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April 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kaiser-Francis Oil Company
Post Office Box 21468
Tulsa, Oklahoma 74121-1468
Attn: Wayne Fields

Re: Application of Union Oil Company of California for an Unorthodox Gas
Well Location, Lea County, New Mexico

Gentlemen:

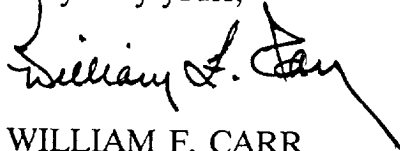
Enclosed is a copy of the application of Union Oil Company of California seeking administrative approval of an unorthodox gas well location in the Devonian formation, Red Lakes Devonian Pool, for its Red Hills Unit Well No. 1. The location in the Devonian will be 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. As you will note from the enclosed application, this well 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 dedicated to the well. Later it was duly completed as a gas well in the Wolfcamp and Atoka formations. Union Oil Company of California proposes to abandon the Wolfcamp and recomplete this well as a dual completion in the Devonian and Atoka formations. Both zones will be gas wells and both formations are developed on 640-acre spacing. The well was originally drilled to the Ellenburger at a standard location.

Union requests you waive objection to this location. If you are agreeable to doing so, please indicate your waiver by signing and dating this letter where indicated below, and return one copy to me at the above captioned address.

Kaiser-Francis Oil Company
April 24, 1991
Page Two

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR UNION OIL COMPANY OF CALIFORNIA
WFC:mlh
Enclosure

AGREED TO AND ACCEPTED THIS
____ DAY OF _____, 1991.
KAISER-FRANCIS OIL COMPANY

By: _____
its: _____

P-106 677 924

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Attn: Wayne Fields Kaiser Francis Oil Co.	
Street and No. P. O. Box 21468	
P.O., State and ZIP Code Tulsa, OK 74121-1468	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date April 24, 1991	

PS Form 3800, June 1985