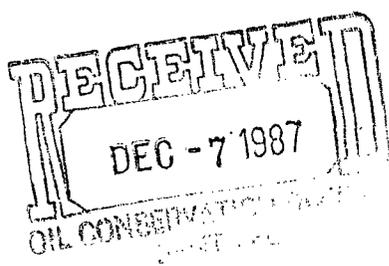




Union Texas Petroleum



December 3, 1987

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

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

NSL-2467
RULE-104 F(I)

Re: Unorthodox Location Request
Ernest #1
530' FNL & 530' FWL
Section 27-T24N-R7W
Rio Arriba County, NM

Escrito Gallup
Associated Pool.
80 Acre dcd.
w/2 NW/4 Section 27

Dear Mr. LeMay:

Union Texas Petroleum requests administrative approval for an unorthodox location for this well. The well was spud January 17, 1958 as a 40 acre Wildcat Gallup well. After the well was drilled, it was placed in the Escrito Gallup Pool and was eventually placed in the Escrito Gallup Associated Pool. The location of the well is not consistent with Associated Pool oil spacing.

Inasmuch as this well has been producing for almost 30 years and should have been "grandfathered" when the new pools were formed, UTP will not notify the offset operators unless instructed to do so by the N.M.O.C.D.

This is an "after the fact" request; however, the N.M.O.C.D. Aztec District Office thought it would be appropriate to make this request as a matter of record.

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

Very truly yours,

Robert C. Frank

Robert C. Frank
Permit Coordinator

RCF:lmg

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

Operator Union Texas Petroleum		Lease Ernest		Well No. 1
Unit Letter D	Section 27	Township 24N	Range 7W	County Rio Arriba

Actual Footage Location of Well:
530 feet from the North line and 530 feet from the West line

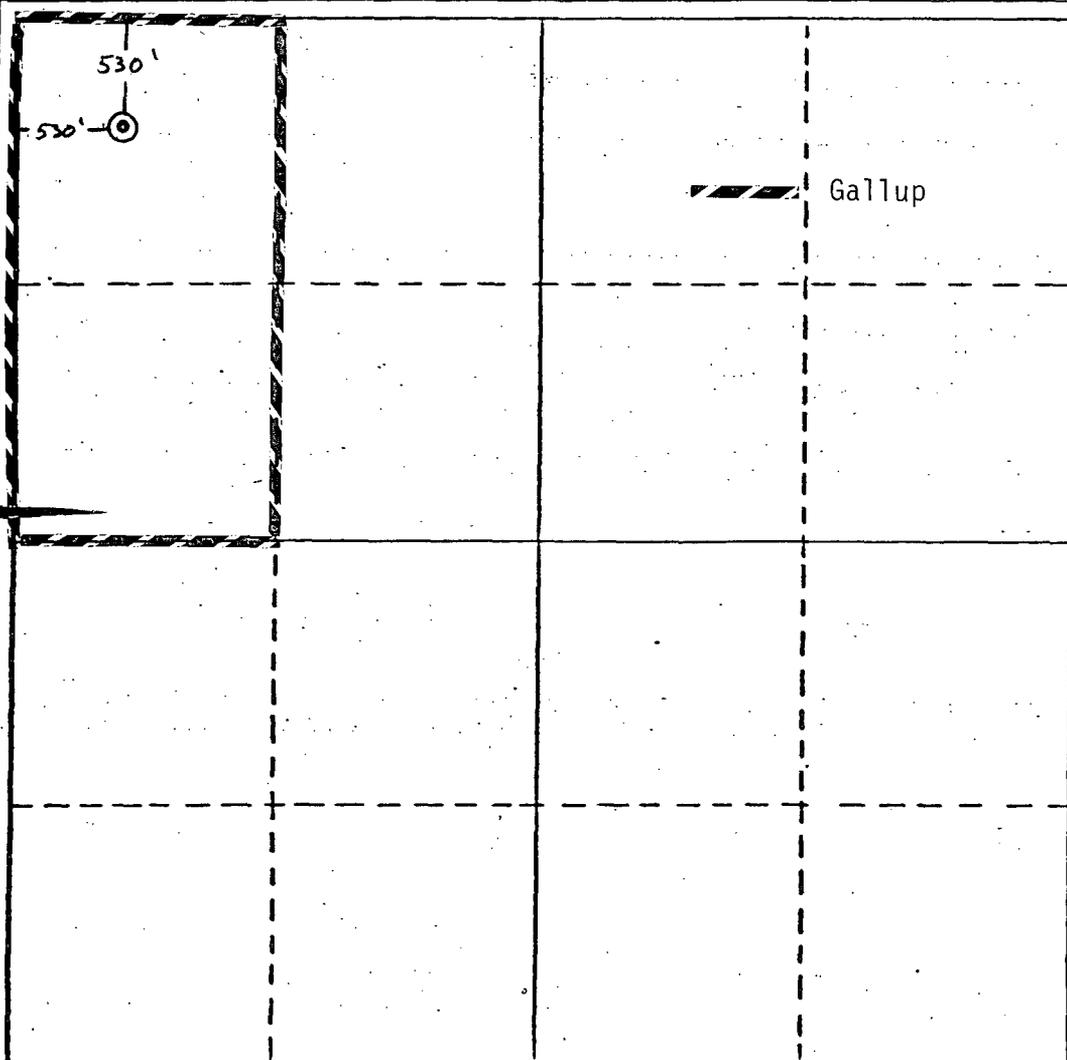
Ground Level Elev. 6810	Producing Formation Gallup	Pool -Escrito-Gallup Associated	Dedicated Acreage: 80 W/2, NW/4 Acres
----------------------------	-------------------------------	------------------------------------	--

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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.



CERTIFICATION

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

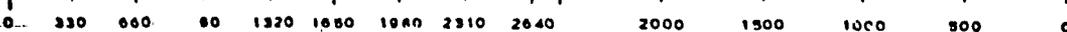
Robert C. Frank

Name
Robert C. Frank
Position
Permit Coordinator
Company
Union Texas Petroleum
Date
December 2, 1987

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

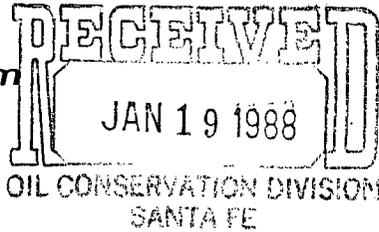
January 7, 1958
Date Surveyed
Original on file
Registered Professional Engineer
and/or Land Surveyor

Certificate No.





Union Texas Petroleum



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

January 11, 1988

Mr. David Catanach
N. M. Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501-2088

Re: Notification of Offset Operators
Unorthodox Location Request
Ernest 1
530' FNL & 530' FWL
Section 28-T24N-R7W
Rio Arriba County, NM

Dear Dave,

As you requested, attached please find copies of the notices we sent to the offset operators concerning our Unorthodox Location Request.

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

Very truly yours,

Robert C. Frank
Permit Coordinator

RCF:lmg
attachments

21	Grace	BLO	BLO
	Grace	Ernest	UTP
28	Lobo Prod.	UTP	
33			

24 N

7 W



Union Texas Petroleum

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

January 11, 1988

Grace Petroleum Corporation
Attn: Operations Manager
143 Union Blvd. Suite 760
Lakewood, CO 80225

Re: Unorthodox Location Request
Ernest 1
530' FNL & 530' FWL
Section 27-T24N-R7W
Rio Arriba County, NM

Dear Sir,

Union Texas Petroleum has requested an unorthodox location request for this well from the New Mexico Oil Conservation Division (refer to attached).

As a matter of record, the N.M.O.C.D. has requested we notify the offset operators of this application. If you have any questions or concerns about this application, please address them to the N.M.O.C.D. in Santa Fe, New Mexico.

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

Very truly yours,

Robert C. Frank
Permit Coordinator

RCF:lmg
attachment



Union Texas Petroleum

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

January 11, 1988

Lobo Production
C/O Red Walsh
Walsh Engineering & Production Corp.
3001 Northridge Drive
Farmington, NM 87401

Re: Unorthodox Location Request
Ernest 1
530' FNL & 530' FWL
Section 27-T24N-R7W
Rio Arriba County, NM

Dear Sir,

Union Texas Petroleum has requested an unorthodox location request for this well from the New Mexico Oil Conservation Division (refer to attached).

As a matter of record, the N.M.O.C.D. has requested we notify the offset operators of this application. If you have any questions or concerns about this application, please address them to the N.M.O.C.D. in Santa Fe, New Mexico.

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

Very truly yours,

Robert C. Frank
Permit Coordinator

RCF:lmg
attachment



Union Texas Petroleum

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

January 11, 1988

BCO, Inc.
Attn: Operations Manager
135 Grant Avenue
Santa Fe, NM 87501

Re: Unorthodox Location Request
Ernest 1
530' FNL & 530' FWL
Section 27-T24N-R7W
Rio Arriba County, NM

Dear Sir,

Union Texas Petroleum has requested an unorthodox location request for this well from the New Mexico Oil Conservation Division (refer to attached).

As a matter of record, the N.M.O.C.D. has requested we notify the offset operators of this application. If you have any questions or concerns about this application, please address them to the N.M.O.C.D. in Santa Fe, New Mexico.

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

Very truly yours,

Robert C. Frank
Permit Coordinator

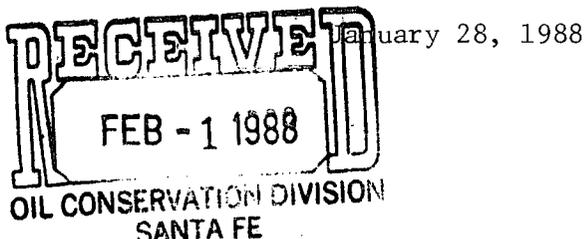
RCF:lmg
attachment



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

3001 Northridge Drive
P.O. Drawer 419
Farmington, New Mexico 87401
(505) 327-4892



Mr. William J. LeMay
Energy & Minerals Department
N.M. Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

REF: Union Texas Petroleum
Unorthodox Location Request
Ernest No. 1
530'FNL, 530'FWL
Section 27-T24N-R7W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

On behalf of Lobo Production, please be advised that there is no objection to the request by Union Texas Petroleum Company for approval of the above-referred-to Unorthodox Location.

Very truly yours,

Ewell N. Walsh, P.E.
President

ENW:rr

cc: Robert C. Frank
Union Texas Petroleum

Robert L. Finch, Trustee



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
DEC 10 1987

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 12-7-87

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

Gentlemen:

I have examined the application dated 12-4-87
for the Union Texas Petroleum Corp Ernest #1 D-27-240-760
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Eric Busch