

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF UNION OIL COMPANY OF CALIFORNIA  
d/b/a UNOCAL FOR AN INFILL GAS WELL  
LOCATION AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11105

**APPLICATION**

UNION OIL COMPANY OF CALIFORNIA d/b/a ("Unocal"), makes application to the Oil Conservation Division for an infill gas well location in the Wolfcamp formation, Red Hills-Wolfcamp Gas Pool and for authority to simultaneously dedicate two Wolfcamp wells to a standard 640-acre spacing unit and in support thereof states:

1. Unocal is the operator of a standard 640-acre spacing unit in the Wolfcamp formation, Red Hills-Wolfcamp Gas Pool comprised of Section 5, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico which is dedicated to its Red Hills Unit Well No. 2 located at a previously approved unorthodox well location 990 feet from the North line and 1650 feet from the East line of said Section 5.

2. Unocal also operates the Red Hills Well No. 3 which is located 1980 feet from the South line and 2180 feet from the West line of said Section 5 and currently produces in marginal quantities from the Atoka formation.

3. Unocal proposes to recomplete the Red Hills Well No. 3 in the Upper Wolfcamp formation in a zone which is not in communication with the Wolfcamp zone currently being produced in the Red Hills Unit No. 2 and which must be produced to protect Unocal from

drainage and thereby protect its correlative rights.

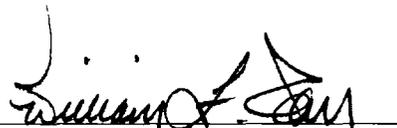
4. Unocal seeks an exception to Division General Rule No. 104(C)(II) to allow the existing 640-acre Wolfcamp gas spacing unit comprising Section 5 to be simultaneously dedicated to the Red Hills Unit No. 2 Well and the Red Hills No. 3 Well.

5. Approval of this application to permit Unocal to produce reserves from an Upper Wolfcamp zone which is now subject to drainage will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Union Oil Company of California d/b/a Unocal requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division and, after notice and hearing as required by law and the rules of the Division, that this application be granted.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

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