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March 30, 1995

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attn: Michael E. Stogner, Chief Engineer

Re: Application of Unocal Energy Resources Division d/b/a Unocal for Administrative Approval of an Unorthodox Gas well Location in the Wolfcamp formation, Red Hills-Wolfcamp Gas Pool, for its Red Hills Federal No. 28-2 Well, located 1980 feet from the North line and 660 feet from the West line of Section 28, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Gentlemen:

Unocal hereby requests administrative approval of an unorthodox gas well location in the Wolfcamp formation, Red Hills-Wolfcamp Gas Pool for its Red Hills Federal No. 28-2 Well at a point 1980 feet from the North line and 660 feet from the West line of Section 28, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The 640-acre spacing unit comprised of Section 28 will be dedicated to the well.

Unocal proposes to drill this well to the Atoka formation at the above referenced location which is a standard location in the Atoka formation. If unsuccessful in making a commercial well in the Atoka, Unocal proposes to complete this well in the Wolfcamp formation. Approval of this unorthodox location in the Wolfcamp formation will enable Unocal to complete in the Wolfcamp if necessary while the rig is on location without having to seek approval from the Division for this completion attempt and well location.