

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 24, 1991

RECEIVED

APR 24 1991

OIL CONSERVATION DIVISION

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Union Oil Company of California for Administrative Approval of an Unorthodox Location in the Devonian Formation for its Red Hills Unit Well No. 1 located 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, Lea County, New Mexico; and for Multiple Completion of this Well in the Devonian and Atoka Formations

Dear Mr. LeMay:

Union Oil Company of California hereby requests administrative approval of an unorthodox well location for its Red Hills Unit Well No. 1. The proposed location will be in the Devonian formation Red Hills Devonian Pool, at a point 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The Red Hills Unit Well No. 1 was originally drilled as an Ellenburger test in February, 1963 and a 40-acre tract comprised of the SW/4 SE/4 of Section 32 was dedicated to the well. Later it was duly completed as a gas well in the Wolfcamp and Atoka formations. Plans are pending to abandon the Wolfcamp and recomplete this well as a dual completion in the ~~Devonian and Atoka formations.~~ The well in both zones will be a gas well and both formations are developed on 640-acre spacing. The well was originally drilled to the Ellenburger at a standard location.

Attached to this application is a plat showing (1) the Unocal lease, (2) ownership of all leases offsetting the proration or spacing unit for which this unorthodox location is sought, and (3) all wells completed thereon.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
April 24, 1991
Page Two

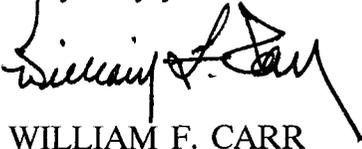
Notice of this application has been provided by certified mail to all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought.

Also enclosed is Unocal's Application for Multiple Completion (Oil Conservation Division Form C-107) by which Unocal seeks authority to duly complete this well in the Devonian and Atoka formations.

By copy of this letter, two copies of this application are being filed with the Division's Hobbs District Office pursuant to the provisions of OCD Rule 112-C. Logs of the well are on file with the Division.

If you need anything further from Union Oil Company of California to proceed with your consideration of this application for administrative approval of the above-referenced unorthodox location, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

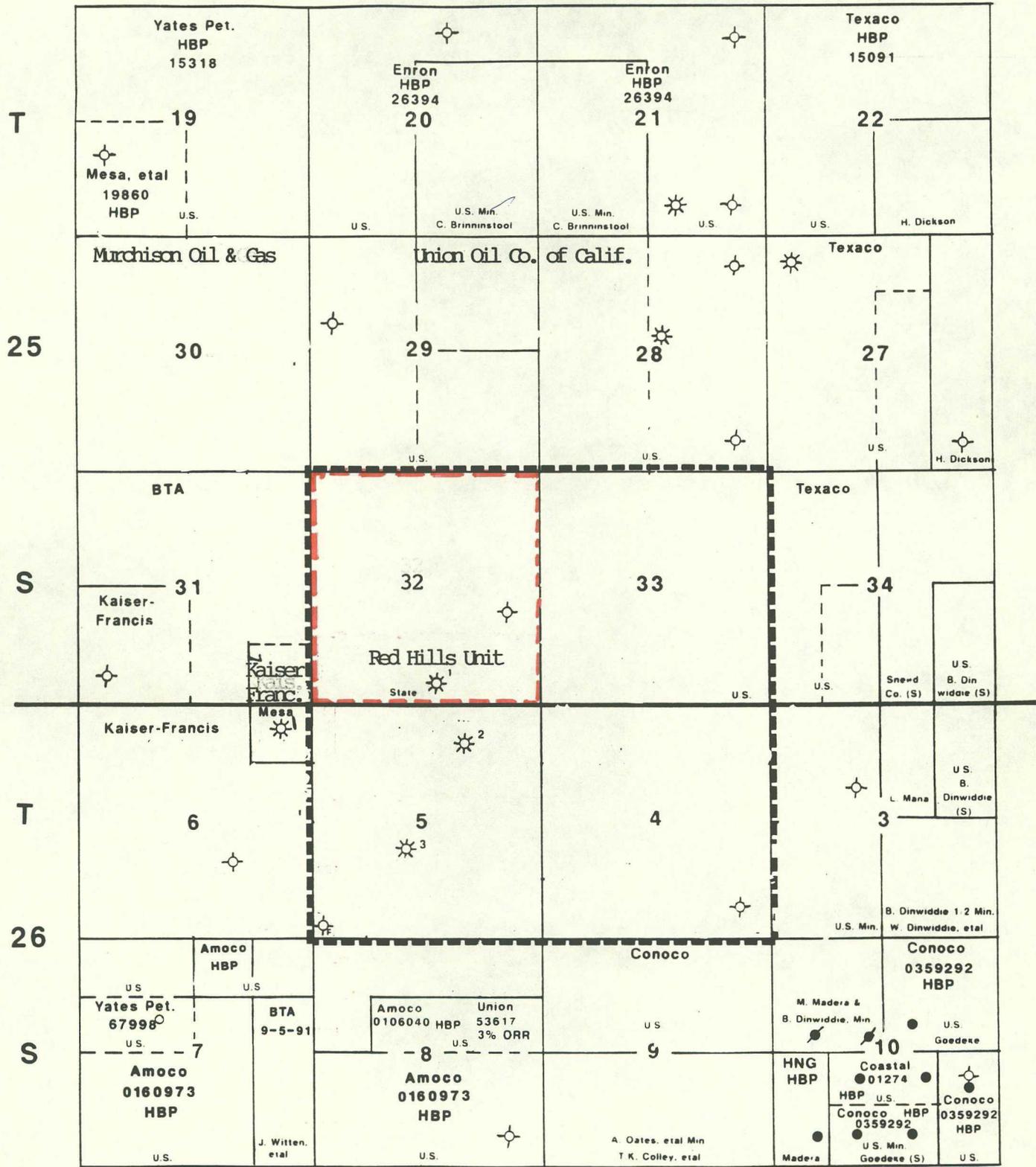
Enclosures

cc w/enclosures:

J. D. Sexton
Supervisor and Gas Inspector
Box 1980
Hobbs, New Mexico 88240

Ms Charlotte Beeson
Union Oil Company of California

R - 33 - E



Red Hills Unit Well No. 1.
 330' FSL & 2310' FEL
 Sec. 32, T-25-S, R-33-E
 Lea County, New Mexico

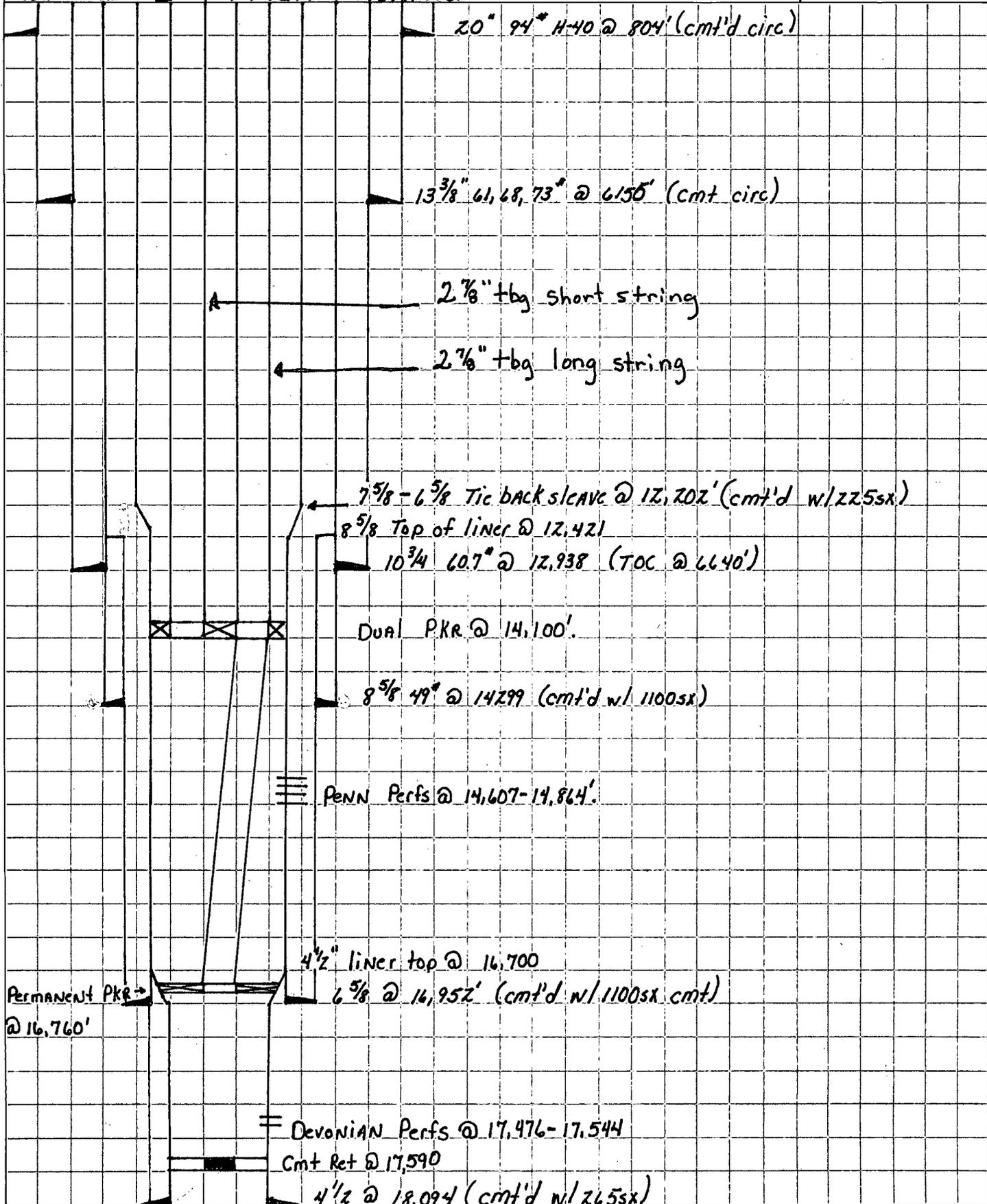


PREPARED BY MCP	CHECKED BY	DATE 4-2-91	PAGE OF
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SUBJECT

Red Hills #9 AFTER Work over.

W.O./A.F.E. NO.



APPLICATION FOR MULTIPLE COMPLETION

Operator		Union Oil Company of California		Date	4-4-91
Address		P. O. Box 671, Midland, TX 79702		Lease	Red Hills Unit
Location of Well		Unit	Section	Township	Range
		O	32	25-S	33-E

All Applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Red Hills Penn.		Red Hills Dev.
b. Top and Bottom of Pay Section (Perforations)	14,607'-14,864'		17,476'-17,544'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	2000 MCF/D		5000 MCF/D

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

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

Signed Charlotte Beeson Title Drilling Clerk Date 4-4-91

(This space for State Use)

Approved By _____ Title _____ Date _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

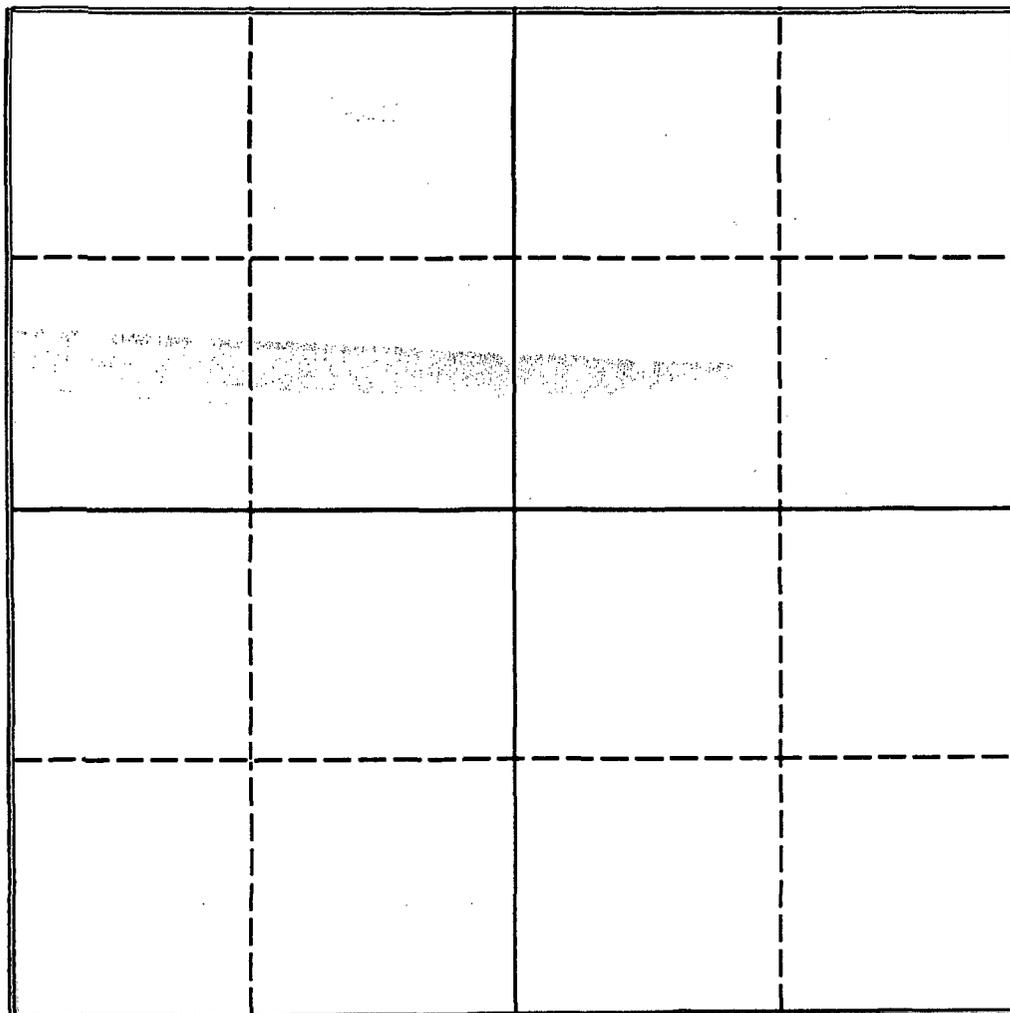
All Distances must be from the outer boundaries of the section

Operator Union Oil Company of California			Lease Red Hills Unit		Well No. 1
Unit Letter O	Section 32	Township 25-S	Range 33-E	County Lea	
Actual Footage Location of Well: 330 feet from the south line and 2310 feet from the east line					
Ground level Elev. 3386'	Producing Formation Devonian		Pool Red Hills Devonian (Gas)	Dedicated Acreage: 640 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Charlotte Beeson

Printed Name
Charlotte Beeson

Position
Drilling Clerk

Company
Union Oil Co. of Calif.

Date
4-4-91

SURVEYOR CERTIFICATION

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

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kaiser-Francis Oil Company
Post Office Box 21468
Tulsa, Oklahoma 74121-1468
Attn: Wayne Fields

Re: Application of Union Oil Company of California for an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

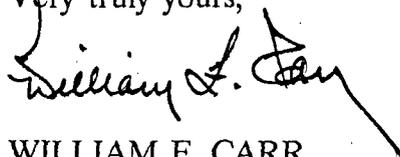
Enclosed is a copy of the application of Union Oil Company of California seeking administrative approval of an unorthodox gas well location in the Devonian formation, Red Lakes Devonian Pool, for its Red Hills Unit Well No. 1. The location in the Devonian will be 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. As you will note from the enclosed application, this well was originally drilled as an Ellenburger test in February, 1963 and a 40-acre tract comprised of the SW/4 SE/4 of Section 32 dedicated to the well. Later it was duly completed as a gas well in the Wolfcamp and Atoka formations. Union Oil Company of California proposes to abandon the Wolfcamp and recomplete this well as a dual completion in the Devonian and Atoka formations. Both zones will be gas wells and both formations are developed on 640-acre spacing. The well was originally drilled to the Ellenburger at a standard location.

Union requests you waive objection to this location. If you are agreeable to doing so, please indicate your waiver by signing and dating this letter where indicated below, and return one copy to me at the above captioned address.

Kaiser-Francis Oil Company
April 24, 1991
Page Two

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR UNION OIL COMPANY OF CALIFORNIA
WFC:mlh
Enclosure

AGREED TO AND ACCEPTED THIS
____ DAY OF _____, 1991.
KAISER-FRANCIS OIL COMPANY

By: _____
its: _____

P-106 677 924

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Attn: Wayne Fields Kaiser Francis Oil Co.	
Street and No. P. O. Box 21468	
P.O., State and ZIP Code Tulsa, OK 74121-1468	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 24, 1991	

PS Form 3800, June 1985

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TELECOPIER: (505) 983-6043

April 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Murchison Oil & Gas, Inc.
1445 Ross Avenue, Suite 5300
Lock Box 152
Dallas, Texas 75202-2733

Re: Application of Union Oil Company of California for an Unorthodox Gas
Well Location, Lea County, New Mexico

Gentlemen:

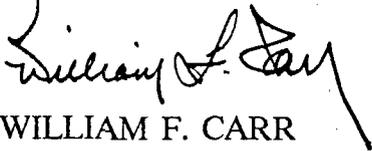
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Union requests you waive objection to this location. If you are agreeable to doing so, please indicate your waiver by signing and dating this letter where indicated below, and return one copy to me at the above captioned address.

Murchison Oil & Gas, Inc.
April 24, 1991
Page Two

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR UNION OIL COMPANY OF CALIFORNIA
WFC:mlh
Enclosure

AGREED TO AND ACCEPTED THIS
____ DAY OF _____, 1991.
MURCHISON OIL & GAS, INC.

By: _____
its: _____

P-106 677 925

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
Murchison Oil & Gas, Inc.	
Street and No. Lock Box 152 1445 Ross Ave., Suite 5300	
P.O., State and ZIP Code Dallas, Texas 75202-2733	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 24, 1991	

PS Form 3800, June 1985

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
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WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE F - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

BTA Oil Producers
104 South Pecos
Midland, Texas 79701

Re: Application of Union Oil Company of California for an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

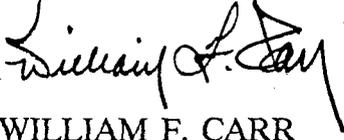
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BTA Oil Producers
April 24, 1991
Page Two

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR UNION OIL COMPANY OF CALIFORNIA
WFC:mlh
Enclosure

AGREED TO AND ACCEPTED THIS
____ DAY OF _____, 1991.
BTA OIL PRODUCERS

By: _____
its: _____

P-106 677 926

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to BTA Oil Producers	
Street and No. 104 South Pecos	
P.O., State and ZIP Code Midland, Texas 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 24, 1991	

PS Form 3800, June 1985