



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 31, 1995

Union Oil Company of California (UNOCAL)
c/o William F. Carr
Campbell, Carr, Berge & Sheridan, P. A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Administrative Order NSL-3573

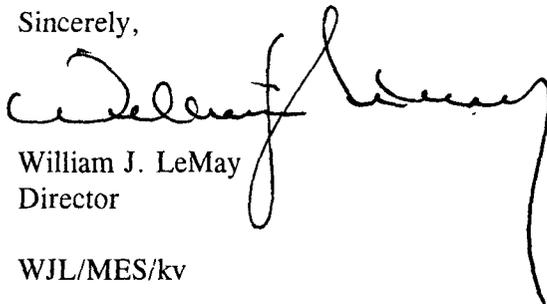
Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Union Oil Company of California (UNOCAL), dated March 30, 1995, to my response by letter dated April 11, 1995, and to a telephone conversation I had today, Thursday, August 31, 1995, with Ms. Charlotte Beeson with UNOCAL in Midland, Texas concerning the Red Hills "28" Federal Com Well No. 2 (API No. 30-025-32946), which reached a total depth of 14,432 feet on August 27, 1995 to test the Atoka formation for gas at a standard gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 28, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.

It is our understanding that the Atoka interval tested dry and said well is to be recompleted up-hole into the Wolfcamp formation and, pursuant to **Rule 4** of the "*Special Rules and Regulations for the Red Hills-Wolfcamp Gas Pool*", as promulgated by Division Order No. R-3073, dated June 2, 1966, said location is considered to be unorthodox. Further, all of said Section 28 is to be dedicated to said well to form a standard 640-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of Division Memorandum No. 4-86 and said special pool rules, the location of said Red Hills "28" Federal Com Well No. 2 is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Ms. Charlotte Beeson, UNOCAL - Midland