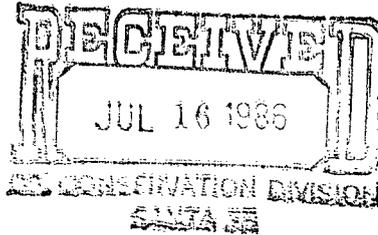




Union Texas Petroleum

July 11, 1986



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

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

Re: Administrative Order No. DHC-619
Oxnard #3A P Sec. 8, T31N-R8W
San Juan County, New Mexico
Basin Dakota & Blanco Mesaverde Pools

Dear Mr. Stamets:

Union Texas Petroleum is applying for an administrative amendment to the referenced order to obtain surface commingling approval for the Blanco Mesaverde and Basin Dakota intervals.

Due to the Dakota interval's poor production (average less than 10 MCF/D), we would be forced to propose plugging the Dakota and recompleting the well as a single Mesaverde rather than having the expense of moving a rig onto location and attempting either a dual completion or removing the downhole equipment. The present economic climate has forced our company to not only cut expenses but to eliminate operations that could lead to more expenses such as moving a rig into this location. Therefore, surface commingling would now be the most efficient method of producing the subject well.

The proposed commingling will result in the recovery of additional hydrocarbons from the Basin Dakota interval, thereby preventing waste, and will not violate correlative rights.

Enclosed for your convenience is a copy of our original application along with a copy of order #DHC-619.

Yours truly,

P.M. Pippin
Senior Production Engineer

PMP:bjs

cc: Frank Chaves - O.C.D.- Aztec Office
W.K. Cooper