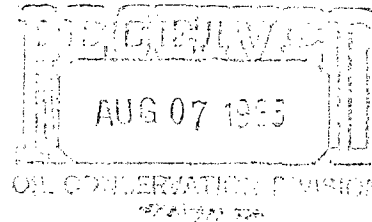




Union Texas
Petroleum

P. O. Box 1290
Farmington, NM 87499
Telephone (505) 325-3587



July 25, 1985

Oil Conservation Division
Richard L. Stamets
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Jicarilla H #8
790' FSL; 790' FEL
Section 19, T26N-R4W
Rio Arriba County, New Mexico

Dear Mr. Stamets:

Union Texas Petroleum Corporation is applying for a downhole commingling order for the referenced well in the Basin Dakota and Tapacito Gallup fields as per Order #R-7508. The ownership of the zones to be commingled is common. The only offset operator is Jerome P. McHugh and Associates. The Bureau of Land Management and this offset operator will receive notification of this proposed downhole commingling.

The Dakota zone is perforated with 1 hole per foot (7514'-18', 7612'-30', and 7652'-70') and the Gallup from 6992'-6998' with 2 holes per foot. Each zone has been hydraulically fractured to stimulate production. The well was initially completed as a dual completion in October 1969.

A Packer Leakage Test in May 1984 indicated the two zones were communicating downhole. Since to date the Gallup has failed to produce, downhole commingling will be the most efficient method of producing the well. The proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste and will not violate correlative rights.

The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed downhole commingling. The fluids from each zone are compatible and no precipitates will be formed to cause damage to either reservoir. The daily production will not exceed the limit of Rule 303c, Section 1a, Part 1. Both fluids have an API oil gravity close to 58°. The bottom hole pressure for the Dakota is 972 psi. The bottom hole pressure for the Gallup is 950 psi.

Jicarilla H #8
Proposed Commingling
Page 2

The Jicarilla H #7 (K Section 19, T26N-R4W) located about 1/2 mile northwest of the subject well was commingled in the Gallup-Dakota in September 1981. The well did not experience any detrimental effects due to the commingling.

The District Office in Aztec will be notified anytime the commingled well is shut in for seven (7) consecutive days.

To allocate the commingled production to each of the zones, Union Texas Petroleum Corporation will consult with the District Supervisor of the Aztec District Office of the Division to determine an allocation formula for each of the production zones.

Included with this letter is a plat showing ownership of offsetting leases, letter to the offset operator, wellbore diagram, data sheet, production curves from offsetting commingled Gallup-Dakota well Jicarilla H #7.

Yours truly,



P. M. Pippin
Petroleum Engineer

PMP/ljm

cc: Frank Chavez
OCD - Aztec Office
Bureau of Land Management



Union Texas
Petroleum

P. O. Box 1290
Farmington, NM 87499
Telephone (505) 325-3587

July 25, 1985

Jerome P. McHugh
c/o Dugan Production Corp.
709 Bloomfield Highway
P.O. Box 208
Farmington, New Mexico 87401

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #8 well located 790' FSL; 790' FEL, Section 19, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota and Tapacito Gallup.

The purpose of this letter is to notify you of such action, as our records indicate that you are the owner and operator of acreage which adjoins the area in which the downhole commingling is requested. If you have no objections to the proposed commingling order, we would appreciate your signing the attached copy of this letter and return same to this office.

Your prompt attention to this matter would be appreciated.

Yours truly,

P. M. Pippin
Petroleum Engineer

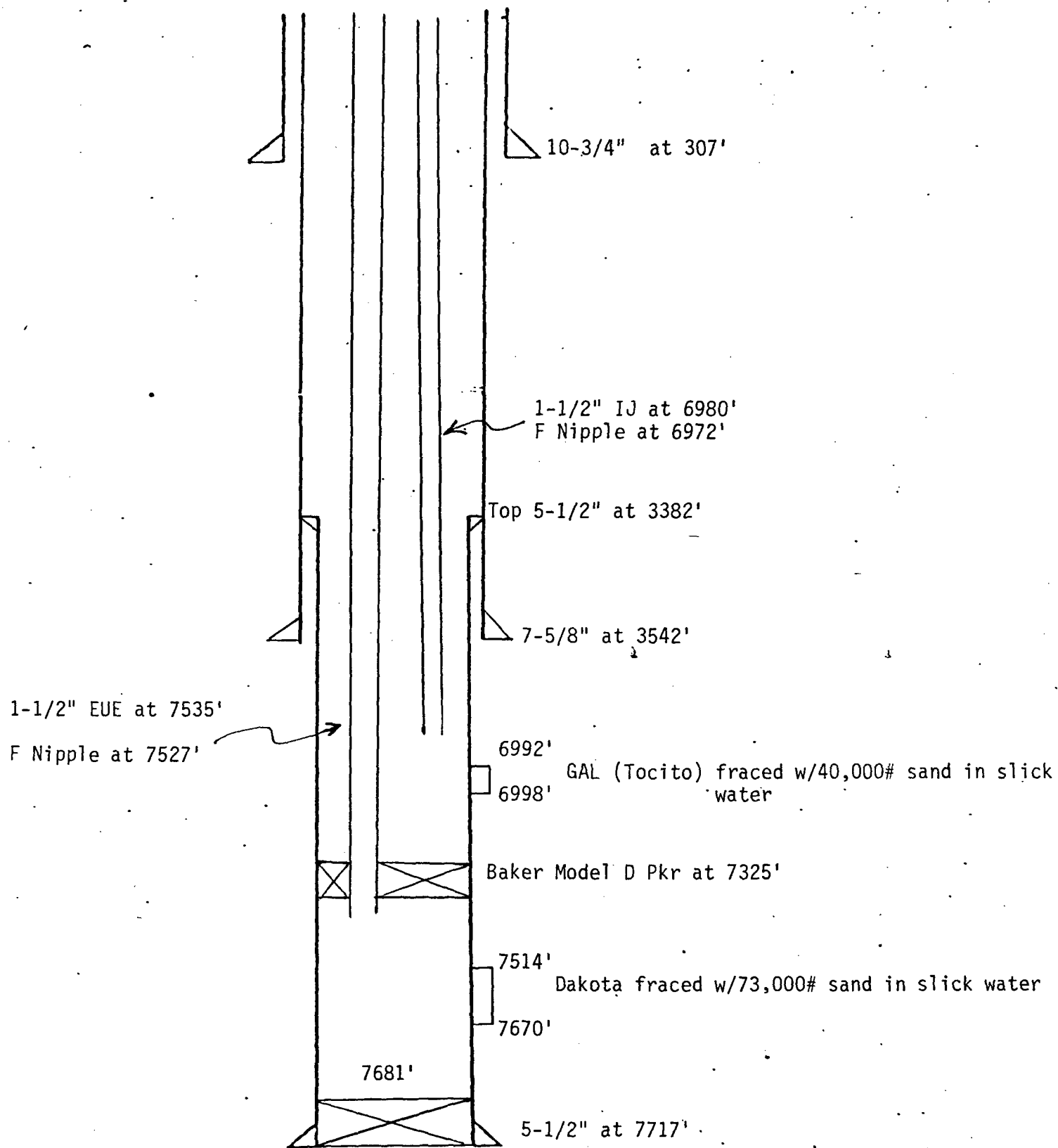
PMP/ljm

The above downhole commingling request
is hereby approved:

Date: _____

WELL BORE DIAGRAM FOR

JICARILLA H #8



WORKOVER DATA SHEETWELL NAME Jicarilla H #8DATE 7/23/85LOCATION 790' FSL; 790' FEL Section 19, T26N-R4W
Rio Arriba County, New MexicoDATUM KB (11' above G.L.)ELEVATION 6713' G.L.TOTAL DEPTH 7725'FIELD FORMATION Basin Dakota
Tapacito GallupUNICON W.I. 50%
NR 43.75%COMPLETEDINITIAL POTENTIALPLUG BACK TOTAL DEPTH

10/8/69

GAL = 566 MCF/D - 1165 psi

DK = 2127 MCF/D - 2359 psi

7681'

CASING RECORDCASING SIZEWT. & GRADEDEPTH SETCEMENTTOP CEMENT

10-3/4"

32.75# H-40

307'

250 ft₃

Circ.

7-5/8"

26.4 # J-55

3542'

1000 ft₃

1925'

5-1/2"

15.5 # J-55

3382-7717'

700 ft

Circ.

TUBING RECORDF Nipple at 7527'
(229 Jts)

1-1/2"

2.9# R-Con-55 EUE

7535'

Model D Pkr at 7325'

F Nipple at 6982'
(213 Jts)

1-1/2"

2.76# R-Con-55 IJ

6980'*

(F Nipple = 1.43" ID)

*2-1/16" Baker Blase Jts across Gallup (6984'-7004')

WELLHEADLOGGING RECORD

Density, Induction, CBL, Temp

STIMULATIONSPerf DK 7514'-18', 7612'-30', 7652'-70' w/ 1 spf and frac w/73,000# sand in slick water
Perf GAL 6992'-6998' w/ 2 spf and frac w/40,000# sand in slick water.WORKOVER HISTORY

None

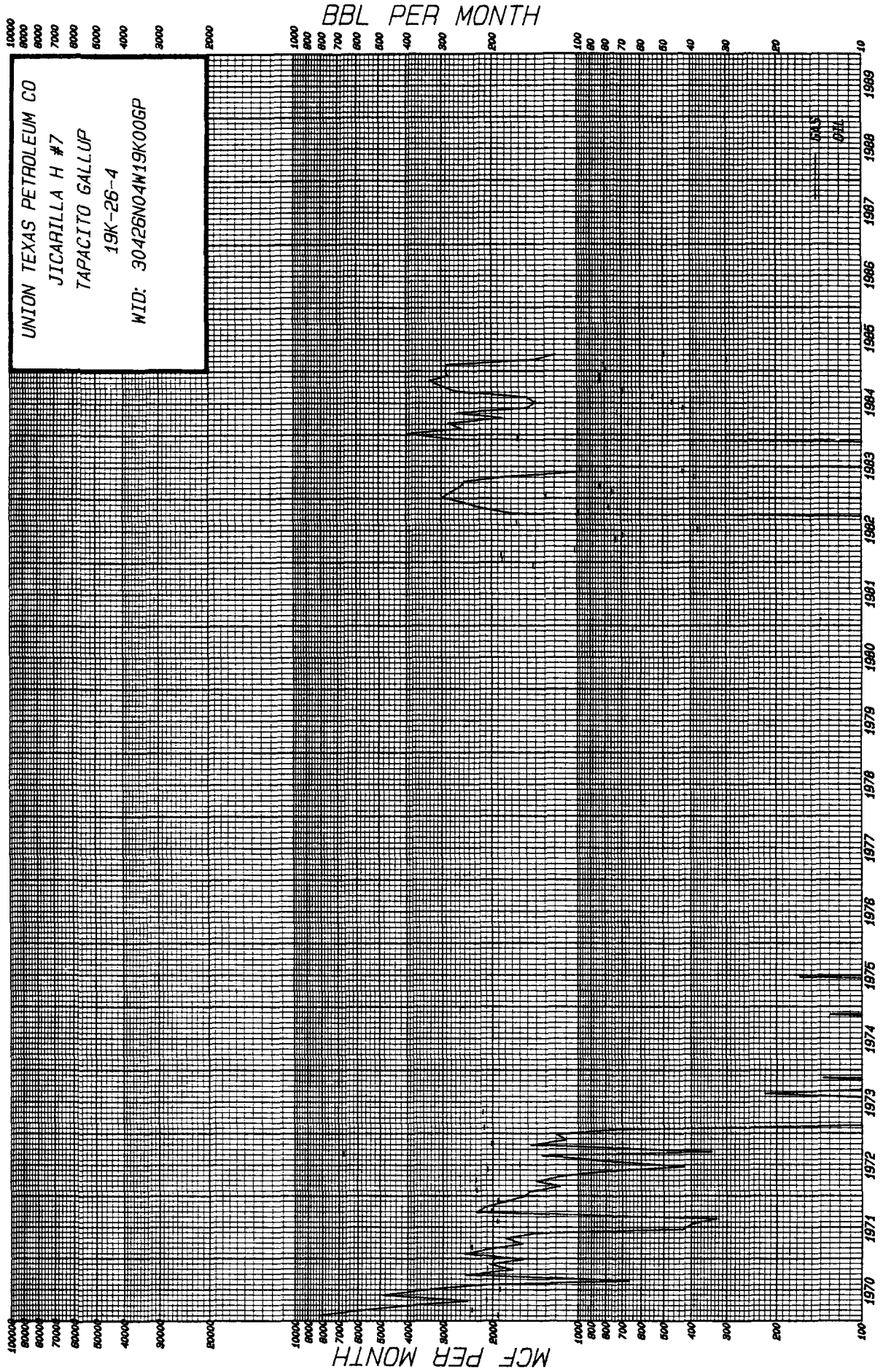
PRODUCTION HISTORY

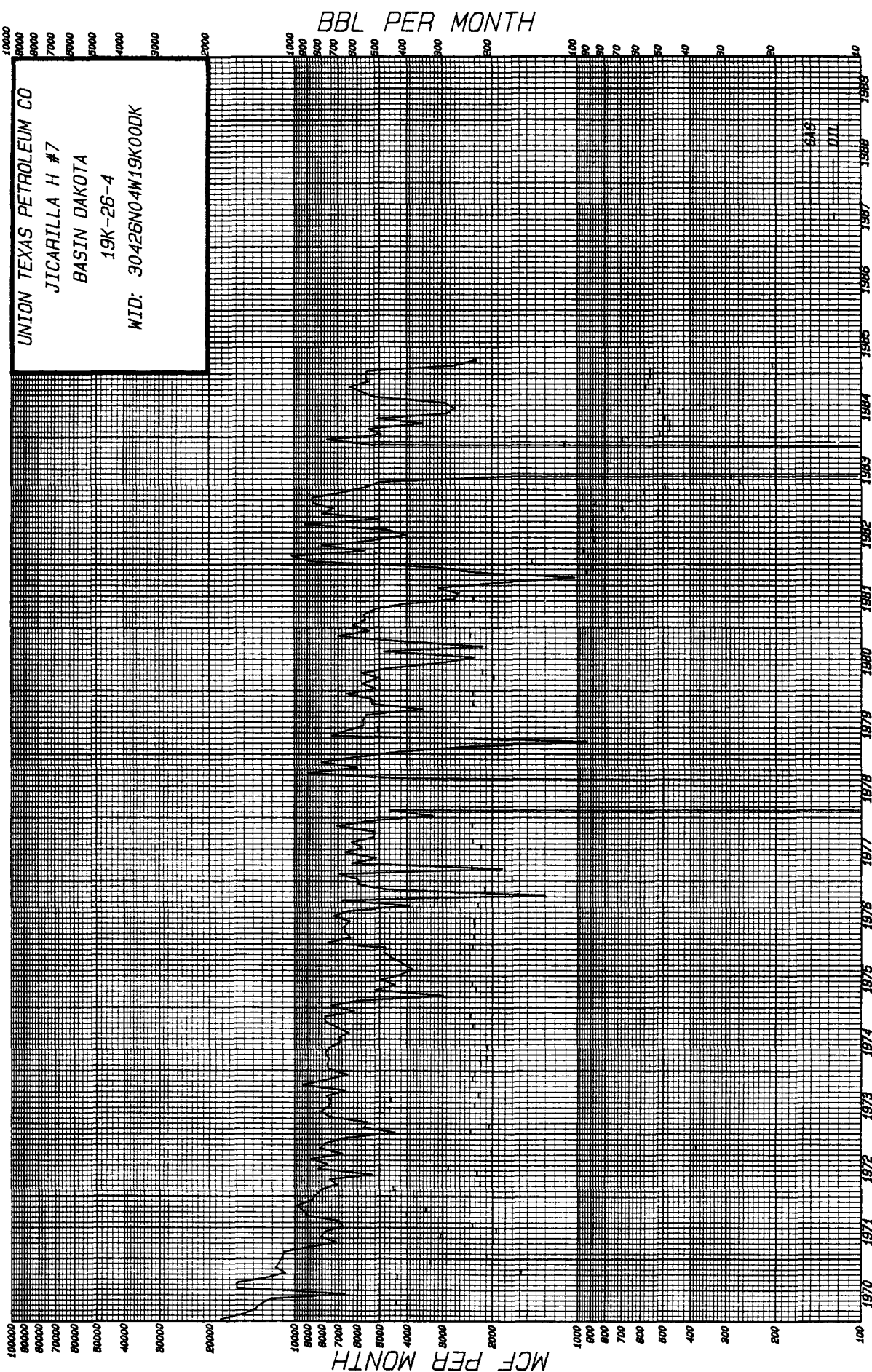
First Delivery: DK 10/8/69

First Delivery: GAL Never

Cumulative: DK 911 MMCF- 8971 BO

Cumulative: GAL - 0

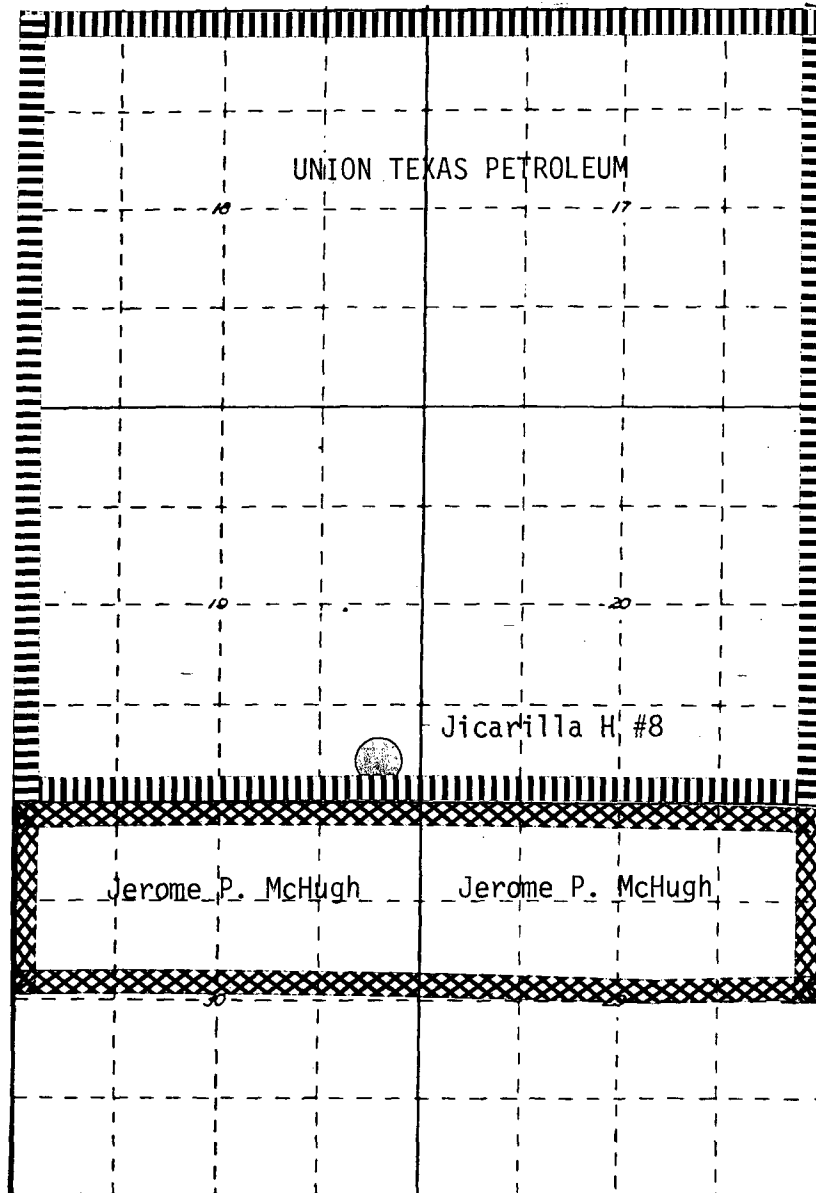




UNION TEXAS PETROLEUM CO
JICARILLA H #7
BASIN DAKOTA
19K-26-4
WID: 30426N04W19K00DK

PRODUCTION YEAR

UNION TEXAS PETROLEUM CORPORATION
Jicarilla H #8
Gallup-Dakota Commingle Application
Rio Arriba County
New Mexico



T
26
N

R4W



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 8/21/85

RE: Proposed MC _____
Proposed DHC ✓ _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 8-17-85
for the Union Texas Pet. Corp. Leaville H#8 P-19-26N-4W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Paul S. Perry

