL CONSERVATION DIVISION
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SF-079366 (WC)
3162.3-2 (07327)

DEC 22 1993

DHC-966

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

Dear Mr. Papp:

We have reviewed your application to commingle downhole production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 174M
1775' FNL, 1540' FWL
Section 19, T. 27 N., R. 6 W.
Rio Arriba County, New Mexico

Due to the mechanical problems encountered during the completion of the well, which precludes individual testing of the two zones, we concur that the most equitable way to allocate production is the average of previously approved allocations surrounding Unit Well 174M. The previously approved wells and their respective allocation factors are all located nearly equal distances from Unit Well 174M.

We reviewed the allocation factors, Natural Gas: Mesaverde 41% Dakota 59% and Liquid Hydrocarbons: Dakota 100%, and found these factors to be accurate.

Your application is hereby approved effective September 23, 1992. Please comply with New Mexico Oil Conservation Division (NMOCD) guidelines when reporting the allocated production.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such requests, 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 CFR 3165.4 and 43 CFR 4.400 *et seq.*

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

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of
Reservoir Management

cc:
NMOCD, Santa Fe, NM
NMOCD, Aztec, NM
