

Unocal North American  
Oil & Gas Division  
Unocal Corporation  
1004 North Big Spring Street, Suite 300  
P.O. Box 3100  
Midland, Texas 79702  
Telephone (915) 682-9731



**J. R. Hughes**  
Manager of Drilling  
Southwestern Region

February 17, 1992

Sage Energy Company  
10101 Reunion Place, Ste 800  
San Antonio, TX 78216

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

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 Seven Rivers formation, House Yates-SR Gas Pool for its C. H. Kyte Well No. 1. The location in the Seven Rivers will be 330 feet FWL and 1980 feet FSL of Sec. 5, Township 20 South, Range 39 East, Lea County, New Mexico. As you will note from the enclosed application, the well was drilled as an unsuccessful Clearfork test and was plugged back to the San Andres formation. Union proposes to abandon the San Andres formation and recomplete in the Seven Rivers formation as a gas well.

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 to William J. LeMay, P. O. Box 2088, Santa Fe, NM 87501.

Union Oil Company of California  
February 17, 1992  
Page 2

If you have questions concerning this matter, please advise.

Very truly yours,

Union Oil Company of California  
dba UNOCAL

*Charlotte Beeson*

Charlotte A. Beeson  
Drilling Clerk

/CB  
Enclosure

AGREED TO AND ACCEPTED THIS  
*6th* DAY OF *March*, 1992.  
SAGE ENERGY COMPANY

By:  
its:

*Ray S. Hardy*  
*V. Pres.*

Union Oil Company of California  
February 17, 1992  
Page 2

If you have questions concerning this matter, please advise.

Very truly yours,

Union Oil Company of California  
dba UNOCAL

*Charlotte Beeson*

Charlotte A. Beeson  
Drilling Clerk

/CB  
Enclosure

AGREED TO AND ACCEPTED THIS  
27 DAY OF Febr., 1992.  
SEAY EXPLORATION, INC.

*John G. Seay*  
By: John G. Seay  
its: President

Union Oil Company of California  
February 17, 1992  
Page 2

If you have questions concerning this matter, please advise.

Very truly yours,

Union Oil Company of California  
dba UNOCAL

*Charlotte Beeson*  
Charlotte A. Beeson  
Drilling Clerk

/CB  
Enclosure

AGREED TO AND ACCEPTED THIS  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 1992.  
MARATHON OIL COMPANY

By: \_\_\_\_\_  
its: \_\_\_\_\_