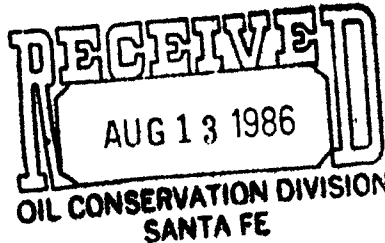


Union Texas Petroleum



August 12, 1986

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

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

Re: Non-Standard Proration Unit/Unorthodox Location
Jicarilla L-11
1642' FNL & 1650' FEL
Section 3-T24N-R5W
Rio Arriba County, New Mexico

Dear Mr. Stamets:

Union Texas Petroleum (UTP) requests administrative approval for a Basin Dakota Non-Standard Proration Unit comprising the NE/4 (188.01+ acres) of Irregular Section 3-T24N-R5W. In addition, UTP requests administrative approval for an Unorthodox Location for an Otero Gallup completion.

Order R-8106-A, dated December 26, 1986, removed the NW/4, as well as other tracts of Section 3-T24N-R5W, from the Basin Dakota and Otero Gallup Pools and placed the two formations in the West Lindrith Gallup-Dakota Pool. The well will be completed in both the Gallup and Dakota formations and production will be downhole commingled pursuant to Order R-8109-A. Inasmuch as this well will be drilled in an interior quarter/quarter and UTP operates all adjacent Gallup acreage, there will be no violation or correlative rights.

All offset operators have been notified by certified mail of our request for a Non-Standard Proration Unit. If I may be of any further assistance, please advise.

Very truly yours,

Robert C. Frank

Robert C. Frank
Permit Coordinator

RCF: 1mg

cc: N.M.O.C.D./Aztec
Amoco Production
Energy Reserves Group

10/9/96
For my conversation
today the 14th Avenue
by Garin Beach was
suffered to Arkansas
with Nelson, Caroline.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-101
 Supersedes C-120
 Effective 1-1-85

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

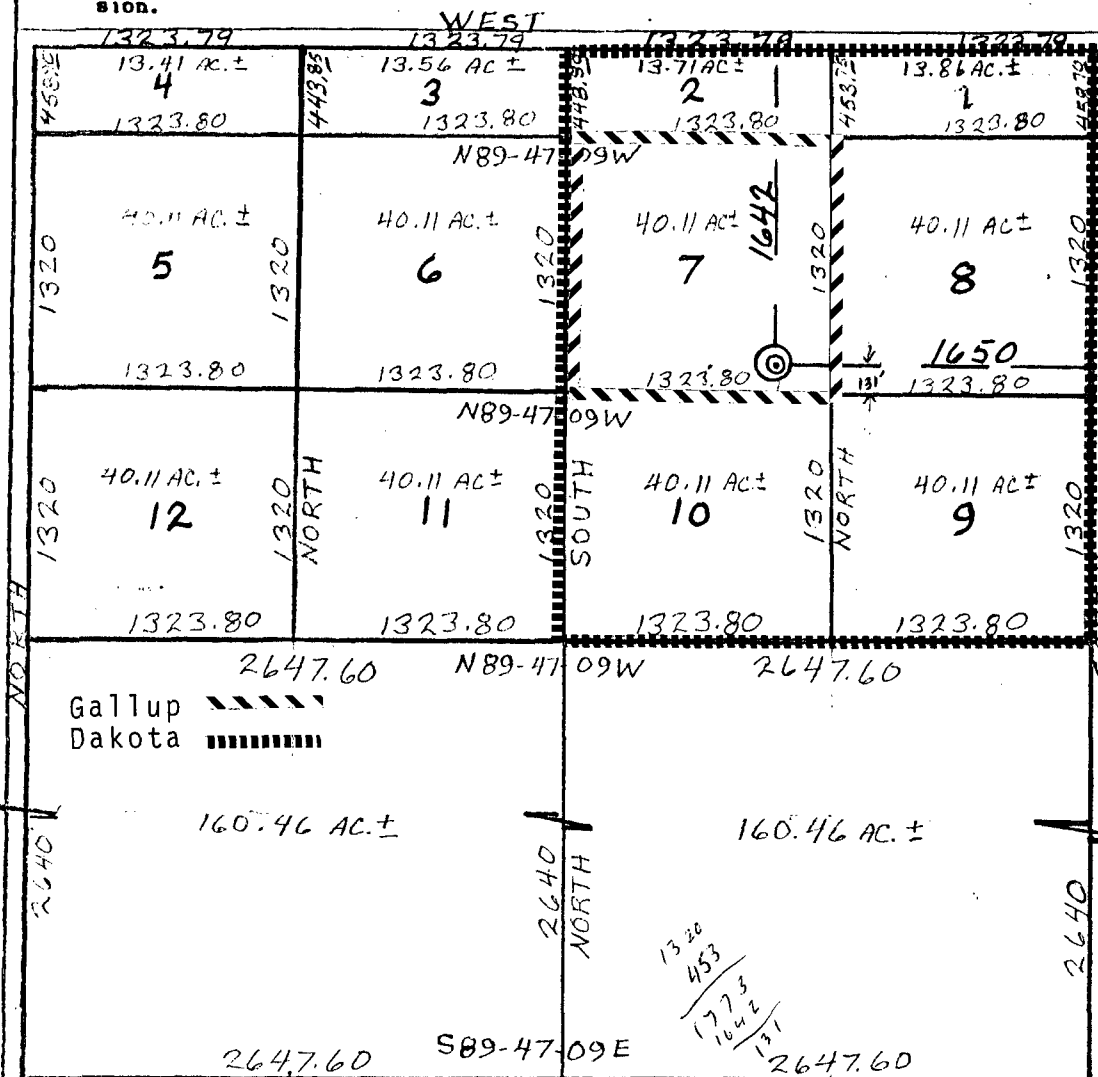
Operator Union Texas Petroleum			Lease JICARILLA "L"		Well No. #11
Unit Letter G	Section 3	Township 24 N	Range 5W	County Rio Arriba	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1642 feet from the North line and 1650 feet from the East line </div>					
Ground Level Elev. 6712	Producing Formation Gallup/Dakota		Pool Otero/Basin		Dedicated Acreage: 40.11/188.01 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 Commission.



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
 August 12, 1986

I hereby certify that the well location shown on this plat was planned from field notes of actual surveys 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
 July 18, 1986
 Registered Professional Engineer
 and/or Land Surveyor

Cecil B. Tullis
 Certificate No.
 9672

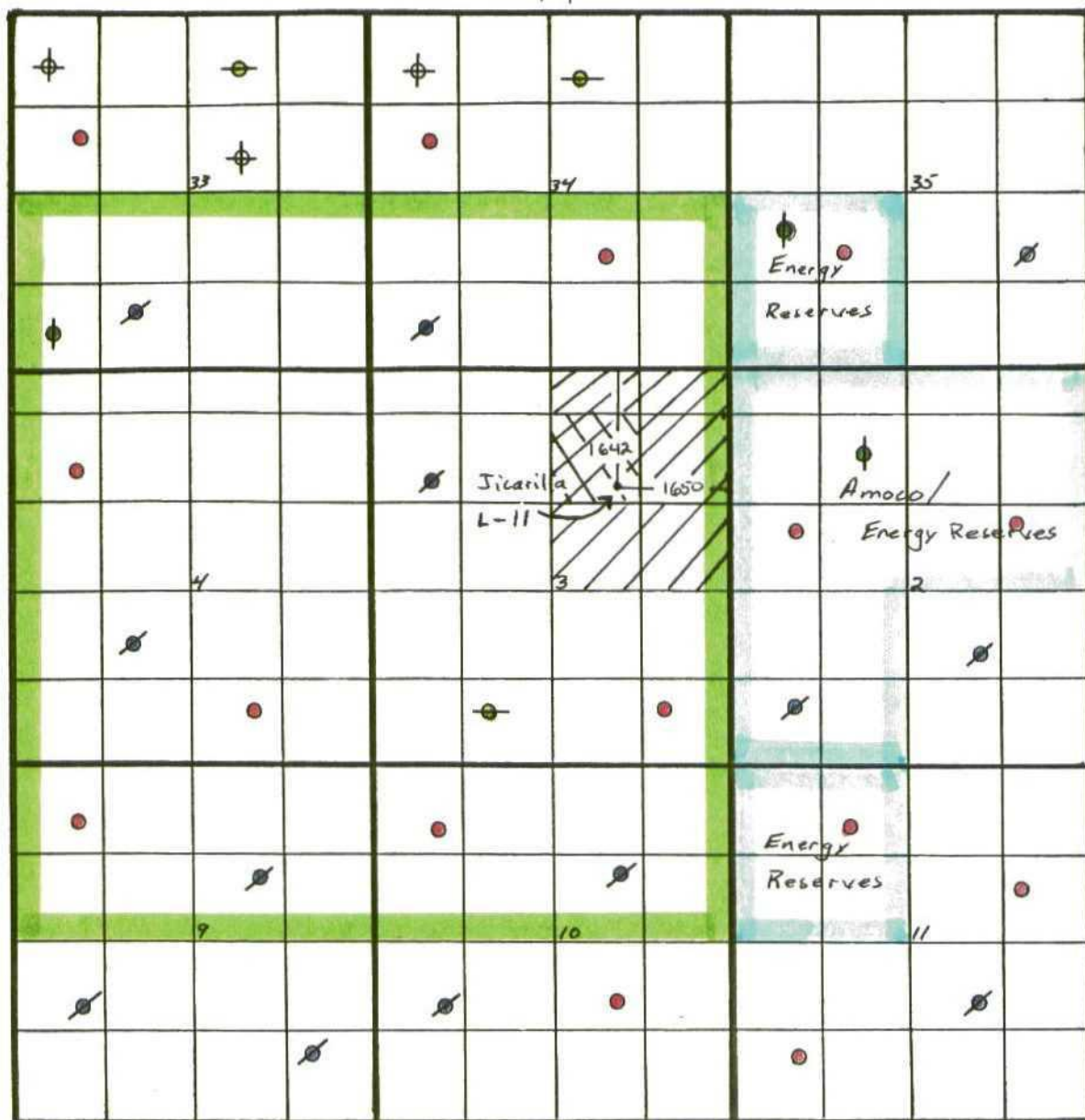
Jicarilla L-11

Basin Dakota & Otero Gallup

1642' FNL & 1650' FEL

Section 3- T24N-R5W

Rio Arriba County, New Mexico



- Gallup Single
- Gallup/Dakota Dual
- Gallup/Dakota DHC
- Dakota Single
- P & A

Not to scale



Union Texas Petroleum



Basin Dakota Dedication



Otero Gallup Dedication

PS Form 3811, July 1983

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es).

1. ☐ Show to whom, date and address of delivery
2. ☐ Restricted Delivery

3. Article Addressed to:
**Amoco Production Company
2325 East 30th Street
Farmington, NM 87401**

4. Type of Service: Article Number
☐ Registered ☐ Insured **P064 535 506**
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee ☒
6. Signature - Agent ☒
7. Date of Delivery
8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, July 1983

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es).

1. ☐ Show to whom, date and address of delivery
2. ☐ Restricted Delivery

3. Article Addressed to:
**Energy Reserves Group
c/o B.H.P. Petroleum (America), Inc.
P. O. Box 1407
Denver, Colorado 80201**

4. Type of Service: Article Number
☐ Registered ☐ Insured **P064 535 507**
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee ☒
6. Signature - Agent ☒
7. Date of Delivery
8. Addressee's Address (ONLY if requested and fee paid)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8768
Order No. R-8106

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR THE EXTENSION OF THE
HORIZONTAL LIMITS OF THE WEST LINDRITH
GALLUP-DAKOTA OIL POOL AND THE
CONTRACTION OF THE HORIZONTAL LIMITS
OF THE OTERO-GALLUP OIL POOL,
RIO ARriba COUNTY, NEW MEXICO.

*See Also
Order No.
R-8106-A*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 26th day of December, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Union Texas Petroleum Corporation, is the owner of certain oil and gas interests in Sections 3, 4, 9, and 10, Township 24 North, Range 5 West, NMPM, and in Sections 33 and 34, Township 25 North, Range 5 West, NMPM, all in Rio Arriba County, New Mexico.

(3) The applicant seeks the contraction of the horizontal limits of the Otero-Gallup Oil Pool by the deletion therefrom of the following described lands:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Irregular Section 3: W/2
Irregular Section 4: S/2
Section 9: N/2
Section 10: NW/4, SW/4 NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4
Section 34: SW/4

(4) The applicant further seeks the concomitant extension of the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the following described lands in Rio Arriba County, New Mexico:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Irregular Section 3: W/2, SE/4, S/2 NE/4
Irregular Section 4: S/2
Section 9: N/2
Section 10: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4
Section 34: SW/4

(5) Several wells within the proposed extension area described in Finding Paragraph No. (4) above have previously received authority for downhole commingling of Gallup and Dakota production under provisions of Division Orders Nos. R-5354 and R-5354-A, dated January 17, 1977 and February 8, 1977, respectively.

(6) The evidence presented in this case indicates that the aforesaid wells in the proposed extension area are each capable of draining 160 acres, which is the proper spacing for wells within the West Lindrith Gallup-Dakota Oil Pool.

(7) The standard spacing and proration unit size in the Otero-Gallup Oil Pool is 40-acres.

(8) No party appeared and objected to the proposed contraction and extension of said pools.

(9) Contraction of the horizontal limits of the Otero-Gallup Oil Pool and the concomitant extension of the West Lindrith Gallup-Dakota Oil Pool, all as described in Finding Paragraphs Nos. (3) and (4) above, will permit the proper

development of the aforesaid pools, will not cause waste nor impair correlative rights and should therefore be approved, subject to the following provisions:

- A. The location of any well reclassified from the Otero-Gallup Oil Pool to the West Lindrith Gallup-Dakota Oil Pool whose location does not comply with the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool should be automatically approved as an exception to the location requirements of said special pool rules.
- B. The operator of any well so reclassified should have 60 days from the date of entry of this order in which to file new Division Forms C-102, Well Location and Acreage Dedication Plat, for each well, dedicating thereto 160 acres, or to obtain approval of a non-standard proration unit.

IT IS THEREFORE ORDERED THAT:

(1) The Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion therefrom of the following described area:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Irregular Section 3: W/2
Irregular Section 4: S/2
Section 9: N/2
Section 10: NW/4, SW/4 NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 33: SE/4
Section 34: SW/4

(2) The West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein the following described area:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Irregular Section 3: W/2, SE/4, S/2 NE/4
Irregular Section 4: S/2
Section 9: N/2
Section 10: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4
Section 34: SW/4

(3) Any well drilling to or completed in the Gallup and/or Dakota formations within the lands described in Ordering Paragraph No. (2), above, whose location does not comply with the well location requirements of the West Lindrith Gallup-Dakota Oil Pool as set forth in Order No. R-4314, is hereby granted an exception to said well location requirements.


IT IS FURTHER ORDERED THAT:

(4) Pursuant to Section 70-2-18, NMSA (1978), any well, which by virtue of this order, is subject to pool rules providing for spacing and proration units larger than the one which is presently dedicated thereto, shall have 60 days from the date of entry of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(5) Jurisdiction of this cause and the subject matter thereof is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

S E A L

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 8768
Order No. R-8106-A

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR THE EXTENSION OF THE
HORIZONTAL LIMITS OF THE WEST LINDRITH
GALLUP-DAKOTA OIL POOL AND THE
CONTRACTION OF THE HORIZONTAL LIMITS
OF THE OTERO-GALLUP OIL POOL, RIO
ARRIBA COUNTY, NEW MEXICO.

*See Also Order
No. R-8106*

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8106,
dated December 26, 1985, does not correctly state the
intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (4) on page 2 of Division
Order No. R-8106 is hereby corrected to read in its entirety
as follows:

"(4) The applicant further seeks the concomitant
extension of the horizontal limits of the West Lindrith
Gallup-Dakota Oil Pool to include the following described
lands in Rio Arriba County, New Mexico:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Irregular Section 3: W/2 and SE/4
Irregular Section 4: S/2
Section 9: N/2
Section 10: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4
Section 34: SW/4"

(2) Ordering Paragraph No. (2) on pages 3 and 4 of
said Order No. R-8106 is hereby corrected to read in its
entirety as follows:

"(2) The West Lindrith Gallup-Dakota Oil Pool
in Rio Arriba County, New Mexico, as heretofore
classified, defined, and described, is hereby extended
to include therein the following described area:

-2-

Case No. 8768

Order No. R-8106-A

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Irregular Section 3: W/2 and SE/4

Irregular Section 4: S/2

Section 9: N/2

Section 10: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

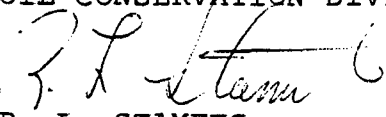
Section 33: SE/4

Section 34: SW/4"

(3) The corrections set forth in this order be entered
nunc pro tunc as of December 26, 1985.

DONE at Santa Fe, New Mexico, on this 17th day of
January, 1986.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

S E A L

fd/



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 10-9-82

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

NSP X

Gentlemen:

I have examined the application dated 8-13-82
for the Union Texas Petroleum Corp. Lic. L#11 G-3-24N-5W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

E. Buech