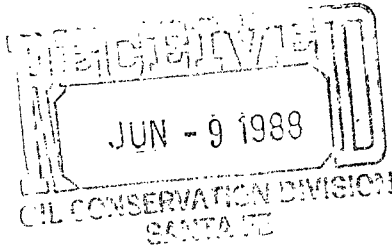


Release Date:  
June 29, 1988

By DIC



Union Texas Petroleum



375 U.S. Highway 64  
Farmington, New Mexico 87401  
Telephone (505) 325-3587

June 7, 1988

Mr. William J. LeMay  
N. M. Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501-2088

Re: McCroden B #4  
1640' FSL & 1848' FWL  
Section 4-T25N-R3W  
Rio Arriba County, NM

NSL-2543  
RULE-104 F(Z)

West Lindrith Gallup-Dakota  
Pool  
160 Acres decd.  
SW 1/4 Sect 4

Dear Mr. LeMay:

Union Texas Petroleum requests administrative approval of an unorthodox location for a West Lindrith Gallup-Dakota completion. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

The offset operators, which have been notified of our intention, are Graham Resources, Chevron U.S.A. and Schalk Development. A copy of their letters is attached for your review.

If I may be of any further assistance, please advise.

Very truly yours,

*Robert C. Frank*

Robert C. Frank  
Permit Coordinator

RCF;lmg  
attachments

cc: E. Busch/NMOCD

All distances must be from the outer boundaries of the Section.

Operator <b>UNION TEXAS PETROLEUM</b>			Lease <b>MC CRODEN "B"</b>		Well No. <b>4</b>
Unit Letter <b>K</b>	Section <b>4</b>	Township <b>25N</b>	Range <b>3W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1640</b> feet from the <b>South</b> line and <b>1848</b> feet from the <b>West</b> line					
Ground Level Elev. <b>7219</b>	Producing Formation <b>Gallup-Dakota</b>		Pool <b>West Lindrith</b>	Dedicated Acreage <b>SW/4 159.78 Acres</b>	

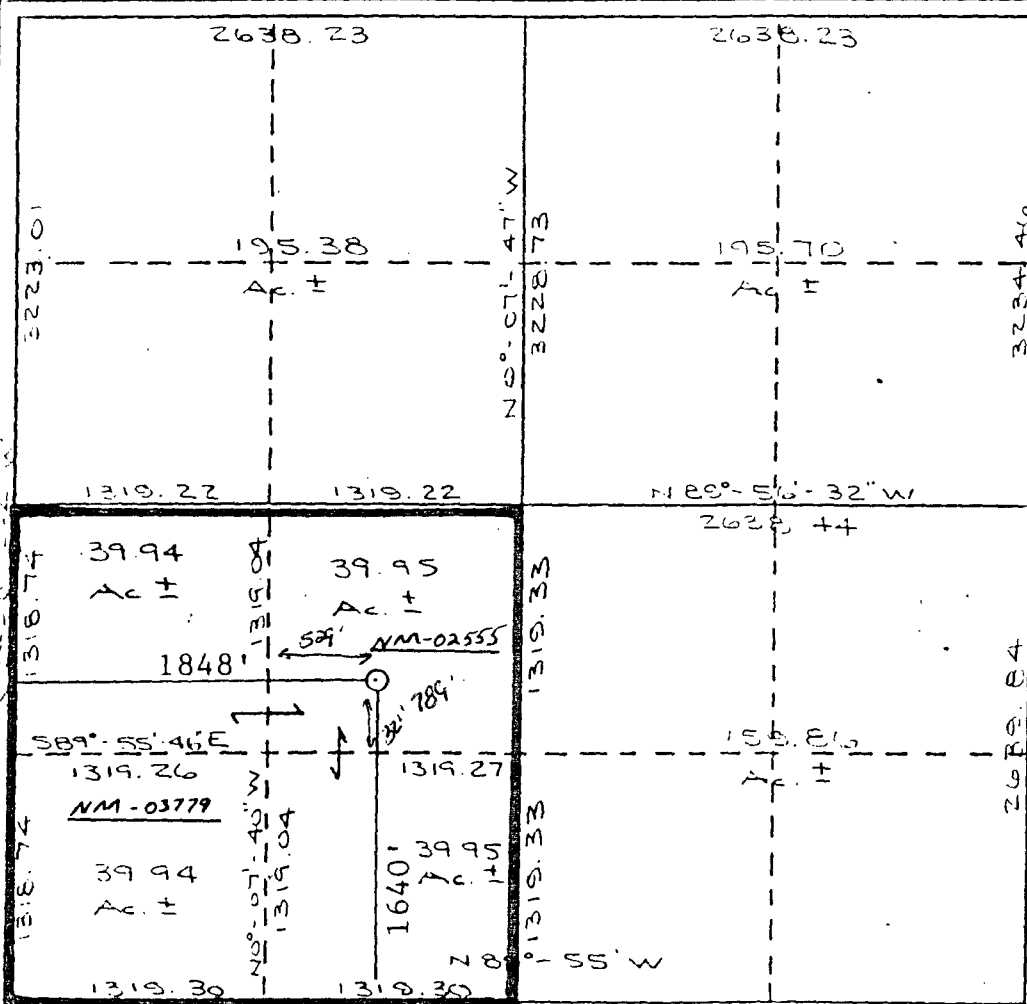
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation To be Communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

N 89°-56'E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Robert C. Frank*

Name  
**Robert C. Frank**

Position  
**Permit Coordinator**

Company  
**Union Texas Petroleum**

Date  
**May 18, 1988**

I hereby certify that the location shown on this plat was plotted from field notes or survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

*Cecil B. Tullis*

Date Surveyed  
**December 22, 1987**

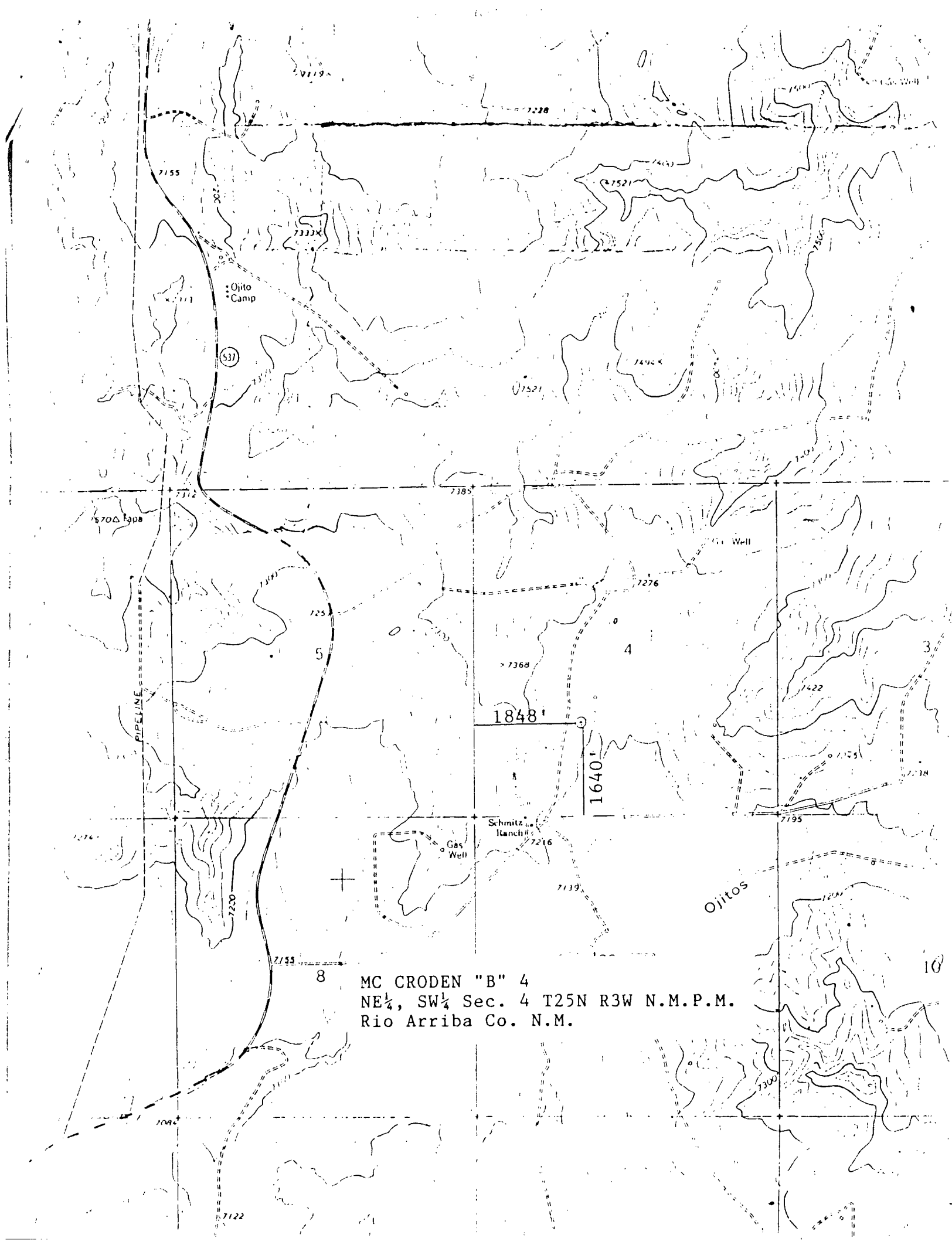
Registered Land Surveyor

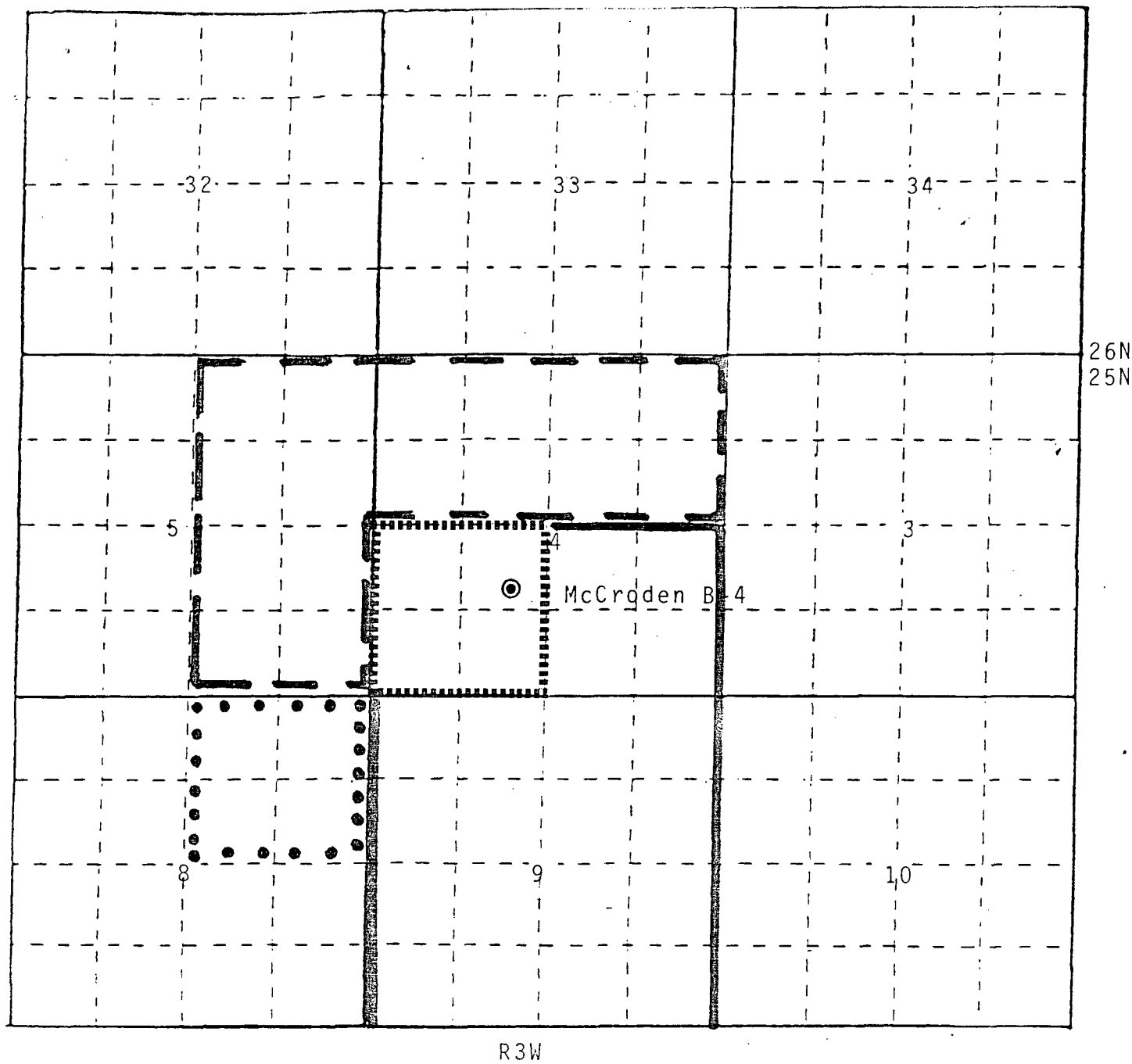
**Cecil B. Tullis**

Certificate No.

**9672**

Exhibit I





Union Texas Petroleum

Graham Resources

Chevron / Schalk Development



Union Texas Petroleum

375 U.S. Highway 64  
Farmington, New Mexico 87401  
Telephone (505) 325-3587

June 7, 1988

Operations Manager  
Graham Resources  
Suite 400  
1675 Larimer Street  
Denver, CO 80202

Re: McCroden B #4  
1640' FSL & 1848' FEL  
Section 4-T25N-R3W  
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank  
Permit Coordinator

Acknowledgement:

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Title



**Union Texas Petroleum**

375 U.S. Highway 64  
Farmington, New Mexico 87401  
Telephone (505) 325-3587

June 7, 1988

Operations Manager  
Chevron U.S.A.  
P. O. Box 599  
Denver, CO 80201

Re: McCroden B #4  
1640' FSL & 1848' FEL  
Section 4-T25N-R3W  
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank  
Permit Coordinator

Acknowledgement:

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Title



**Union Texas Petroleum**

375 U.S. Highway 64  
Farmington, New Mexico 87401  
Telephone (505) 325-3587

June 7, 1988

Operations Manager  
Schalk Development Company  
P. O. Box 25825  
Albuquerque, NM 87125

Re: McCroden B #4  
1640' FSL & 1848' FWL  
Section 4-T25N-R3W  
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank  
Permit Coordinator

Acknowledgement:

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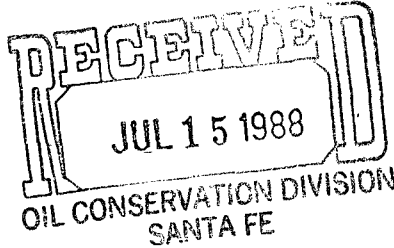
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Title



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 7-12-88

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL A \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

NSL-2543

Gentlemen:

I have examined the application dated 6-8-88

for the Union Texas Pet. Corp. McCRODEN B#4 K-4-25N-3W  
Operator Lease and Well No. Unit, Block

and my recommendations are as follows:

APPROVE

Yours truly,

[Signature]