



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 14, 1998

Union Oil Company of California
1004 N. Big Spring
Midland, Texas 79702

Attention: Ms. Heather Dahlgren

Re: Allocation Method
Rincon Unit No. 170
Division Order No. DHC-1192

Dear Ms. Dahlgren:

Pursuant to your letter dated January 14, 1998, Union Oil Company of California is hereby authorized to allocate production from the Basin-Dakota and Blanco-Mesaverde Gas Pools within the Rincon Unit Well No. 170 in the following manner:

Gas and oil production from the Basin-Dakota Gas Pool shall be determined utilizing the annual average production forecast submitted with your letter dated January 14, 1998. Gas and oil production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

If you should have any questions, please contact myself at (505) 827-8184.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Catanach".

David Catanach
Engineer

xc: OCD-Aztec
File-DHC-1192