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March 9, 1988

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William J. LeMay, Director
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

OIL CONSERVATION DIVISION

Re: In the Matter of the Application of Union Oil Company of California d/b/a Unocal, for Downhole Commingling, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed is the Application of Union Oil Company of California d/b/a Unocal in the above-referenced case. Union Oil Company of California respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on March 30, 1988.

Very truly yours

WILLIAM F: CARR

WFC/mlh Enclosure

cc w/enclosure: Mr. Bill Hering

Union Oil Company of California

d/b/a Unocal

BEFORE THE

OIL CONSERVATION DIVISION

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

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IN THE MATTER OF THE APPLICATION OF UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL, FOR DOWNHOLE COMMINGLING, RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. 9340

APPLICATION

UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL, by its undersigned attorneys, hereby makes application to the New Mexico Oil Conservation Division for approval for downhole commingling of production from the Gallup and Dakota formations, under certain lands in Rio Arriba County, New Mexico, and in support thereof shows:

- 1. Applicant operates the Rincon Unit which includes Sections 1 and 2, Township 26 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico.
- 2. Applicant seeks approval for downhole commingling of production from the Gallup formation, Largo-Gallup Gas Pool and the Dakota formation, Basin Dakota Gas Pool, in the wellbore of any well located in said acreage.
- 3. Granting this application will result in the increased recovery of hydrocarbons and will not damage the subject formations.

4. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Union Oil Company of California d/b/a Unocal requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 30, 1988, and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

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ATTORNEYS FOR UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL