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April 24, 1991

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Union Oil Company of California for Administrative Approval of an Unorthodox Location in the Devonian Formation for its Red Hills Unit Well No. 1 located 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, Lea County, New Mexico; and for Multiple Completion of this Well in the Devonian and Atoka Formations

Dear Mr. LeMay:

Union Oil Company of California hereby requests administrative approval of an unorthodox well location for its Red Hills Unit Well No. 1. The proposed location will be in the Devonian formation Red Hills Devonian Pool, at a point 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The Red Hills Unit Well No. 1 was originally drilled as an Ellenburger test in February, 1963 and a 40-acre tract comprised of the SW/4 SE/4 of Section 32 was dedicated to the well. Later it was duly completed as a gas well in the Wolfcamp and Atoka formations. Plans are pending to abandon the Wolfcamp and recomplete this well as a dual completion in the Devonian and Atoka formations. The well in both zones will be a gas well and both formations are developed on 640-acre spacing. The well was originally drilled to the Ellenburger at a standard location.

Attached to this application is a plat showing (1) the Unocal lease, (2) ownership of all leases offsetting the proration or spacing unit for which this unorthodox location is sought, and (3) all wells completed thereon.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
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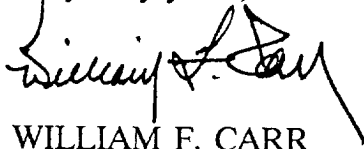
Notice of this application has been provided by certified mail to all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought.

Also enclosed is Unocal's Application for Multiple Completion (Oil Conservation Division Form C-107) by which Unocal seeks authority to duly complete this well in the Devonian and Atoka formations.

By copy of this letter, two copies of this application are being filed with the Division's Hobbs District Office pursuant to the provisions of OCD Rule 112-C. Logs of the well are on file with the Division.

If you need anything further from Union Oil Company of California to proceed with your consideration of this application for administrative approval of the above-referenced unorthodox location, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: ✓ J. D. Sexton
Supervisor and Gas Inspector
Box 1980
Hobbs, New Mexico 88240

Ms Charlotte Beeson
Union Oil Company of California

R - 33 - E



Red Hills Unit Well No. 1
330' FSL & 2310' FEL
Sec. 32, T-25-S, R-33-E
Lea County, New Mexico