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**UNOCAL**

September 10, 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:

This letter is to inform you that the above well, which originally was completed in the Wolfcamp formation, has been plugged, sidetracked and completed in the Devonian formation. The well was perforated, acidized on August 31, 1993. The gas was originally flared in order to clean-up the well.

The well was completed with 5", 18# liner and produced from 57' of perforation at a depth of 17,478-17,535'. Total depth of the well is at 17,553' and PBTD is 17,548'. Early production indicates that gas rates may have to be limited due to water conning. A four-point test in this well may not be possible due to rate limitations. Unocal is reviewing alternatives to possibly repair and shut-off the water.

Currently the well is shut-in and waiting for the pipeline hookup. Unocal is requesting permission to produce this well to it's pipeline connection to Sid Richardson in order to evaluate the well potential. We will update you on the test in 30 days. If you need any additional information, do not hesitate to call me at 915/685-6753.

Sincerely Yours,

Union Oil Company of California  
dba UNOCAL

*Michael Gelbs*

Michael Gelbs  
Petroleum Engineer

MG:ss

cc: G. Covington  
D. VanDaventer  
Red Hills Team