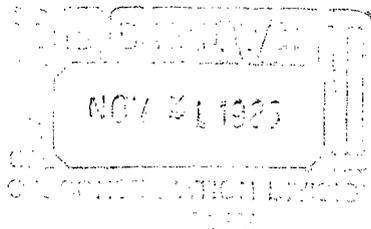




Union Texas Petroleum

November 13, 1985



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

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

Re: Jicarilla H #11
1450' FNL; 790' FWL
Section 18, 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, Undesignated Gallup, and Blanco Mesaverde fields as per Order #R-7508. The ownership of the zones to be commingled is common. The offset operators are EPNG, Tenneco and Consolidated Oil and Gas. The Bureau of Land Management and the offset operators will receive notification of this proposed downhole commingling.

The Dakota zone is perforated (7676'-87') (7774'-88') and (7820'-22'), and the Mesaverde from 5083'-5733'. Each zone has been hydraulically fractured to stimulate production. The well was initially completed as a dual Mesaverde/Dakota in July 1979 with the Gallup behind pipe.

The attached production curves indicate that the Dakota is very marginal producing a 1984 average of only 3 MCF/D. Downhole commingling will be the most efficient method of producing the well and allow the marginal Gallup reserves to be produced. 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. Fluids have an API oil gravity close to 58°. The bottom hole pressure for the Dakota is 587 psi. The anticipated bottom hole pressure for the Gallup is 1013 psi and the bottom hole pressure for the Mesaverde is 743 psi.

The Jicarilla H #7E (D Section 19, T26N-R4W) located about one half mile south of the subject well was drilled and first delivered on 7/17/85. The well produces commingled from the Mesaverde, Gallup and Dakota. This well has not experienced any detrimental effects due to the commingling and has the capacity to produce an average 567 MCF/D and 8 BOPD.

Jicarilla H #11
Proposed Commingling
Page 2

The Jicarilla H #7 (K Section 19, T26N-R4W) located about one mile south 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, letters to the offset operators, wellbore diagram, data sheet, production curves from the offsetting commingled Gallup-Dakota well Jicarilla H #7, and production curves from the subject well.

Yours truly,



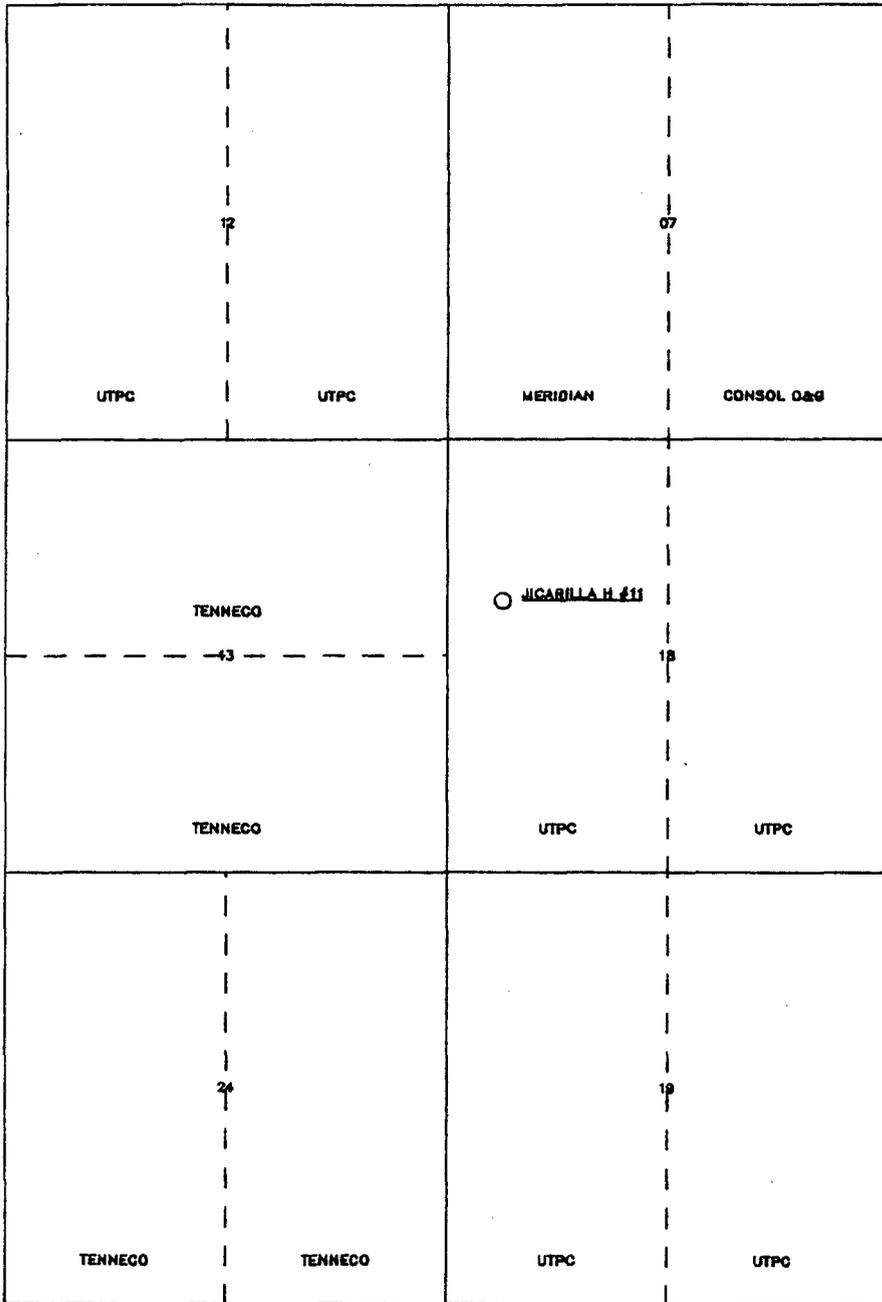
P. M. Pippin
Petroleum Engineer

PMP/tb

Enclosure

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

UNION TEXAS PETROLEUM CORP.
 JICARILLA H #11 MV/DK
 MESAVERDE-GALLUP-DAKOTA
 DOWNHOLE COMMINGLING APPLICATION
 RIO ARriba COUNTY
 NEW MEXICO



T-26-N

R-5-W

R-4-W



Union Texas Petroleum

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

November 14, 1985

Consolidated Oil & Gas Inc.
P. O. Box 2038
Farmington, NM 87499

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #11 well located 1450' FNL; 790' FWL, Section 18, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, undesignated Gallup, and Blanco-Mesaverde.

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/tb

The above downhole commingling request is hereby approved:

Date: _____



Union Texas Petroleum

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

November 14, 1985

El Paso Natural Gas
P. O. Box 990
Farmington, NM 87499

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #11 well located 1450' FNL; 790' FWL, Section 18, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, undesignated Gallup, and Blanco-Mesaverde.

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Your prompt attention to this matter would be appreciated.

Yours truly,

P. M. Pippin
Petroleum Engineer

PMP/tb

The above downhole commingling request is hereby approved:

Date: _____



Union Texas Petroleum

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

November 14, 1985

Bureau of Land Management
P. O. Box 568
Farmington, NM 87499

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #11 well located 1450' FNL; 790' FWL, Section 18, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, undesignated Gallup, and Blanco-Mesaverde.

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Your prompt attention to this matter would be appreciated.

Yours truly,

P. M. Pippin
Petroleum Engineer

PMP/tb

The above downhole commingling request is hereby approved:

Date: _____



Union Texas Petroleum

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

November 14, 1985

Tenneco Inc.
P. O. Box 3249
Englewood, CO 80155

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #11 well located 1450' FNL; 790' FWL, Section 18, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, undesignated Gallup, and Blanco-Mesaverde.

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,

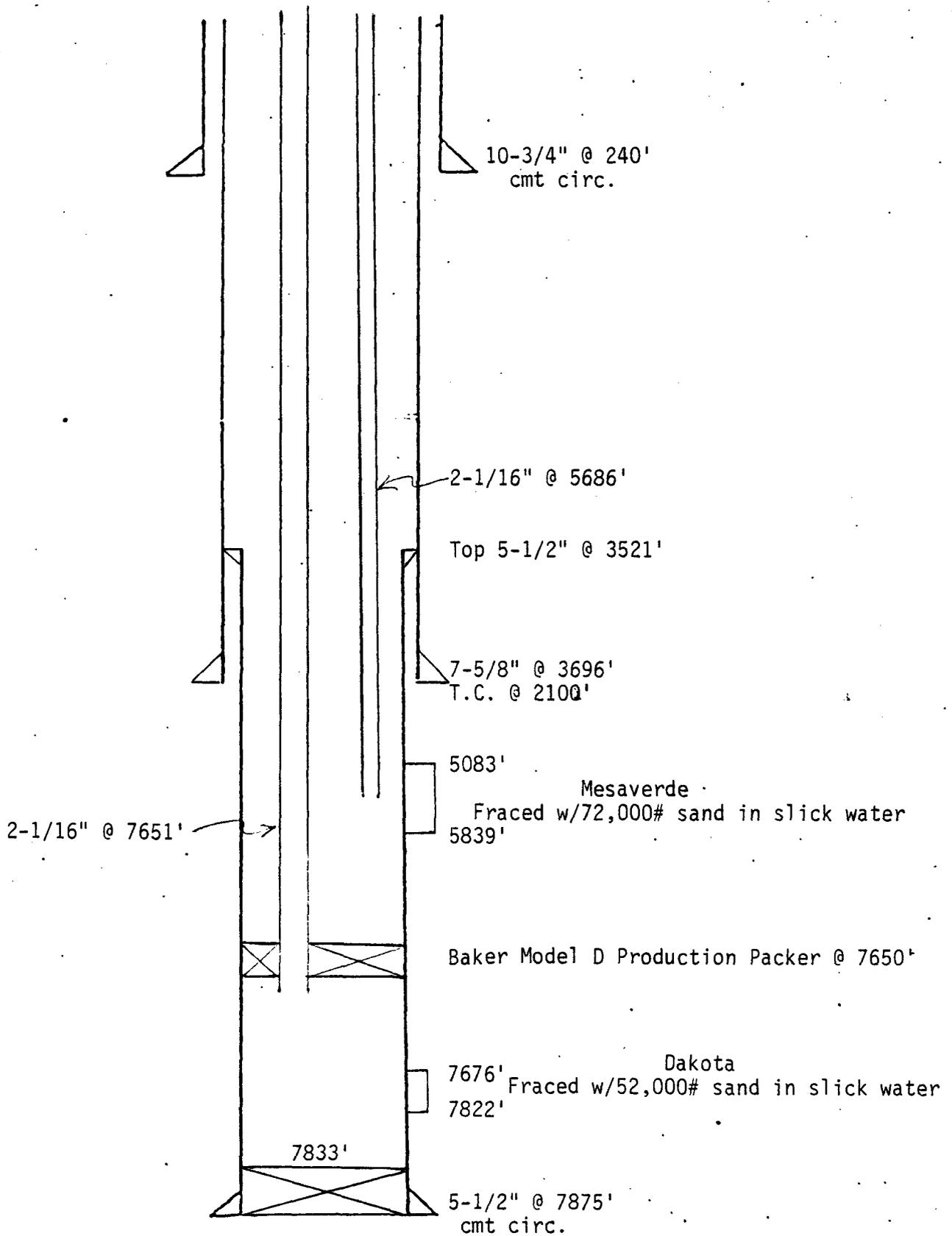
P. M. Pippin
Petroleum Engineer

PMP/tb

The above downhole commingling request is hereby approved:

Date: _____

WELL BORE DIAGRAM FOR Jicarilla H #11



DATA SHEET

WELL NAME Jicarilla H #11

DATE 11-12-85

LOCATION 1450' FNL 790' FWL Sec. 18-T26N-R4W
Rio Arriba County, NM

DATUM KB (14' above G.L.)

ELEVATION 6781' G.L.

TOTAL DEPTH 7875'

FIELD FORMATION Blanco Mesaverde
Basin Dakota

UNICON W.I. = 50%
NR = 43.75%

COMPLETED

INITIAL POTENTIAL

PLUG BACK TOTAL DEPTH

7-10-79

MV SICP = 1219#; Q = 1833 MCF/D; AOF = 1982 MCF/D
DK SICP = 1068#; Q = 1742 MCF/D; AOF = 2208 MCF/D

7833'

CASING RECORD

CASING SIZE

WT. & GRADE

DEPTH SET

CEMENT

TOP CEMENT

13-3/4" hole
9-7/8" hole
6-3/4" hole

10-3/4"
7-5/8"
5-1/2"

32.75# H-40
26.4# K-55
15.5# K-55

240'
3696'
3521'-7875'

150 sx
100 sx
500 sx

circ.
2100'(survey)
circ.

TUBING RECORD

236 jts
176 jts

2-1/16"
2-1/16"

3.25# I.J.
3.25# I.J.

7651' (Baker Model D pkr @ 7650')
5686' (1-1/2" seating nipple above
perf joint)

WELL HEAD

LOGGING RECORD

Density Log, Induction Log, CBL, Laserlog

STIMULATIONS

Perf DK @ 7676', 77', 78', 82', 83', 85', 86', 87', 7774', 75', 76', 77', 83',
84', 85', 86', 87', 88', 7820', 22'. Fraced w/52,000# sand in slick water.
Perf MV @ 5083', 88', 5102', 09', 33', 42', 61', 72', 81', 90', 97', 5205',
5512', 15', 36', 78', 5616', 19', 22', 30', 70', 89', 94', 5733', 5789', 5839'.
Fraced w/72,000# sand in slick water. Set 5-1/2" Baker Model D production
pkr @ 7650'.

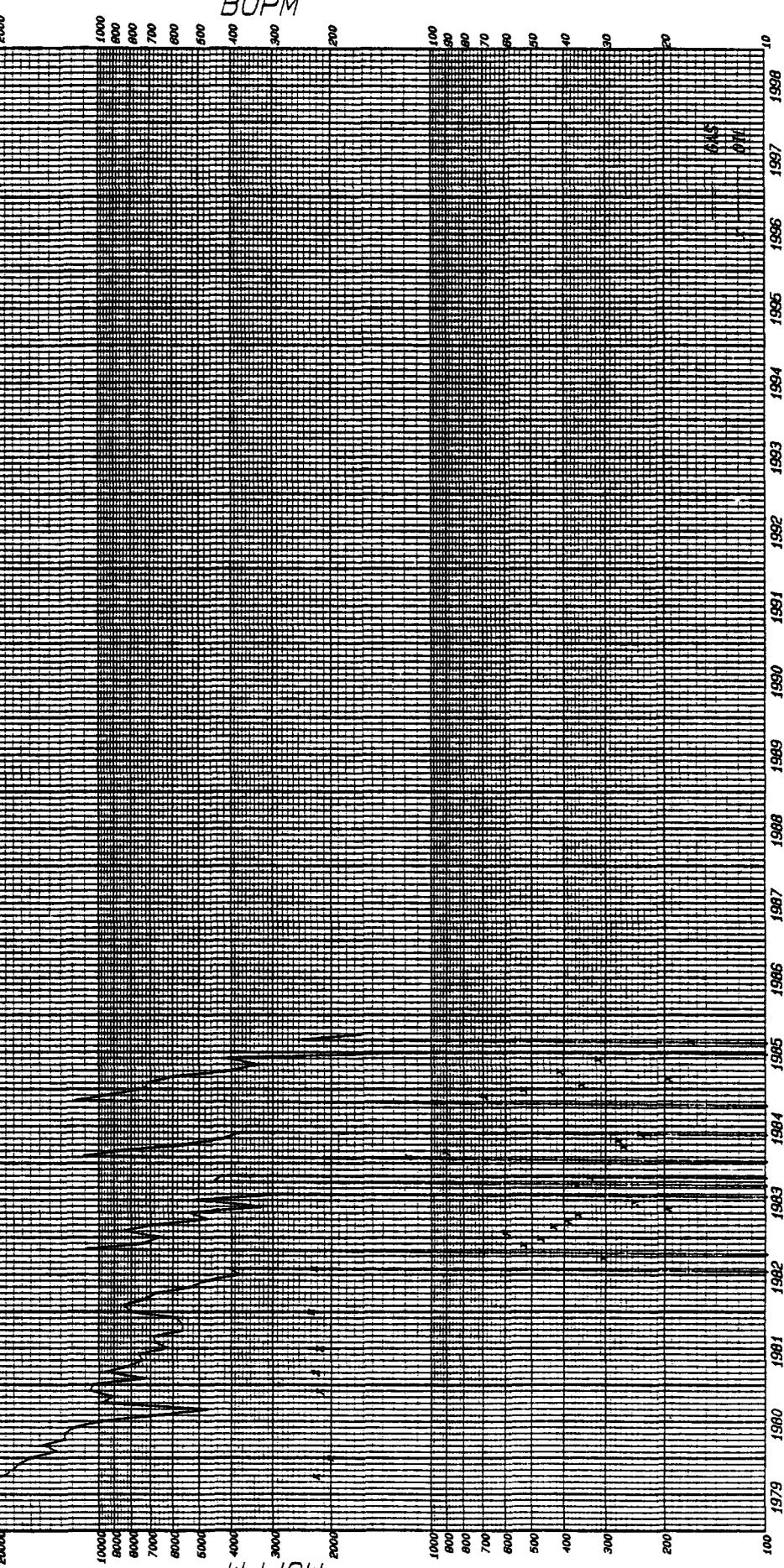
WORKOVER HISTORY

NONE

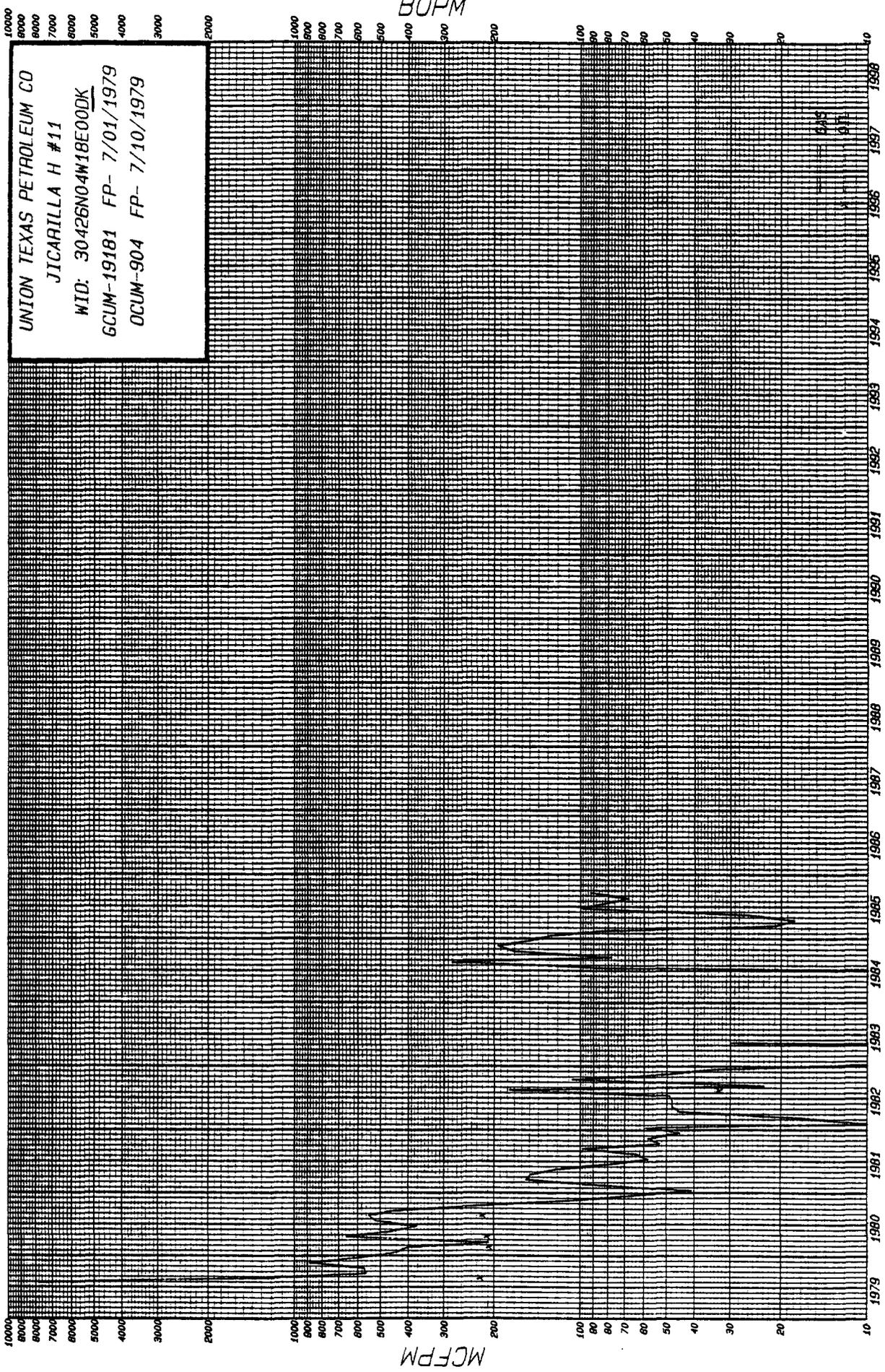
PRODUCTION HISTORY

First delivered 7/26/79
DK = 1193 BTU/cu ft
MV = 1180 BTU/cu ft

UNION TEXAS PETROLEUM CO
 JICARILLA H #11
 MID: 30426N04W18E00MV
 GCUM-512482 FP- 8/01/1979
 OCUM-2721 FP- 7/10/1979



PRODUCTION YEAR

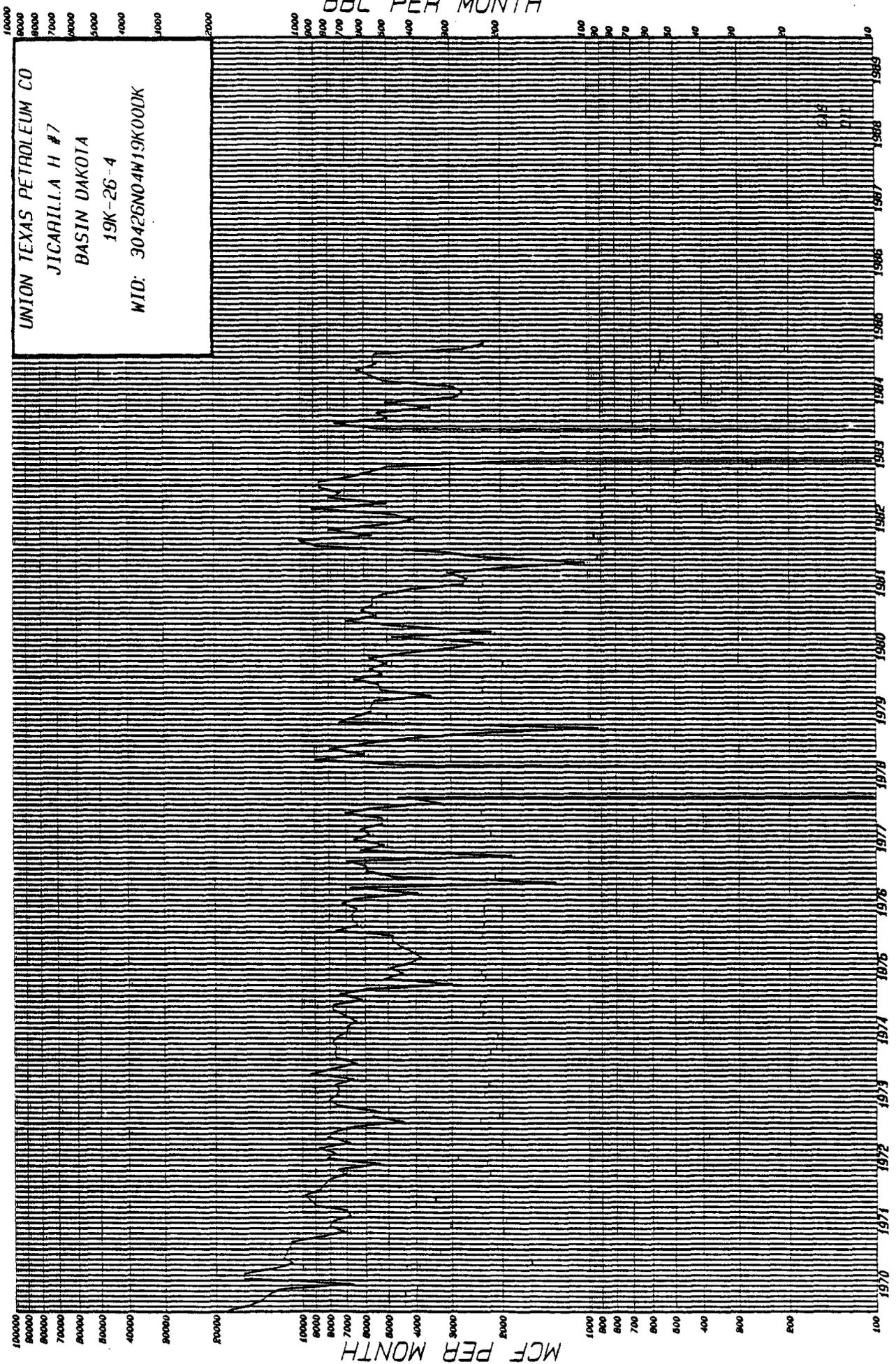


UNION TEXAS PETROLEUM CO
 JICARILLA H #11
 WID: 30426N04W18E00DK
 GCUM-19181 FP- 7/01/1979
 OCUM-904 FP- 7/10/1979

MCFPM

BOPM

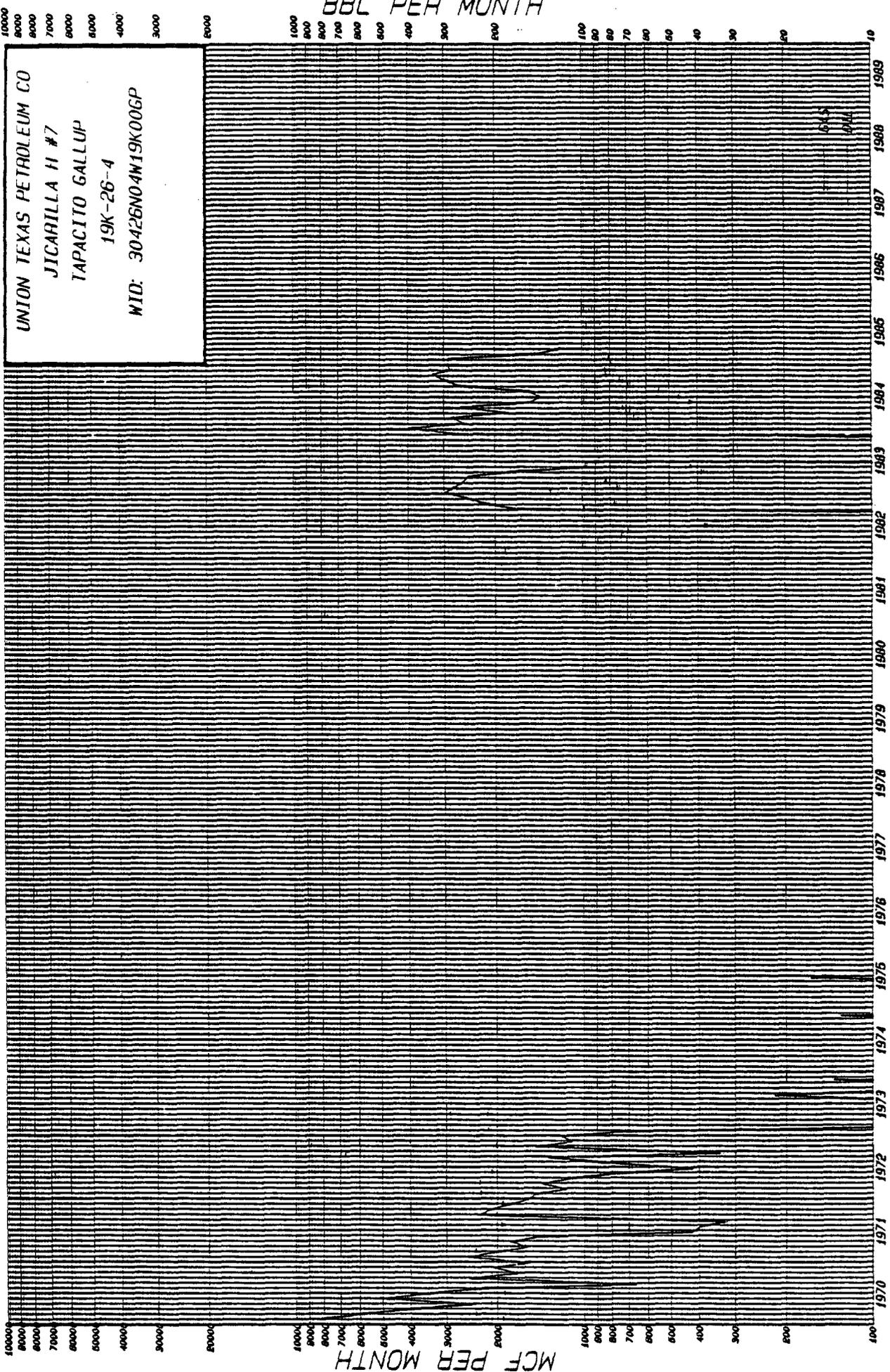
PRODUCTION YEAR



PRODUCTION YEAR

MCF PER MONTH

BBL PER MONTH



PRODUCTION YEAR



STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

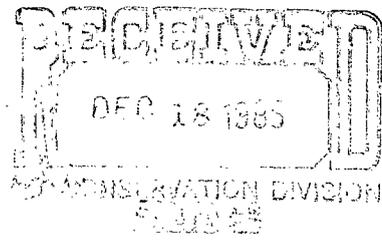
1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178

585

OIL CONSERVATION DIVISION
 BOX 2088
 SANTA FE, NEW MEXICO 87501

DATE 12/13/85

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



Gentlemen:

I have examined the application dated Nov. 20, 1985
 for the Union Texas Pet. Jicavilla H #11 E-18-26N-4W
 Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]