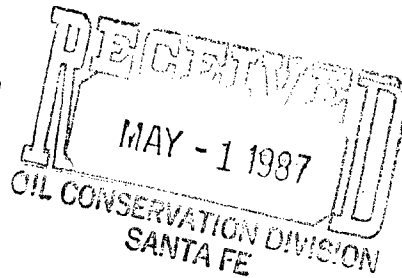




Union Texas Petroleum



April 28, 1987

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

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

Re: Jicarilla H #8E
1850' FNL & 1650' FEL
Section 19, T26N-R4W
Rio Arriba County, NM

Dear Mr. LeMay:

Union Texas Petroleum Corporation is applying for an administrative downhole commingling order for the referenced well in the Basin Dakota, Wildhorse Gallup, and Blanco Mesaverde fields, as per Order #R-7508. The ownership of the zones to be commingled is common. The offset operator is Jerome P. McHugh & Associates. The Bureau of Land Management and this offset operator will receive notification of this proposed downhole commingling.

We are planning to drill this well during the summer of 1987. Prospective intervals in the Dakota, Gallup, and Mesaverde will be perforated and fractured separately. As with the offset wells, we anticipate that each of these formations would be marginal if produced separately. A dual completion would introduce waste since at least one side would be too weak to produce, or one interval would have to be squeezed, or both.

The following table lists others wells on our Jicarilla H lease that are commingled. These wells have not experienced any detrimental effects due to the commingling.

<u>Well</u>	<u>Location</u>	<u>Formation</u>	<u>Commingled Date and Order</u>
Jicarilla H #7	K 19 26 4	Gal-DK	9/81 R-5861
Jicarilla H #7E	D 19 26 4	MV-Gal-DK	4/84 R-7508
Jicarilla H #12	A 17 26 4	Gal-DK	4/84 R-7509
Jicarilla H #8	K 19 26 4	Gal-DK	8/85 DHC-562
Jicarilla H #12M	I 17 26 4	MV-Gal-DK	3/87 DHC-640
Jicarilla H #11E	K 18 26 4	MV-Gal-DK	3/87 DHC-639

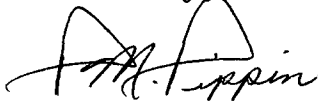
The reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed downhole commingling. The fluids from each zone are compatible and no precipitates will be formed to cause damage to either reservoir. The daily production will not exceed the limit of Rule 303c, Section 1a, Part 1. Both fluids have an API oil gravity close to 58°. The initial shut-in casing pressure for the Mesaverde, Gallup and Dakota are anticipated to be 900 psi, 950 psi, and 1550 psi, respectively.

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 will consult with the District Supervisor of the Aztec District Office of the Division to determine an allocation formula for each of the productive zones.

Included with this letter is a plat showing ownership of offsetting leases, a letter to the offset operator, and wellbore diagram.

Yours truly,

A handwritten signature in cursive script, appearing to read "P. M. Pippin".

P. M. Pippin
Production Engineer

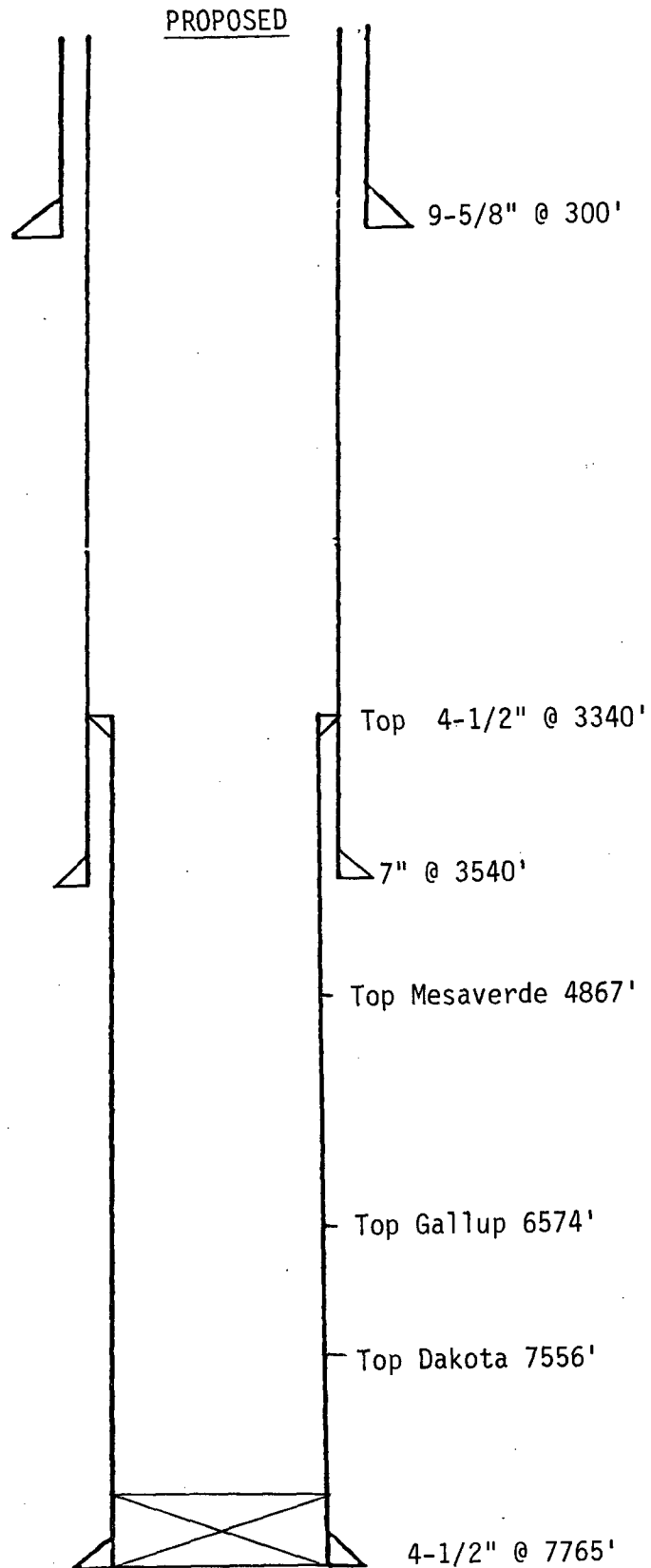
PMP:lmg

cc: Frank Chavez-OCD

WELL BORE DIAGRAM FOR

Jicarilla H #8E

1850' FNL; 1650' FEL
Section 19, T26N-R4W
Rio Arriba County, NM
Elevation: 6647' G.L.



UNION TEXAS PETROLEUM CORPORATION

Jicarilla H #8E

Mesaverde-Gallup-Dakota Commingle Application

Rio Arriba County, NM

18 UTPC	17 UTPC
Proposed Jicarilla H #8E 19 UTPC	20 UTPC
McHugh 30	McHugh 29

T
26
N

R4W



Union Texas Petroleum

April 28, 1987

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

Bureau of Land Management
Caller Service 4104
Farmington, New Mexico 87499

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #8E well located 1850' FNL and 1650' FEL, Section 19, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, Wildhorse Gallup and Blanco Mesaverde.

The purpose of this letter is to notify you of such action. If you have no objections to the proposed commingling order, we would appreciate your signing the attached copy of this letter and returning it to this office.

Your prompt attention on this matter would be appreciated.

Yours truly,

P. M. Pippin
Production Engineer

PMP:lmg

The above downhole commingling request
is hereby approved:

Date: _____



Union Texas Petroleum

April 28, 1987

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

Jerome P. McHugh and Associates
P. O. Box 809
Farmington, New Mexico 87499

Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #8E well located 1850' FNL and 1650' FEL, Section 19, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, Wildhorse 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 operate 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 returning it to this office.

Your prompt attention to this matter would be appreciated.

Yours truly,

P. M. Pippin
Production Engineer

PMP:lmg

The above downhole commingling request
is hereby approved:

Date _____

Union Texas Petroleum

RECEIVED

MAY 01 1987

April 28, 1987

**OIL CONSERVATION DIVISION
SANTA FE**

**BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA**

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

Bureau of Land Management
Caller Service 4104
Farmington, New Mexico 87499

DHC-650

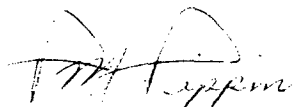
Gentlemen:

Union Texas Petroleum Corporation is in the process of applying for a downhole commingling order for their Jicarilla H #8E well located 1850' FNL and 1650' FEL, Section 19, T26N-R4W, N.M.P.M., Rio Arriba County, New Mexico, in the Basin Dakota, Wildhorse Gallup and Blanco Mesaverde.

The purpose of this letter is to notify you of such action. If you have no objections to the proposed commingling order, we would appreciate your signing the attached copy of this letter and returning it to this office.

Your prompt attention on this matter would be appreciated.

Yours truly,



P. M. Pippin
Production Engineer

PMP:lmg

The above downhole commingling request is hereby approved:

APPROVED	
Date:	<i>MAY 20 1987</i> <i>[Signature]</i> AREA MANAGER FARMINGTON RESOURCE AREA

RECEIVED
MAY 21 1987
OIL CON. DIV.
DIST. 3

Pending NMAO Approval

NMOC D



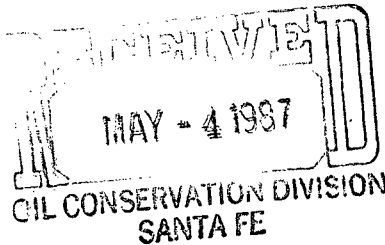
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE May 1/29 87

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



Gentlemen:

I have examined the application dated May 1, 1987
for the U.S.P. Operator Jimilla X #8E Lease and Well No. G-19-26A-4a Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Paul D. [Signature]