



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 11, 1995

Union Oil Company of California
c/o Campbell, Carr, Berge & Sheridan, P. A.
Attn: William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

RE: *Application for an Unorthodox Gas Well Location
Red Hills-Wolfcamp Gas Pool
Red Hills "28" Federal Com Well No. 2
1980'FNL & 660'FWL (Unit E) of Section 28, Township 25 South,
Range 33 East, NMPM, Lea County, New Mexico.*

Dear Mr. Carr:

The subject application was received by the Division on March 30, 1995, while I can appreciate Unocal's eagerness to have this application approved as soon as possible while the drilling rig is still on location, any such action by the Division to authorize this filing would be premature, especially if said well failed for some reason to penetrate the attended primary zone of interest, being the Atoka formation in this instances (see record on the Red Hill "28" Federal Com Well No. 1 in Unit "G").

However, I can hold this filing until such time as the Atoka formation is penetrated by this well and said zone is then tested. Should it then appear that a completion into the Wolfcamp formation is likely, the Division can act on said application accordingly.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Deputy Director

MES/kv

cc: Oil Conservation Division - Hobbs
William J. LeMay, Director - OCD, Santa Fe
U. S. Bureau of Land Management - Carlsbad