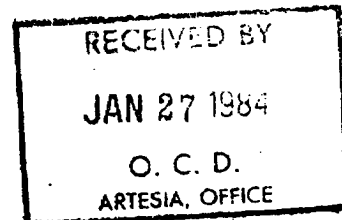


Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Mariefeld, Midland, Texas 79701
Telephone (915) 682-9731
Mailing Address: P. O. Box 671
Midland, Texas 79702



Midland District

January 25, 1984

Mr. Jim Gillham
Assistant District Manager of Minerals
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Dear Mr. Gillham:

SUBJECT:

Wersell Federal Com NM-0454018
#1C-4-22-77
Esperanza Delaware Pool
Eddy County, New Mexico

Union Oil Company of California respectfully requests permission for flaring or venting casinghead gas produced from the subject well, pursuant to NTL-4A.

In review, the subject well was producing about 25-30 BOPD plus 30-35 MCFD of sweet casinghead gas prior to a workover in November 1983. The casinghead gas was compressed to 800 psig via a rental compressor and sold to Llano, Inc. During November 1983, a workover to perforate additional Delaware intervals resulted in a top allowable (80 BOPD) Delaware well. Details of this work were outlined on Form No. 9-331, dated November 18, 1983. In addition to top allowable oil production, the well is now producing about 70 MCFD of casinghead gas that contains 676 grains of H_2S per 100 SCF.

Llano, Inc., will not take this sour gas into their system, and it is not economically feasible to install facilities necessary to sweeten the gas. The nearest low pressure gas gathering system is the Phillips' system in the Winchester Field, located nine miles to the east. The cost for installing and maintaining a nine-mile gas gathering line is uneconomical for the small amount of gas produced.

For the above reasons, we request your favorable consideration.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Lon H. Pardue".

Lon H. Pardue
District Production Superintendent

LHP:pd

cc: State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88240

George McCoy - District office
Steve Gault - Odessa Area office