

RECEIVED

FEB 27 1978

LLR

union

Union Oil and Gas Co., Inc.: Central Region

Union Oil Company of California
500 North Marierfeld, Midland, Texas 79701
Telephone (915) 682-9731

MAILING ADDRESS: P. O. Box 671
Midland, TX 79702

RECEIVED
FEB 1 1978
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

Midland District

February 20, 1978

Mr. E. W. Renshaw, Sr. Geologist
Potash Company of America
P. O. Box 31
Carlsbad, NM 88220

Dear Sir:

Laguna Deep Unit Federal Well No. 1
NE/4 of Section 35, T-19-S, R-33-E
Lea County, New Mexico

As you are aware from previous correspondence, Union Oil Company plans to drill a 14,600' Silurian test in the NE/4 of Section 35, T-19-S, R-33-E, Lea County, New Mexico. This well is located within the area encompassed by the New Mexico Oil Conservation Commission's R111-A, as amended.

As requested in your letter of February 16, 1978, Union Oil Company agrees to the following stipulations.

1. Union Oil Company will furnish Potash Corporation of America, at no cost, one copy of the gamma ray log on the well.
2. Union Oil Company will advise Potash Corporation of America before cementing the casing at approximately 3100' so that a representative from Potash Corporation of America can observe the cementing operation.

Please furnish us the name and telephone number of the person we should notify under No. 2, above.

We have previously furnished you a copy of our application for permit to drill as filed with the USGS and respectfully request that you waive objection to the proposed test and to so indicate by signing and returning one copy of this letter.

Your favorable consideration of this request will be appreciated.

Very truly yours,

L. F. Thompson

L. F. Thompson
District Operations Manager

APPROVED:

POTASH CORPORATION OF AMERICA

By: *E. W. Renshaw, Sr. Geologist*

Date: *Feb 24, 1978*