

DHC-1892



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMSF079160 etal (WC)
3162.7 (07400)

April 14, 1998

Ms. Heather Dahlgren
Union Oil Company of California (UNOCAL)
1004 N. Big Spring
Midland, Texas 79702

RE: Downhole Commingling Applications

Dear Ms: Dahlgren:

We have received and reviewed your Applications for Downhole Commingling on the following wells:

WELL	Lease	Legal Location	Proposed Commingled Formations
57 Rincon Unit	NMSF079160	990' FNL & 990' FEL Sec 1, T26N, R7W	Mesaverde & Dakota
137 Rincon Unit	NMSF079298D	1500' FSL & 1800' FWL Sec. 24, T27N, R7W	Mesaverde & Dakota
131 Rincon Unit	State (In Dakota PA)	1800' FSL & 1550' FWL Sec. 36, T27N, R7W	Mesaverde & Dakota
169 Rincon Unit	NMSF080385	1650' FSL & 1840' FWL Sec. 26, T27N,, R7W	Mesaverde & Dakota
192 Rincon Unit	NMSF079160	1700' FSL & 1700' FWL Sec. 1, T26N, R7W	Gallup & Dakota

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Dakota and allocating the remainder of the production volume to the other formation. We are also in agreement with your Dakota decline rates and yield factors for allocating liquids. We hereby approve your applications for downhole commingling on the above wells. The effective date will be the date downhole commingling occurs.

When fixed allocation factors are determined, submit the factors for approval. This approval is not for operational activities. Operational approval must be obtained by submitting a Notice of Intent Sundry Notice.

If you have any questions please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/S/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management