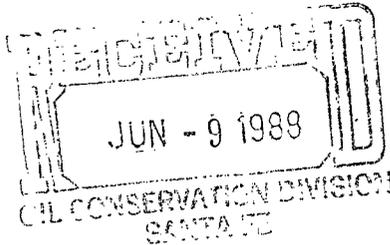


Released Date:
June 29, 1988

By DIC



Union Texas Petroleum



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

June 7, 1988

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

Re: McCroden B #4
1640' FSL & 1848' FWL
Section 4-T25N-R3W
Rio Arriba County, NM

NSL-2543
RULE-104 F(Z)

West Lindrith Gallup-Dakota
Pool
160 Acres dec.
SW 1/4 Sect 4

Dear Mr. LeMay:

Union Texas Petroleum requests administrative approval of an unorthodox location for a West Lindrith Gallup-Dakota completion. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

The offset operators, which have been notified of our intention, are Graham Resources, Chevron U.S.A. and Schalk Development. A copy of their letters is attached for your review.

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: E. Busch/NMOCD

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

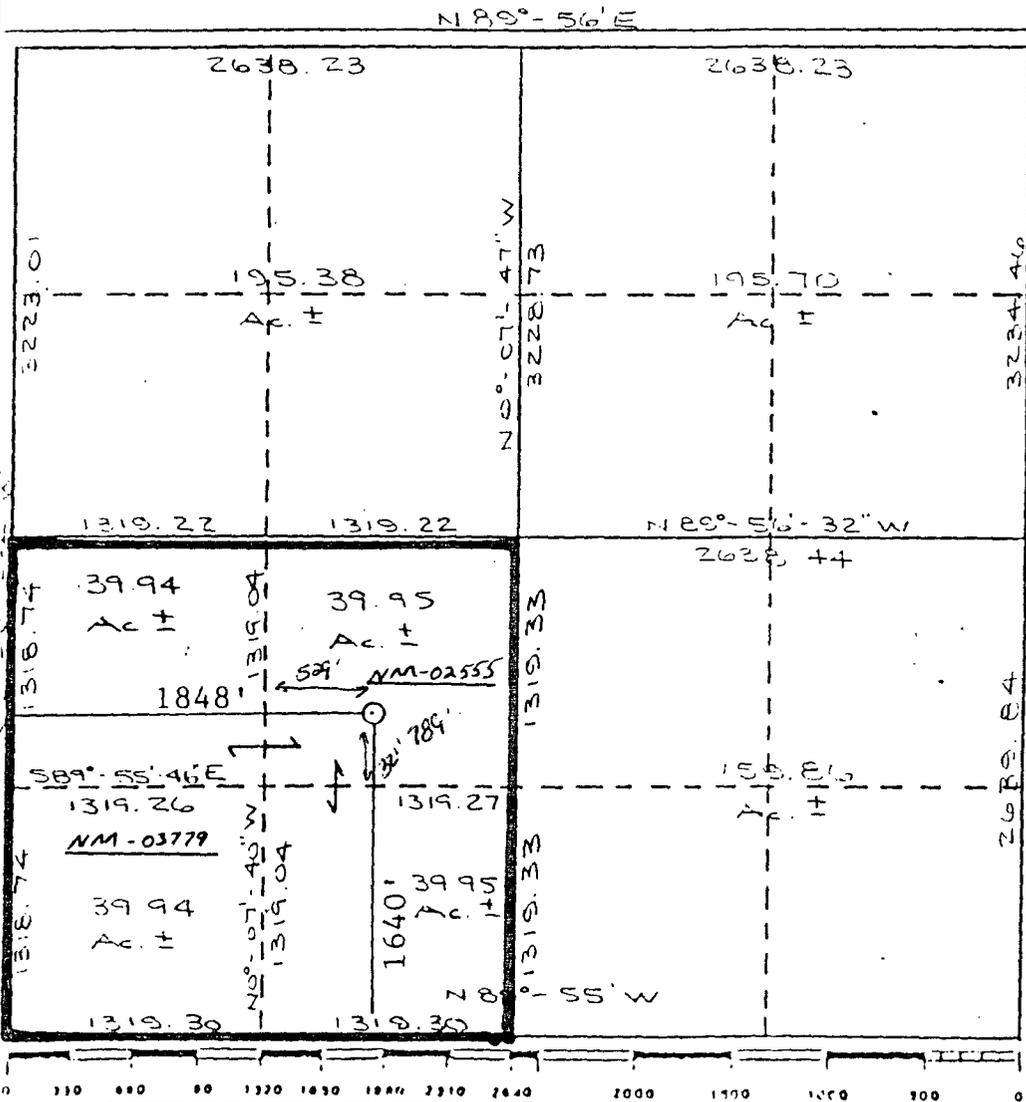
Operator UNION TEXAS PETROLEUM			Lease MC CRODEN "B"		Well No. 4
Unit Letter K	Section 4	Township 25N	Range 3W	County Rio Arriba	
Actual Postage Location of Wells					
1640 feet from the South line and		1848 feet from the West line			
Ground Level Elev. 7219	Producing Formation Gallup-Dakota	Pool West Lindrith	Dedicated Acreage SW/4 159.78 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 To be Communitized

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.

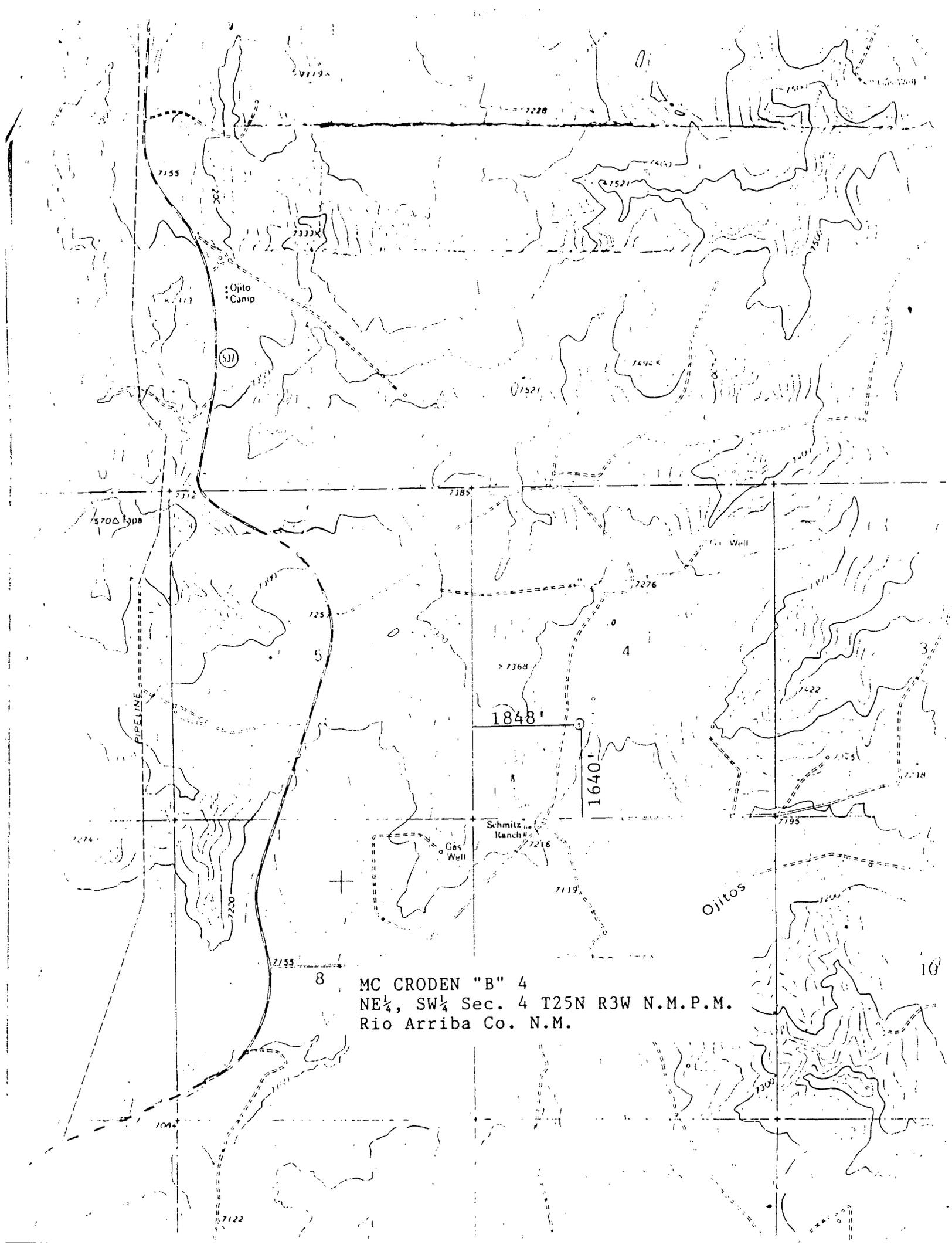
Robert C. Frank

Name: **Robert C. Frank**
 Position: **Permit Coordinator**
 Company: **Union Texas Petroleum**
 Date: **May 18, 1988**

I hereby certify that the location shown on this plat was plotted from field notes and maps made by me 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: **December 22, 1987**
 Registered Land Surveyor: **Cecil B. Tullis**
 Certificate No.: **9672**



Ojito
Camp

PIPELINE

1848'

1640'

Schmitz
Ranch

Gas
Well

Ojitos

MC CRODEN "B" 4
NE $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 4 T25N R3W N.M.P.M.
Rio Arriba Co. N.M.

10



Union Texas Petroleum

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

June 7, 1988

Operations Manager
Graham Resources
Suite 400
1675 Larimer Street
Denver, CO 80202

Re: McCroden B #4
1640' FSL & 1848' FEL
Section 4-T25N-R3W
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank
Permit Coordinator

Acknowledgement:

Title



Union Texas Petroleum

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

June 7, 1988

Operations Manager
Chevron U.S.A.
P. O. Box 599
Denver, CO 80201

Re: McCroden B #4
1640' FSL & 1848' FEL
Section 4-T25N-R3W
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank
Permit Coordinator

Acknowledgement:

Title



Union Texas Petroleum

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

June 7, 1988

Operations Manager
Schalk Development Company
P. O. Box 25825
Albuquerque, NM 87125

Re: McCroden B #4
1640' FSL & 1848' FWL
Section 4-T25N-R3W
Rio Arriba County, NM

Dear Sir:

Union Texas Petroleum desires to drill a West Lindrith Gallup-Dakota test at an unorthodox location of 1640' FSL and 1848' FWL. The owner of the surface estate has requested we use this location to minimize the impact to his pasture.

As an offset operator we are required to notify you of our intentions. If you do not approve of our proposal, you have twenty days from this date to notify the Director of the Oil Conservation Division in Santa Fe, New Mexico. If you are in accord with our proposal, please acknowledge by signing and return one copy of this letter to Union Texas Petroleum at your earliest convenience.

Very truly yours,

Robert C. Frank
Permit Coordinator

Acknowledgement:

Title



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

RECEIVED
JUL 15 1988
OIL CONSERVATION DIVISION
SANTA FE

DATE 7-12-88

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

NSL-2543

Gentlemen:

I have examined the application dated 6-8-88

for the Unico Texas Pet. Corp. McCRODEN B#4 K-4-25N-3W
Operator Lease and Well No. Unit, Block

and my recommendations are as follows:

APPROVE

Yours truly,

[Signature]