

Unocal Energy Resource vision
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October 19, 1993

Mr. Jerry Sexton
New Mexico Oil & Gas
Conservation 1000 West
Broadway
Hobbs, NM 88240

Permian Basin Business Unit

**Subject: UNOCAL FEDERAL COM 28-1
RED HILLS FIELD
LEA COUNTY, NM
2310' FNL & 2310' FEL
SECTION 28, T 25S-R33E**

Gentlemen:

To bring you up to date, we returned the well to production on September 20th, produced it for 24 days, and again shut-in the well on October 13th, in preparation for a repair job. Even though we are encouraged by the gas production and pressures, the high cost of disposal at Red Hills has forced us to attempt to shut-off the water. I have attached a table showing the production history of the well.

We have scheduled a polymer treatment on the well for the week of October 25th and expect the well to be back on production later that week. We therefore request an extension of 30 days for the four point test. We will keep you informed on our progress, but if at any time you wish more information, do not hesitate to call me at 915/685-6753.

Sincerely Yours,

Union Oil Company of California
dba UNOCAL

Michael Gelbs
Petroleum Engineer
South Permian

MG:ss

att.

cc: B. Bryan
G. Covington
S. Gutberlet
T. Paul
R. Teague
D. VanDeventer