

No Offsets

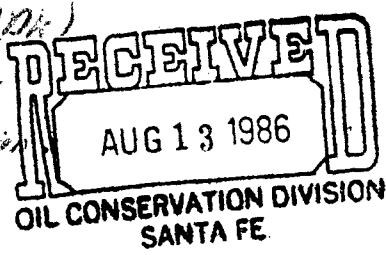
Release immediately

To Be DHC'd - R 8109 (Slp/BPH)

well @ a Standard Basin Dakota

Union Texas Petroleum Gas

Well location



NSL-2299

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

Rules 104 F(I)

August 12, 1986

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

Re: ~~Non-Standard Proration Unit~~ / Unorthodox Location

Jicarilla ~~Land~~ Well No. 11

1642' FNL & 1650' FEL (let 7) to be dedicated to the well serving a standard  
40-acre unit.  
Section 3-T24N-R5W  
Rio Arriba County, New Mexico

Dear Mr. Stamets: *Otero Gallup Oil Pool*

Union Texas Petroleum (UTP) requests administrative approval for a Basin Dakota Non-Standard Proration Unit comprising the NE/4 (188.01+ acres) of Irregular Section 3-T24N-R5W. In addition, UTP requests administrative approval for an Unorthodox Location for an Otero Gallup completion.

Order R-8106-A, dated December 26, 1986, removed the NW/4, as well as other tracts of Section 3-T24N-R5W, from the Basin Dakota and Otero Gallup Pools and placed the two formations in the West Lindrith Gallup-Dakota Pool. The well will be completed in both the Gallup and Dakota formations and production will be downhole commingled pursuant to Order R-8109-A. Inasmuch as this well will be drilled in an interior quarter/quarter and UTP operates all adjacent Gallup acreage, there will be no violation or correlative rights.

All offset operators have been notified by certified mail of our request for a Non-Standard Proration Unit. If I may be of any further assistance, please advise.

Very truly yours,

*Robert C. Frank*

Robert C. Frank  
Permit Coordinator

RCF:lmg

cc: N.M.O.C.D./Aztec  
Amoco Production  
Energy Reserves Group

*C.C. - OCP Aztec  
BLM - Farmington*

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-101  
 Supersedes C-120  
 Effective 1-1-83

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

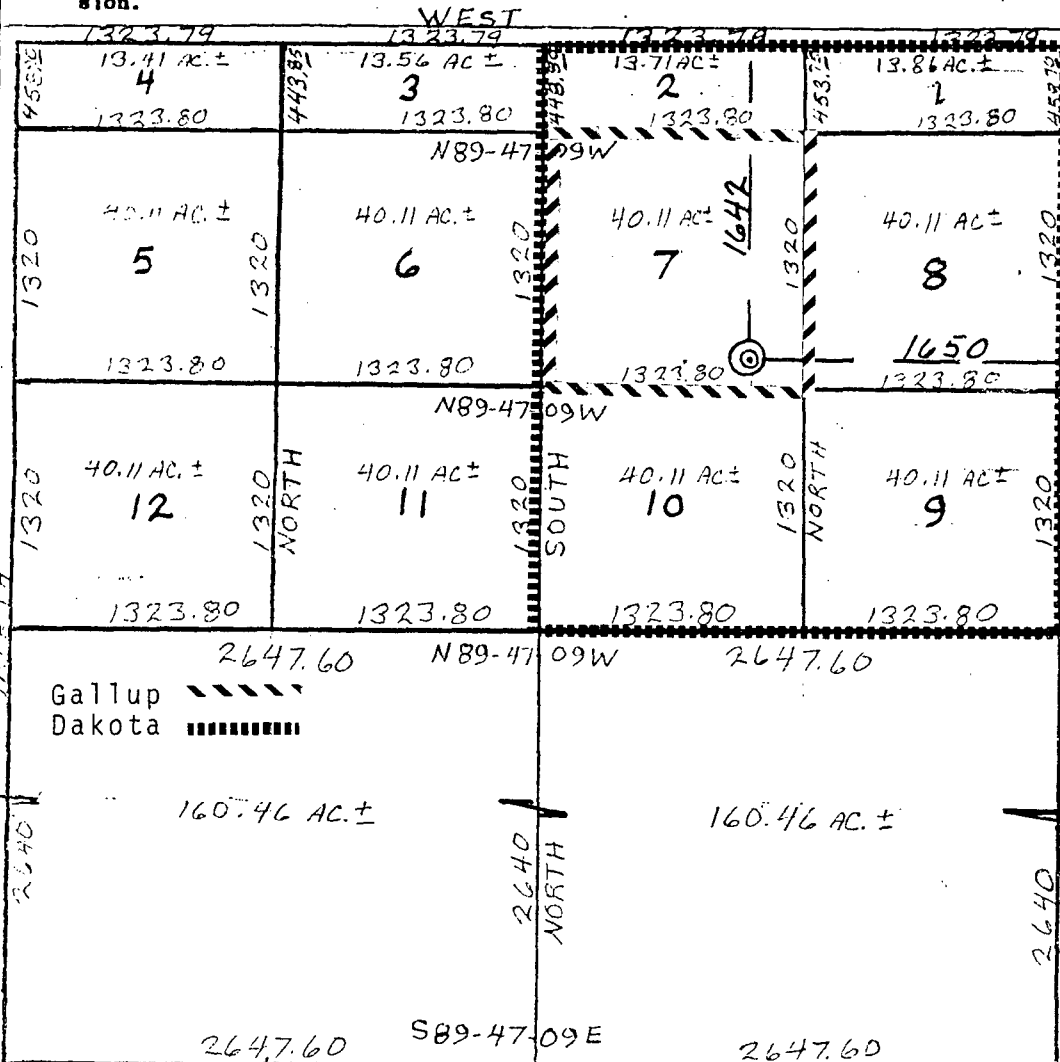
Operator <b>Union Texas Petroleum</b>			Lease <b>JICARILLA "L"</b>		Well No. <b>#11</b>
Unit Letter <b>G</b>	Section <b>3</b>	Township <b>24 N</b>	Range <b>5W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>1642</b> feet from the <b>North</b> line and <b>1650</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6712</b>	Producing Formation <b>Gallup/Dakota</b>		Pool <b>Otero/Basin</b>	Dedicated Acreages <b>40.11/188.01</b> Acres	

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 \_\_\_\_\_

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 Commission.



**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  
 August 12, 1986

I hereby certify that the well location shown on this plat was taken from field notes of a duly licensed surveyor 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  
 July 18, 1986  
 Registered Professional Engineer and/or Land Surveyor

Cecil B. Tullis

Certificate No.

9672

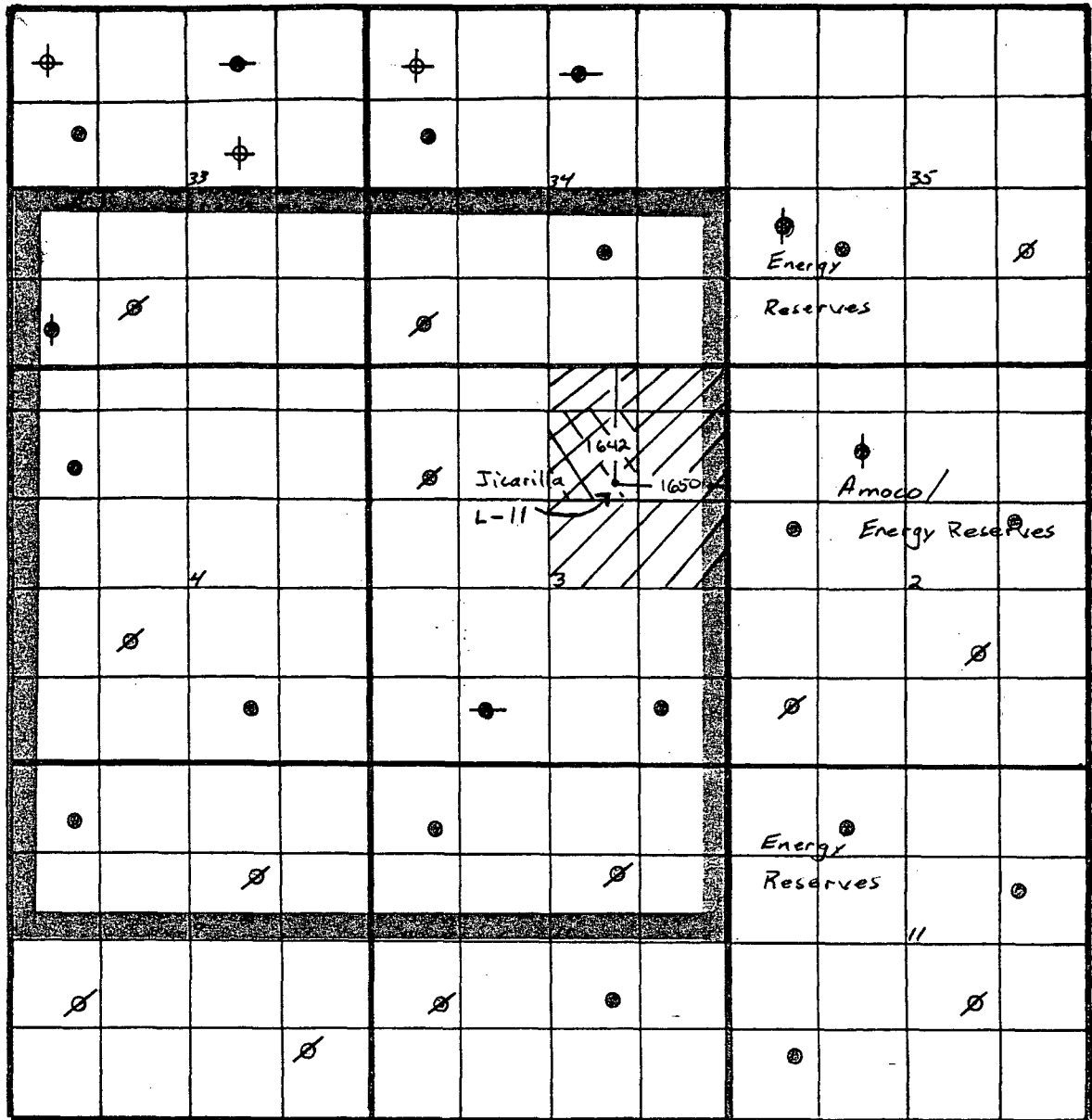
# Jicarilla L-11

Basin Dakota & Otero Gallup

1642 FNL & 1650 F.E.L

Section 3- T24N-R5W

Rio Arriba County, New Mexico

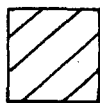


- ⊙ Gallup Single
- ⊙ Gallup/Dakota Dual
- ⊙ Gallup/Dakota DHC
- ⊙ Dakota Single
- ⊙ P & A

Not to scale



Union Texas Petroleum



Basin Dakota Dedication



Otero Gallup Dedication

<p><b>SENDER: Complete items 1, 2, 3 and 4.</b></p> <p>Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom, date and address of delivery.</p> <p>2. <input type="checkbox"/> Restricted Delivery.</p>	
<p>3. Article Addressed to:</p> <p>Energy Reserves Group c/o B.H.P. Petroleum (America), Inc. P. O. Box 1407 Denver, Colorado 80201</p>	
<p>4. Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail</p>	<p>Article Number</p> <p>PO64 535 507</p>
<p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	
<p>5. Signature - Addressee</p> <p>X</p>	
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p>	
<p>8. Addressee's Address (ONLY if requested and fee paid)</p>	

PS Form 3811, July 1983

DOMESTIC RETURN RECEIPT

<p><b>SENDER: Complete items 1, 2, 3 and 4.</b></p> <p>Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom, date and address of delivery.</p> <p>2. <input type="checkbox"/> Restricted Delivery.</p>	
<p>3. Article Addressed to:</p> <p>Amoco Production Company 2325 East 30th Street Farmington, NM 87401</p>	
<p>4. Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail</p>	<p>Article Number</p> <p>PO64 535 506</p>
<p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>	
<p>5. Signature - Addressee</p> <p>X</p>	
<p>6. Signature - Agent</p> <p>X</p>	
<p>7. Date of Delivery</p>	
<p>8. Addressee's Address (ONLY if requested and fee paid)</p>	

PS Form 3811, July 1983

DOMESTIC RETURN RECEIPT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8744  
Order No. R-8109

APPLICATION OF UNION TEXAS  
PETROLEUM CORPORATION FOR  
DOWNHOLE COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

*See Also Order No. R-8109-A*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Union Texas Petroleum Corporation, is the owner of the Jicarilla "L" and "N" Leases underlying, in part, the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico.

(3) The applicant seeks authority to commingle Otero-Gallup Oil Pool production from the Dakota zone within the Basin-Dakota Oil Pool within the wellbores of wells currently completed and wells to be drilled on said leases within the area described above.

(4) The subject wells are or are expected to be capable of marginal production only from the subject zones.

(5) 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.

(6) The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(7) To afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(8) In order to allocate the commingled production to each of the commingled zones in the subject wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IS THEREFORE ORDERED THAT:

(1) That the applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle Otero-Gallup Oil Pool and Basin-Dakota Oil Pool production within the wellbore of all existing wells and all wells to subsequently be drilled in those portions of Jicarilla "L" and "N" Leases underlying the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico.

(2) The applicant shall consult with the Supervisor of the Aztec District office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(3) The operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

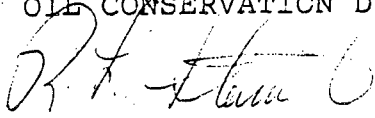
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 8744  
Order No. R-8109

DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 8744  
Order No. R-8109-A

APPLICATION OF UNION TEXAS  
PETROLEUM CORPORATION FOR  
DOWNHOLE COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

*See Also Order No. R-8109*

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8109, dated January 6, 1986, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (2) on page 1 of Division Order No. R-8109 is hereby corrected to read in its entirety as follows:

"(2) The applicant, Union Texas Petroleum Corporation, is the owner of the Jicarilla "L" and "N" Leases underlying, in part, the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, and the NE/4 of Irregular Section 3, Township 24 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico."

(2) Ordering Paragraph No. (1) on page 2 of said Order No. R-8109 is hereby corrected to read in its entirety as follows:

"(1) The applicant, Union Texas Petroleum Corporation, is hereby authorized to commingle Otero-Gallup Oil Pool and Basin-Dakota Oil Pool production within the wellbore of all existing wells and all wells to subsequently be drilled in those portions of Jicarilla "L" and "N" Leases underlying the SE/4 of Section 34, Township 25 North, Range 5 West, NMPM, and the NE/4 of Irregular Section 3, Township 24 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico."

(3) The corrections set forth in this order be entered nunc pro tunc as of January 6, 1986.



-2-

Case No. 8744

Order No. R-8109-A

DONE at Santa Fe, New Mexico, on this 17th day of  
January, 1986.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS  
Director

S E A L

fd/