

Unocal Energy Resources Division

Unocal Corporation
1004 North Big Spring, Suite 300
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Midland, Texas 79702
Telephone (915) 685-7600



Permian Basin Business Unit

Mr. Michael E. Stogner
State Of New Mexico
Energy, Minerals, & Natural Resources
Oil Conservation Division
Santa Fe, NM. 87504-2088

May 24, 1994

Re: Unorthodox Location & Reduced Proration Unit Size Petition
Federal 18 #2
Bluitt San Andres Associated Gas Field
Roosevelt County, New Mexico

Dear Mr. Stogner:

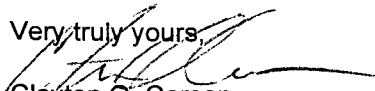
Union Oil of California has previously requested an unorthodox location and reduced proration unit size of 160 acres. Your letter dated April 25, 1994 brought to our attention Division Order No. R-5353, as amended, which prohibits the simultaneous dedication of any acreage to an oil well and a gas well in this associated field. We are now required to reapply for unorthodox location and reduced proration unit size of 80 acres.

We notified the offset operators listed on the attached page of our intentions on May 2, 1994 but failed to send you any information requesting your approval of our petition. Union Oil of California at this time request you grant our petition for an unorthodox location exception and reduced proration unit size of 80 acres in the Bluitt San Andres Associated Field for the Union Oil of California, Federal 18 #2 located 660' FSL & 660' FEL, Sec 18, T-8-S, R-38-E, Roosevelt County, New Mexico. We have received one signed waiver from Plains Petroleum (see attached).

We have successfully recompleted the above mentioned well in the Bluitt San Andres Field. This well now requires reclassification from oil to gas wells in the Bluitt San Andres Associated Field. The spacing and acreage requirements for the Bluitt San Andres Associated Field are different for those required for the oil field. To comply with the requirements of the gas field we are required to file for an unorthodox location exception and reduced proration unit size of 80 acres for the above mentioned well.

You prompt consideration of this matter will be greatly appreciated. If you have any questions, please feel free to call me at (915) 685-6856.

Very truly yours,


Clayton O. Carson

Senior Development Geologist

cc: OCD Hobbs, NM
Enclosures

Attachment to Union Oil of California
Unorthodox Location Exception & Reduced Proration Unit Size Petition
Federal 18 #2
Bluitt San Andres Associated Gas Field
Roosevelt County, New Mexico

I have notified by mail on May 2, 1994 the below listed parties of our intention to petition for an unorthodox location exception and reduced proration unit size of 80 acres on the Union Oil of California, Federal 18 #2 located 660' FSL & 660' FEL, Sec 18, T-8-S, R-38-E, Roosevelt County, New Mexico.

Mr. Pat Tower
ENRON
4000 N. Big Spring
Midland, TX 79705

Mr. Robert Bullock
Yates Petroleum
105 S. 4th St. - Yates Bldg.
Artesia, NM 88210

Baumgardner Resources
910 Oakwood Drive
Castle Rock, CO 80104

Mr. Les Babyak
Bureau of Land Management
1717 W. 2nd Street
Roswell, NM 88201

Ms. Vickie Mason
Plains Petroleum Operating Company
415 W. Wall Street, Suite 1000
Midland, TX 79701

 May 24, 1994
Clayton O. Carson
Senior Development Geologist
Union Oil Of California

[illegible]

WAIVER OF OBJECTION

UNION OIL OF CALIFORNIA

Federal 17 #1 660' FSL & 1980' FWL, Sec 17, T-8-S, R-38-E

Federal 18 #2 660' FSL & 660' FEL, Sec 18, T-8-S, R-38-E

Roosevelt Conuty, New Mexico

As an authorized representative of the below named offset operator, I have been duly notified by Union Oil of California of the completion of the above mentioned wells.

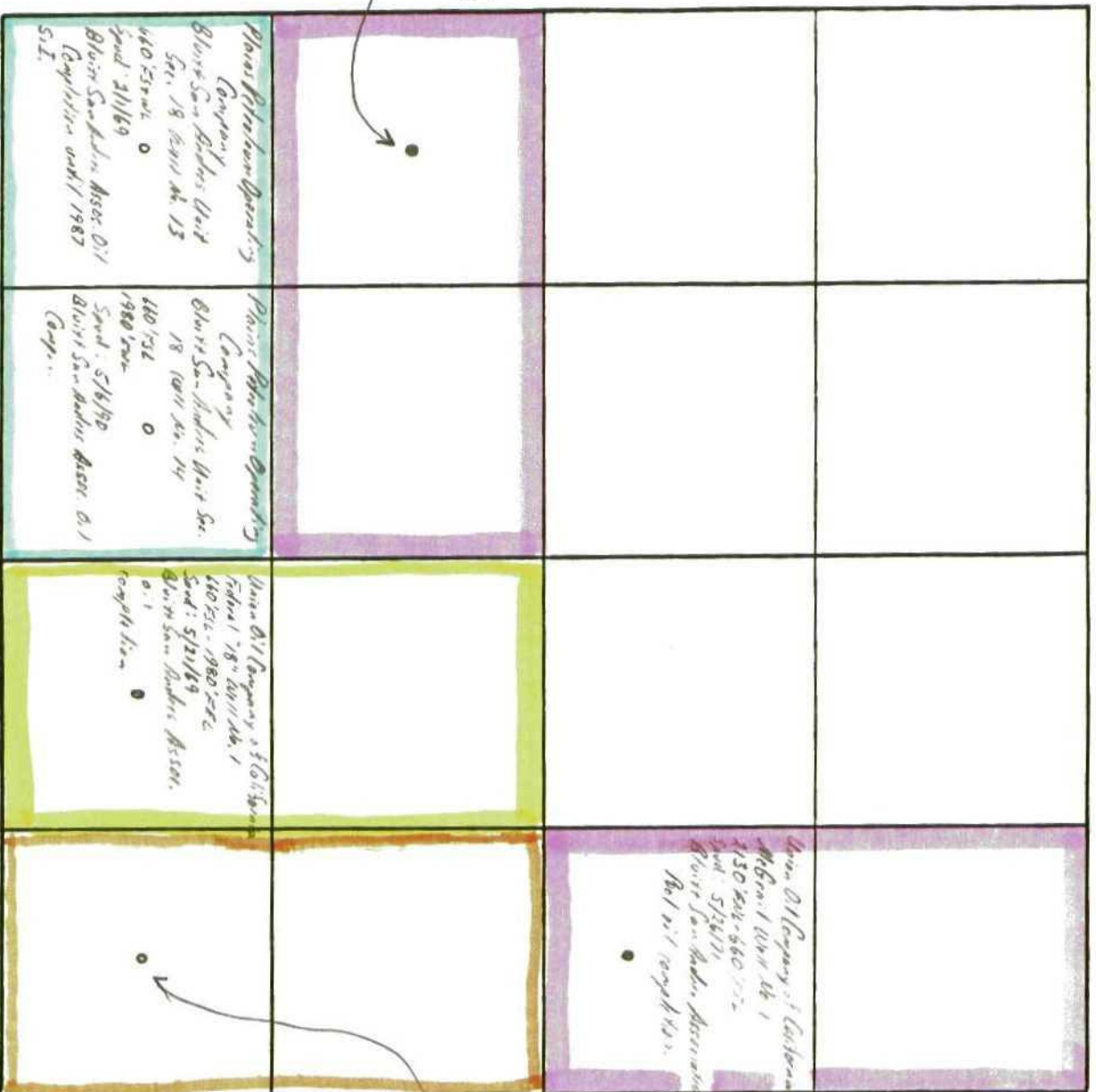
The undersigned, hereby waives any objection it may have to Union Oil of California filing for a reduced proration unit of 80 acres and unorthodox location exception for the above mentioned gas wells.

Plains Petroleum Operating Company
415 W. Wall Street, Suite 1000
Midland, TX 79701

By: James R. Sutherland

Title: DISTRICT MANAGER

Date: MAY 4, 1994



Plains Petroleum Operating Co.
Blount San Andres Unit Sec. 18
Well No. 12
1980 754 - 660 754
Spud: Blount San Andres
Associated Ref. O.I. Corp.

Plains Petroleum Operating
Company
Blount San Andres Unit
Sec. 18 Well No. 12
660 754 - 660 754
Spud: 2/1/69
Blount San Andres Assoc. O.I.
Completion until 1987
S.I.

Plains Petroleum Operating
Company
Blount San Andres Unit Sec.
18 Well No. 12
660 754 - 660 754
Spud: 5/16/69
Blount San Andres Assoc. O.I.
Corp.

Union Oil Company of California
Federal "18" Well No. 1
660 754 - 1980 754
Spud: 5/21/69
Blount San Andres Assoc.
O.I.
Completion

Union Oil Company of California
McGrath Well No. 1
4150 754 - 660 754
Spud: 5/24/71
Blount San Andres Association
Ref. O.I. Completion

Union Oil Company of California
Federal "18" Well No. 2
660 754 - 660 754
Spud: 8/5/69
Blount San Andres Associated
Completion.

Gas: from 1969 to 1971
200 acre 2500 comprising (R-3889)
E/2 E/2 and S/4, etc.
Reclassified to O.I. 1971

SECTION 18

TOWNSHIP 8 South

RANGE 38 East