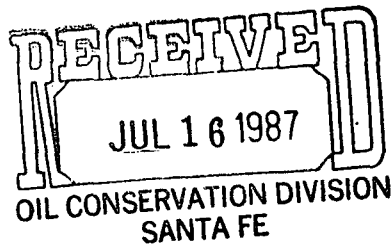


Release Date:
Aug 4, 1987



Union Texas Petroleum



B, DIC

July 14, 1987

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

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

Re: Administrative Approval
Unorthodox Location Approval
Mangum #5
1721' FSL & 1919' FWL
Section 10-T28N-R11W

NSL-2388
RULE-104 (A.I.)
Otero Chacra Pool
~~Acres~~ Acreage dedication

Dear Mr. LeMay:

Union Texas Petroleum requests Administrative Approval for an Unorthodox Location for an Otero Chacra recompletion. This well is currently completed in the Armenta Gallup. The Gallup and Chacra will be commingled pursuant to Order DHC-651 issued June 10, 1987. A sundry notice has been filed outlining the aforementioned procedure.

The only offset operators adjacent to the Otero Chacra "proration" unit are Meridian Oil, Inc., Marathon Oil Company, Mesa Petroleum, Dugan Production Company and Flag-Redfern Oil Company. They were notified by a letter of this date of our intentions.

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

Very truly yours,

Robert C. Frank

Robert C. Frank
Permit Coordinator

RCF:lmg
attachments

cc: NMOCD-Aztec

130.49 Acres consisting of
the West half of "irregular
Section 10 shall be dedicated
to the well.

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

Operator UNION TEXAS PETROLEUM CORPORATION			Lease MANGUM		Well No. 5
Unit Letter K	Section 10	Township 28 NORTH	Range 11 WEST	County SAN JUAN	
Actual Footage Location of Well: 1721 feet from the SOUTH line and 1919 feet from the WEST line					
Ground Level Elev. 5502	Producing Formation Chacra		Pool Otero	Dedicated Acreage: 130.49 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 Division.

CERTIFICATION

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

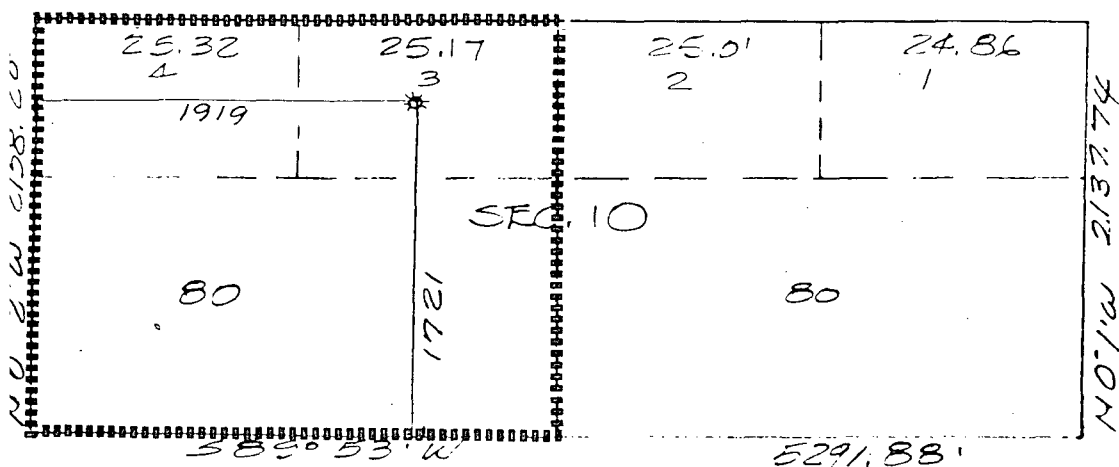
Robert C. Frank

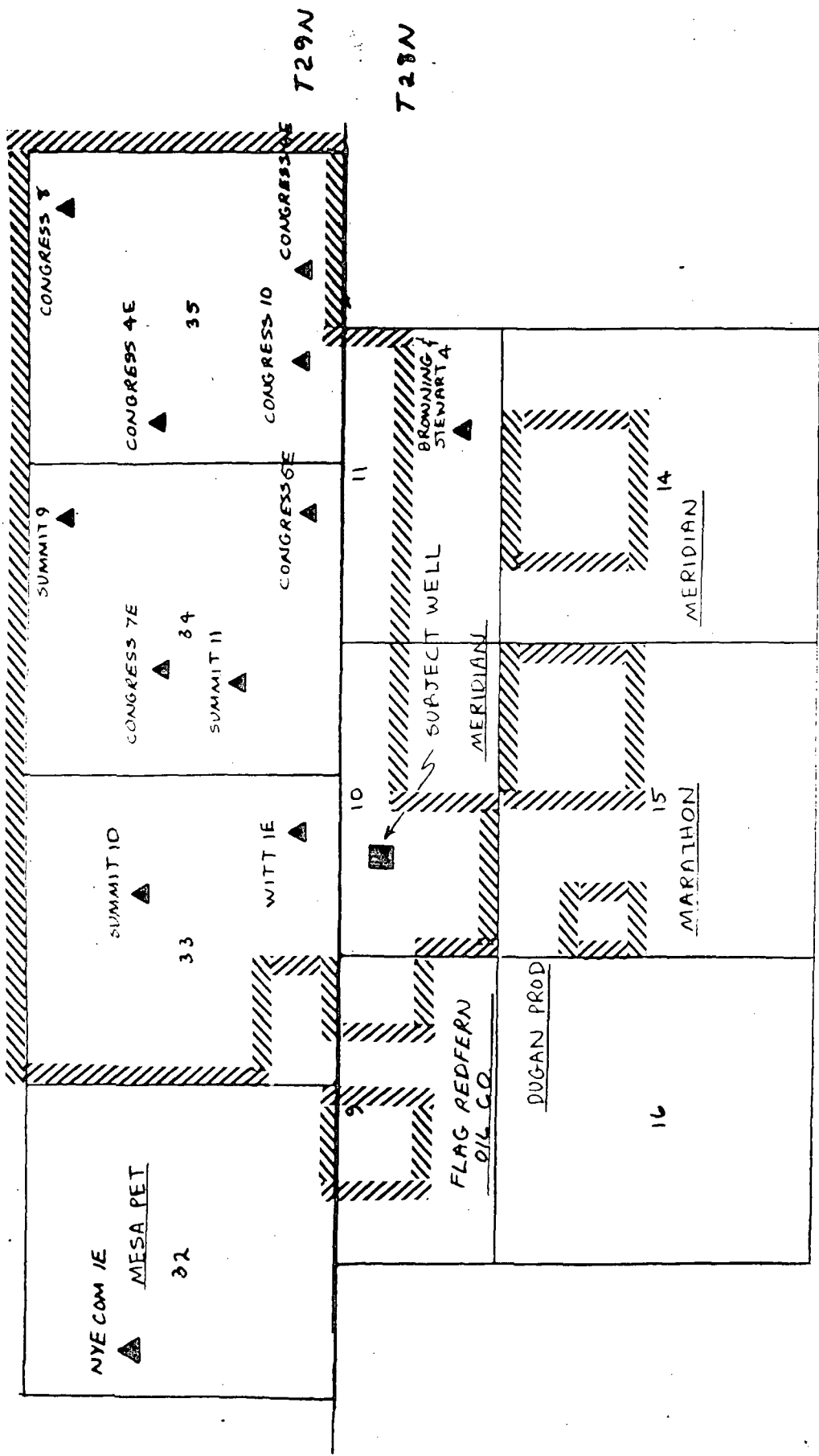
Name
Robert C. Frank
Position
Permit Coordinator
Company
Union Texas Petroleum
Date
June 22, 1987

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 are true and correct to the best of my knowledge and belief.

Date Surveyed
March 30, 1983
Registered Professional Engineer
and/or Land Surveyor

Michael Daly
Certificate No.
5992





R11W

EXHIBIT A - OFFSET CHACRA WELLS

UNION TEXAS PETROLEUM ACPEAGE



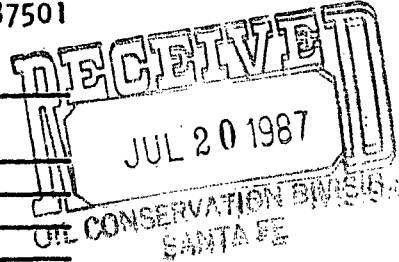
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 7-15-87

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



Gentlemen:

I have examined the application dated 7-14-87
for the Union Texas Petroleum Corp. Marginal #5 K-10-28N-11W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approval

Yours truly,

E. R. Burch