STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 4, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-640

Union Texas Petroleum
375 U.S. Highway 64
Farmington, New Mexico 87401

Attention: P. M. Pippin

        Re: Jicarilla "H" No. 12M, Unit I,
             Sec. 17, T-26-N, R-4-W, NMPM,
             Rio Arriba County, New Mexico.
             Basin Dakota, Blanco Mesaverde, and Wildhorse
             Gallup Pools

Gentlemen:

        Reference is made to your recent application for an
exception to Rule 303-A of the Division Rules and Regulations
to permit the subject well to commingle the production from all
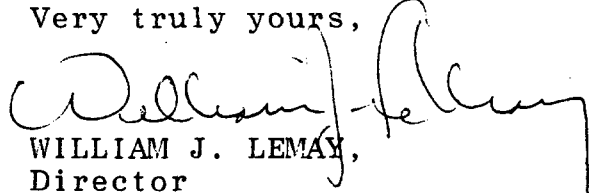three pools in the wellbore.

        It appearing that the subject well qualifies for approval
for such exception pursuant to the provisions of Rule 303-C,
and that reservoir damage or waste will not result from such
downhole commingling, and correlative rights will not be
violated thereby, you are hereby authorized to commingle the
production as described above.

        In accordance with the provisions of Rule 303.C.4., total
commingled oil production from the subject well shall not
exceed 50 barrels per day, and total water production from the
well shall not exceed 100 barrels per day. The maximum amount
of gas which may be produced daily from the well shall be
determined by Division Rules and Regulations or from the gas
allowable for each respective prorated pool as printed in the
Division's San Juan Basin Gas Proration Schedule.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

WILLIAM J. LEMAY,
Director

cc: Gas Co. of N.M.
    OCD District Office - Aztec