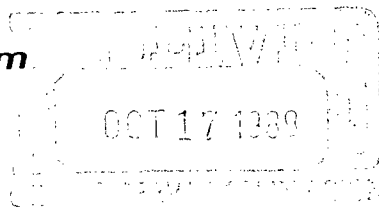




Union Texas Petroleum



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

October 11, 1988

Mr. William J. LeMay  
N. M. Oil Conservation Division  
310 Old Santa Fe Trail  
Room 206  
Santa Fe, New Mexico 87503

Re: Jicarilla H #13  
830' FNL & 1620' FWL  
Section 20, T26N-R4W  
Rio Arriba County, NM

Dear Mr. LeMay:

Union Texas Petroleum 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 Southern Union Exploration Company. The Bureau of Land Management and this offset operator will receive notification of this proposed downhole commingling.

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 other 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>Commingling 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 #8E  | G 19 26 4       | MV-Gal-DK        | 5/87 DHC-650                      |
| 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                      |

NMOCD

October 11, 1988

Page Two

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.

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 and a letter to the offset operator.

Yours truly,

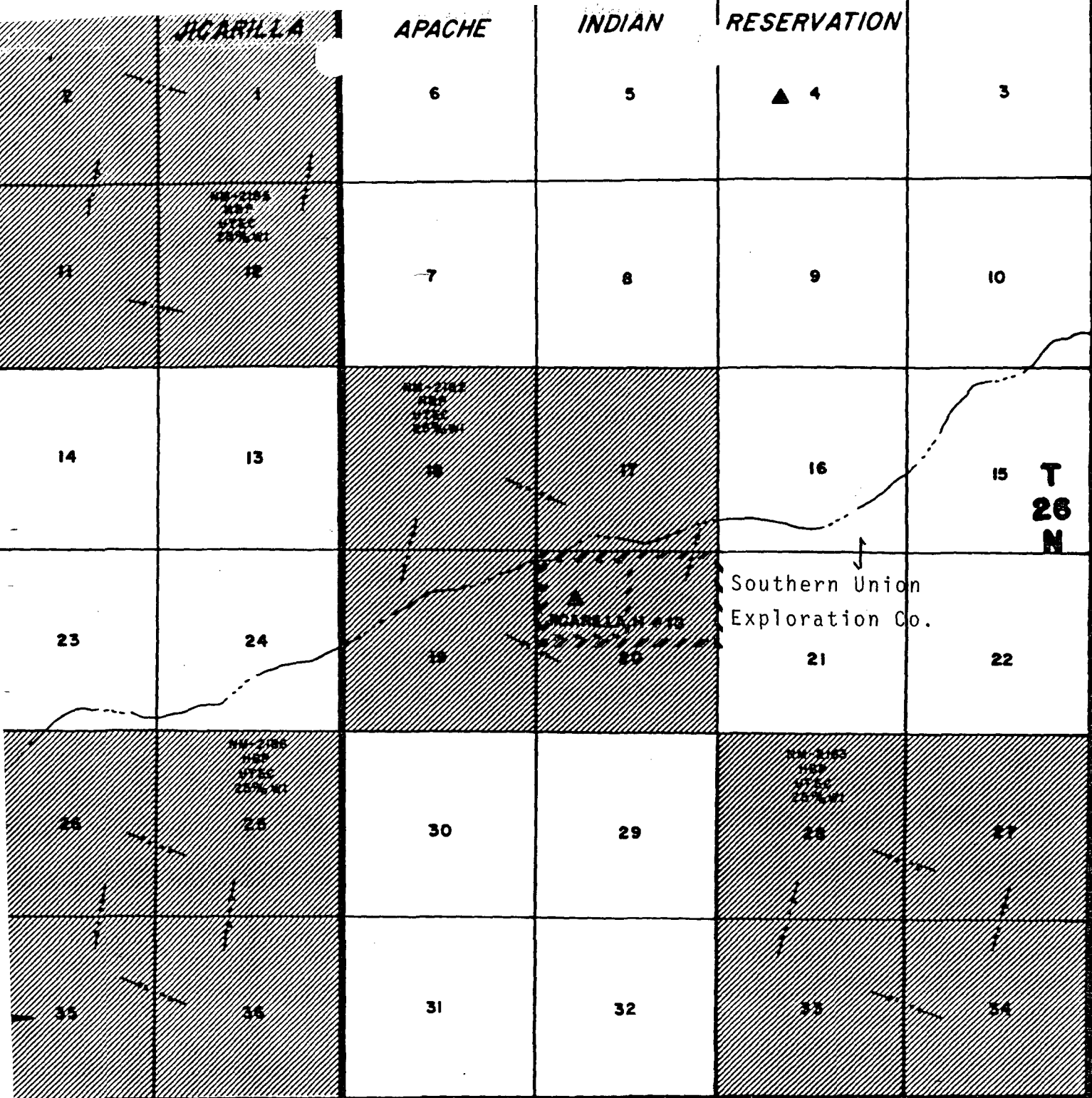


Robert C. Frank  
Permit Coordinator

RCF:lmg  
attachments

cc: Frank Chavez - NMOCD

*Dakota - 7676-7822  
Mesaverde - 5083-5839  
Gallup - 6983-7460*



R 5 W

R 4 W



UNION TEXAS PETROLEUM

JICARILLA NORTH AREA  
RIO ARRIBA COUNTY, NEW MEXICO

LAND PLAT

SCALE IN FEET



JICARILLA H #13



**Union Texas Petroleum**

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

October 12, 1988

Southern Union Exploration Co.  
324 US Highway 64 NEU 3001  
Farmington, NM 87401

Gentlemen:

Union Texas Petroleum is in the process of applying for a downhole commingling order for their Jicarilla H 13 well located 830' FNL and 1620' FWL, Section 20, T26N-R4W, 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. If you do object to this proposal, you must notify the New Mexico Oil Conservation Division, Santa Fe, New Mexico, within twenty days of this letter.

Your prompt attention on this matter would be appreciated.

Yours truly,

Robert C. Frank  
Permit Coordinator

RCF:lmg

The above downhole commingling request  
is hereby approved:

\_\_\_\_\_  
Date: \_\_\_\_\_



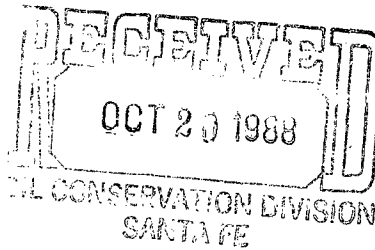
STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE

Oct 19, 1988



RE: Proposed MC \_\_\_\_\_  
Proposed DHC   X   \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated

Oct 17, 1988

for the

Union Tex Corp  
Operator

Jimilla H #13  
Lease and Well No.

C-20-26A-4W  
Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]