



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

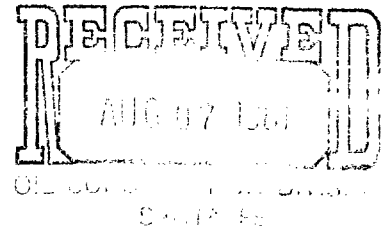
W/ Lynch (813)
RECEIVED

AUG 3 1981

MIDLAND DISTRICT LAND

6884 JUL 30 1981

Union Oil Company of California
Attention: Robert V. Lockhart
P. O. Box 671
Midland, Texas 79702



Gentlemen:

Two approved copies of your 1981 plan of development for the West Lynch Deep unit area, Lea County, New Mexico are enclosed. Such plan, proposing to monitor production from well No. 1, and drilling activity in the vicinity, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

James W. Shelton
For Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosures

Copy: State
W.I.
Hamm

INITIAL PLAN OF DEVELOPMENT AND OPERATION

FOR

WEST LYNCH DEEP UNIT AREA

LEA COUNTY, NEW MEXICO

TO: Supervisor
United States Geological Survey
P.O. Box 26124
Albuquerque, New Mexico

Attention: Mr. Joe Lara

UNION OIL COMPANY OF CALIFORNIA, as Unit Operator for the West Lynch Deep Unit Area, pursuant to the provisions of Section 10 of the Unit Agreement for Development and Operation of the West Lynch Deep Unit Area, dated May 14, 1980 (No. 14-08-0001-18432), respectfully submits for approval this Initial Plan of Development and Operation for the West Lynch Deep Unit Area. This plan is for the period ending December 31, 1981.

The West Lynch Unit Well #1 was spudded on June 16, 1980 at 2,310' FEL and 660' FSL, Section 28, T-20-S, R-34-E, Lea County, New Mexico. The well reached a total depth of 13,876' on August 18, 1980. By respective letters dated September 16, 1980 and September 24, 1980, the Acting Deputy Conservation Manager, Oil & Gas, U.S.G.S. and the Director of the Energy and Minerals Department, Oil Conservation Division, approved our ceasing drilling in the Morrow rather than continue to the Silurian formation. On August 22, 1980, Union decided not to attempt a completion in this well. The Superior Oil Company elected to assume operations on that date pursuant to Designation of Agent by Union. Superior set casing to total depth on August 25, 1980. On September 9, 1980, the lower Morrow was perforated at 13,724-13,740'. On September 12, 1980, a 4-point test was run with CAOF 3.5 MMCFGPD plus 263 barrels of condensate, SITP 4474# and then the well was shut-in until it went on stream December 23, 1980.

By letter dated April 10, 1981, the Deputy Conservation Manager, Oil and Gas, U.S.G.S., determined that the West Lynch Deep Unit Well #1 qualified as a

Unit well. We are now in the process of preparing our application for the initial Morrow participating area.

Due to the lower Morrow watering out, the well was shut-in May 1. On May 20, 1981, the well was plugged back to the middle Morrow and perforated at 13,424-430' and 13,335-13,343'. Current production is 20-30 barrels of condensate per day plus 250 MCFPD.

In accordance with the Unit Agreement, Union plans to assume operations of the West Lynch Deep Unit Well #1 on July 1, 1981 or as soon thereafter as possible.

We plan to monitor the production of the well and the drilling activity in the area outside the Unit, in particular Superior's well currently drilling in the NE/4 Section 32, T-20-S, R-34-E, before we consider proposing any additional wells. This Initial Plan of Development and Operations shall constitute the further obligations required under the West Lynch Deep Unit Agreement for the period ending December 31, 1981, and may be modified or supplemented from time to time with the necessary approval, when necessary to meet changed conditions or to protect the interest of all parties to the Unit Agreement.

Submitted this 30 day of June, 1981.

UNION OIL COMPANY OF CALIFORNIA

By: Robert V. Lockhart
Robert V. Lockhart
District Land Manager

Approved JUL 30 1981
James W. Shelton
Deputy Conservation Manager, O&G
South Central Region