

# JOHNSTON OIL AND GAS COMPANY

1453 ESPERSON BLDG.



HOUSTON 2, TEXAS

April 13, 1954

Mr. John A. Anderson, Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Building  
Roswell, New Mexico

Mr. E. S. Walker  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Mr. R. R. Spurrier, Secretary  
Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Contract No. I Sec. No. 916  
Rio Arriba County, New Mexico  
DRILLING PROGRAM FOR CALENDAR  
YEAR 1954

Gentlemen:

Pursuant to Section 10 of the above Unit Agreement, Ralph A. Johnston as Unit Operator herewith submits his proposed drilling program for the calendar year 1954.

Since approval of the Unit Agreement, Ralph A. Johnston has completed one Dakota gas well, three Mesaverde gas wells, 16 Pictured Cliffs gas wells, and three Tecite oil wells. Participating areas have been, or are being, set up for these different producing formations.

The completed wells are listed below, as follows:

## Gas Wells

### 1. Dakota wells

<u>Well</u>	<u>Location</u>	<u>Potential</u>
Rincon Unit #1	SW/4 30-27-6	500 MCF

### 2. Mesaverde wells

Rincon Unit #8	SW/4 20-27-6	1,524 MCF
Rincon Unit #21	SW/4 16-27-6	3,970 MCF

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Rincon Unit #23

SW/4 35-27-7

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## 3. Pictured Cliffs wells

Rincon Unit #2	NE/4 6-26-6	1,874 MCF
Rincon Unit #3	SE/4 6-26-6	1,074 MCF
Rincon Unit #4	SE/4 31-27-6	1,468 MCF
Rincon Unit #5	SE/4 32-27-6	516 MCF
Rincon Unit #7	NW/4 1-26-7	1,135 MCF
Rincon Unit #9	NW/4 31-27-6	1,826 MCF
Rincon Unit #10	NW/4 36-27-7	1,492 MCF
Rincon Unit #12	SE/4 1-26-7	898 MCF
Rincon Unit #13	NW/4 6-26-6	1,064 MCF
Rincon Unit #14	NW/4 12-26-7	922 MCF
Rincon Unit #15	SW/4 11-26-7	1,207 MCF
Rincon Unit #16	NW/4 25-27-7	826 MCF
Rincon Unit #17	NW/4 2-26-7	874 MCF
Rincon Unit #18	NW/4 35-27-7	969 MCF
Rincon Unit #19	NW/4 30-27-6	946 MCF
Rincon Unit #22	SW/4 23-27-7	2,065 MCF

Oil Wells

Rincon Unit #6	SE/4 6-26-6	225 BBL
Rincon Unit #11	SW/4 6-26-6	150 BBL
Rincon Unit #20	NW/4 6-26-6	30 BBL

Ralph A. Johnston, as Unit Operator, hereby submits for your consideration and approval a drilling program for the calendar year 1954 which would provide for the drilling of one Tecite oil well, one Dakota gas well, one Mesaverde gas well, and five Pictured Cliffs gas wells. The locations of these wells are listed below, as follows:

Dakota Gas Well	Location to be submitted
Tecite Oil Well	SE/4 Section 36-27N-7W
Mesaverde Gas Well	NE/4 Section 22-27N-6W
Pictured Cliffs Gas Wells:	
(1)	SW/4 Section 22-27N-6W
(2)	NE/4 Section 36-27N-7W
(3)	SW/4 Section 33-27N-7W
(4)	SW/4 Section 13-27N-7W
(5)	NE/4 Section 29-27N-6W

In addition to the drilling of the above five Pictured Cliffs gas wells, Ralph A. Johnston, as Unit Operator, proposes to rework five of the Pictured Cliffs wells which have already been completed using a sand-oil fracturing process. It is hoped that the initial potential of these Pictured Cliffs wells can be improved considerably by such a process. If this meets with the anticipated success other wells will also be reworked where it is believed increased expenditure will be justified.

Unit Operator will comply with all regulations of the State of New Mexico and United States Geological Survey authorities. Due care will be taken to prevent blowouts and to protect all horizons.

If this drilling program is acceptable to you, please indicate your acceptance in the space provided below and return an approved copy for our files.

Yours very truly,

Ralph A. Johnston  
Unit Operator

APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_  
Supervisor, United States Geological  
Survey  
Subject to like approval by the appropriate State officials.

APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_  
Commissioner of Public Lands  
Subject to like approval by the U.S.G.S. and Oil Conservation  
Commission.

APPROVED: R. R. Surrier Date: 30 July 54  
Oil Conservation Commission  
Subject to like approval by the U.S.G.S. and Commissioner of  
Public Lands.

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# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 17, 1954

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MAY 18 AM 3:38

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit  
Rio Arriba County, New Mexico  
I Sec No. 916  
FOURTH EXPANDED PARTICIPATING AREA  
PICTURED CLIFFS FORMATION  
Effective December 1, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston, as Unit Operator, hereby determines that four additional Pictured Cliffs gas wells capable of producing unitized substances in paying quantities have been completed upon committed acreage to this Unit and that the Participating Area for the Pictured Cliffs formation should be expanded.

(1) On December 30, 1953, Ralph A. Johnston completed the Rincon Unit #12 well in the Pictured Cliffs formation at a total depth of 2965 ft. The well was gauged with an initial potential of 898,000 cu.ft. of gas per day. This well is located in the SE/4 of Section 1, T-26-N, R-7-W, and is presently awaiting a pipeline connection.

(2) On December 22, 1953, Ralph A. Johnston completed the Rincon Unit #13 well in the Pictured Cliffs formation at a total depth of 3,146 ft. The well was gauged with an initial potential of 1,064,000 cu.ft. of gas per day. The well is located in the NW/4 of Section 6, T-26-N, R-6-W, and is presently awaiting a pipeline connection.

Director, U. S. G. S.  
Commissioner of Public Lands  
Oil Conservation Commission

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March 17, 1954  
4th Expanded Area  
Pictured Cliffs

(3) On December 30, 1953, Ralph A. Johnston completed the Rincon Unit #14 well in the Pictured Cliffs formation at a total depth of 2790 ft. The well was gauged with an initial potential of 922,000 cu.ft. of gas per day. The well is located in the NW/4 of Section 12, T-26-N, R-7-W, and is presently awaiting a pipeline connection.

(4) On December 22, 1953, Ralph A. Johnston completed the Rincon Unit #19 well in the Pictured Cliffs formation at a total depth of 3,253 ft. The well was gauged with an initial potential of 946,000 cu.ft. of gas per day. The well is located in the NW/4 of Section 30, T-27-N, R-7-W, and is presently awaiting a pipeline connection.

It is my belief as Unit Operator that the Pictured Cliffs Participating Area should be expanded due to the completion of these four additional wells to include the following described acreage which should be reasonably regarded as proven for Pictured Cliffs gas. The Participating Area will then contain sixteen wells and 1840 acres. This Fourth Expanded Participating Area should be effective as of December 1, 1953.

Township 26 North, Range 6 West

Section 6: All

Township 26 North, Range 7 West

Section 1: All  
Section 2: All  
Section 11: All  
Section 12: All

Township 27 North, Range 6 West

Section 30: W/2  
Section 31: All  
Section 32: S/2

Township 27 North, Range 7 West

Section 23: S/2  
Section 25: All  
Section 26: All  
Section 35: All  
Section 36: All

---- containing 7360 acres, more or less.

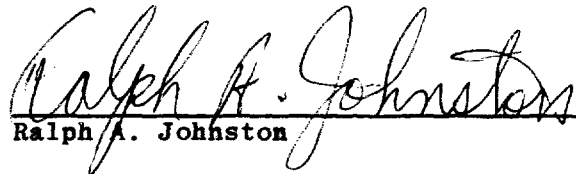
Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

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March 17, 1954  
4th Expanded Area  
Pictured Cliffs

Attached hereto is Schedule V showing the Fourth Expanded Participating Area for the Pictured Cliffs formation for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to each lease, on an acreage basis, located in the participating area. If this Fourth Expanded Pictured Cliffs Participating Area meets with your approval, please indicate such approval in the space provided on Schedule V and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil & Gas Company  
El Paso Natural Gas Company  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079160	T-26-N, R-7-W Sec. 1: All Sec. 11: All Sec. 12: All	1920.80	<p style="text-align: center;"><u>Tract 2</u></p> <p>Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Forrest Cave, et al; TOTAL</p>	<p>12.50%</p> <p>12.50%</p> <p>82.50%</p> <p>5.00%</p> <p>100.00%</p>	<p>27.73815%</p> <p>3.46727%</p> <p>22.88397%</p> <p>1.38691%</p> <p>27.73815%</p>	<p>26.83665%</p> <p>3.46727%</p> <p>22.88397%</p> <p>.48541%</p> <p>26.83665%</p>

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079301	T-26-N, R-6-W Sec. 6: NW/4	161.81	<u>Tract 7</u>			
	Royalty Owner:				<u>2.33669%</u>	<u>2.31332%</u>
	United States of America;		12.50%	12.50%	.29209%	.29209%
	Working Interest Owner:					
	El Paso Natural Gas Company;		82.50%	82.50%	1.92777%	1.92777%
	ORRI Owners:					
	Dan W. Johnston, et al;		<u>5.00%</u>	<u>4.00%</u>	<u>.11683%</u>	<u>.09346%</u>
	TOTAL		<u>100.00%</u>	<u>99.00%</u>	<u>2.33669%</u>	<u>2.31332%</u>



SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079301-A	T-26-N, R-6-W Sec. 6: SW/4	161.35	<p style="text-align: center;"><u>Tract 8</u></p> <p>Royalty Owner: United States of America; 12.50%</p> <p>Working Interest Owner: El Paso Natural Gas Company; 82.50%</p> <p>ORRI Owners: Dan W. Johnston, et al; 5.00%</p> <p>TOTAL 100.00%</p>	<p>12.50%</p> <p>82.50%</p> <p>4.00%</p> <p>99.00%</p>	<p><u>2.33005%</u></p> <p>.29126%</p> <p>1.92229%</p> <p><u>.11650%</u> 2.33005%</p>	<p><u>2.30675%</u></p> <p>.29126%</p> <p>1.92229%</p> <p><u>.09320%</u> 2.30675%</p>

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079302	T-26-N, R-6-W Sec. 6: NE/4	160.48	<u>Tract 9</u>			
	Royalty Owner:				<u>2.31748%</u>	<u>2.31748%</u>
	United States of America;	12.50%	12.50%		.28969%	.28969%
	Working Interest Owner:					
	El Paso Natural Gas Company;	82.50%	82.50%		1.91192%	1.91192%
	ORRI Owners:					
	L. C. Oldham, Jr., et al;	<u>5.00%</u>	<u>5.00%</u>		<u>.11587%</u>	<u>.11587%</u>
	TOTAL	100.00%	100.00%		<u>2.31748%</u>	<u>2.31748%</u>

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 10</u>						
SF 079302-B	T-26-N, R-6-W Sec. 6: SE/4	160.00	Royalty Owner: United States of America; 12.50%	12.50%	<u>2.31055%</u>	<u>2.31055%</u>
			Working Interest Owner: El Paso Natural Gas Company; 82.50%	82.50%	1.90620%	1.90620%
			ORRI Owners: L. C. Oldham, Jr., et al; 5.00%	5.00%	<u>.11553%</u>	<u>.11553%</u>
			TOTAL 100.00%	100.00%	2.31055%	2.31055%

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079321	T-27-N, R-7-W Sec. 25: All	640.00	<u>Tract 11</u>			
	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: T. J. Ahern, et al; TOTAL		12.50%    82.50%   5.00% 100.00%	12.50%    82.50%   4.9149% 99.9149%	9.24220%    7.62481%   9.24220%	9.23433%    7.62481%   9.23433%

## SCHEDULE V

**Tract 13**

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>		<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 19</u>							
SF 080385	T-27-N, R-7-W Sec. 23: S/2 Sec. 26: All Sec. 35: All	1600.00	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: C. A. Slater, et al; TOTAL	83.25%        4.25% 100.00%	83.25%        4.25% 100.00%	<u>23.10549%</u>        <u>.98198%</u> 23.10549%	<u>23.10549%</u>        <u>.98198%</u> 23.10549%

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-289-29	T-27-N, R-7-W Sec. 36: SW/4	160.00	<u>Tract 22</u>			
	Royalty Owner: State of New Mexico;		12.50%	12.50%	2.31055%	2.19502%
	Working Interest Owner: El Paso Natural Gas Company;		82.50%	82.50%	.28882%	.28882%
	ORRI Owners: Francis L. Harvey, et al;				1.90620%	1.90620%
	TOTAL		100.00%	95.00%	.11553% 2.31055%	.00000% 2.19502%

## SCHEDULE V

Tract 24



## SCHEDULE V

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>PARTICIPATION POSSIBLE</u>	<u>PARTICIPATION PRESENT ACTUAL</u>
E-290-28			<u>Tract 25</u>			
	T-27-N, R-6-W	440.00				
	Sec. 32: SE/4, SW/4 SW/4		Royalty Owner:		<u>6.35401%</u>	<u>6.03631%</u>
	T-27-N, R-7-W		State of New Mexico;	12.50%	12.50%	.79425%
	Sec. 36: NW/4, W/2 SE/4		Working Interest Owner:			.79425%
			El Paso Natural Gas Company;	82.50%	82.50%	5.24206%
			ORRI Owners:			5.24206%
			Francis L. Harvey, et al;	5.00%	.00%	.00000%
			TOTAL	100.00%	95.00%	6.35401%
						<u>1.73291%</u>
	T-27-N, R-6-W	120.00				
	Sec. 32: NW/4 SW/4		Royalty Owner:		<u>1.73291%</u>	<u>1.73291%</u>
	T-27-N, R-7-W		State of New Mexico;	12.50%	12.50%	.21661%
	Sec. 36: N/2 NE/4		Working Interest Owner:			.21661%
			El Paso Natural Gas Company;	87.50%	87.50%	1.51630%
			ORRI Owner:			1.51630%
			None;	.00%	.00%	.00000%
			TOTAL	100.00%	100.00%	1.73291%

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-291-35	T-26-N, R-7-W Sec. 2: NW/4	160.68	<u>Tract 27</u>			
			Royalty Owner:		<u>2.32037%</u>	<u>2.32037%</u>
			State of New Mexico;	12.50%	.29005%	.29005%
			Working Interest Owner:	12.50%		
			El Paso Natural Gas Company;	87.50%	2.03032%	2.03032%
			ORRI Owner:		<u>.00000%</u>	<u>.00000%</u>
			None;	<u>.00%</u>	<u>2.32037%</u>	<u>2.32037%</u>
			TOTAL	100.00%		

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-291-35	T-26-N, R-7-W Sec. 2: SW/4	160.00	<u>Tract 28</u>			
	Royalty Owner:				<u>2.31055%</u>	<u>2.19502%</u>
	State of New Mexico;		12.50%	12.50%	.28882%	.28882%
	Working Interest Owner:					
	El Paso Natural Gas Company;		82.50%	82.50%	1.90620%	1.90620%
	ORRI Owners:					
	Francis L. Harvey,					
	et al;		<u>5.00%</u>	<u>.00%</u>	<u>.11553%</u>	<u>.00000%</u>
	TOTAL		100.00%	95.00%	2.31055%	2.19502%

SCHEDULE V  
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of Lands in Participating Area:

Township 26 North, Range 6 West, N.M.P.M.	Township 27 North, Range 6 West, N.M.P.M.
Section 6: All	Section 30: W/2
Township 26 North, Range 7 West, N.M.P.M.	Section 31: All
Sections 1, 2, 11, 12: All	Section 32: S/2
	Township 27 North, Range 7 West, N.M.P.M.
	Section 23: S/2
	Sections 25, 26, 35, 36: All

Total number of acres in Participating Area:	6924.76*
Percent of Basic Royalty committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of ORRI committed:	69.93%

\* This figure is the actual participating acreage. The NE/4 SW/4, Section 32, T-27-N, R-6-W, the E/2, Section 2, T-26-N, R-7-W, and the S/2 NE/4, Section 36, T-27-N, R-7-W, which should logically be included in the participating area, are not committed to the Unit Agreement.

Approved                      1954

Approved                      1954

Approved                      MAY 24 1954                      1954

Subject to like approval by the appropriate State Officials, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

*R. J. Davis*  
Oil Conservation Commission of the State of New Mexico

Effective December 1, 1953

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# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 17, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec. No. 916  
REQUEST FOR APPROVAL of  
FIRST EXPANDED PARTICIPATING AREA  
MESAVERDE FORMATION  
Effective December 1, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston, as Unit Operator, hereby determines that the Rincon Unit #21 well, completed in the Mesaverde formation, is capable of producing unitized substances in paying quantities and that the participating area for the Mesaverde formation should be expanded effective as of December 1, 1953.

On December 30, 1953, Ralph A. Johnston completed the Rincon Unit #21 well in the Mesaverde formation at a total depth of 5686 ft. The well was gauged with an initial potential of 3,970,000 cu.ft. of gas per day. This well is located in the SW/4 of Section 16, T-27-N, R-6-W, and is presently awaiting a pipeline connection.

Ralph A. Johnston, as Unit Operator, hereby determines that the Mesaverde Participating Area should be expanded due to the completion of this additional Mesaverde well to include the following described acreage which should be regarded as reasonably proven for Mesaverde gas production.

Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

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March 17, 1954  
1st Expanded Area  
Mesaverde formation

Township 27 North, Range 6 West, N.M.P.M.

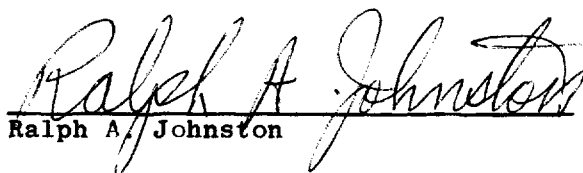
Section 16: S/2, NW/4  
Section 17: SE/4  
Section 20: All  
Section 21: NW/4

--containing 1440 acres, more or less.

Attached hereto is Schedule II MV showing the First Expanded Participating Area for the Mesaverde formation for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to each lease within the participating area as well as the exact percentage breakdown of each lease located within and committed to the participating area.

If this First Expanded Participating Area for the Mesaverde Formation is acceptable to you, please indicate your acceptance in the space provided for on Schedule II MV and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil & Gas Co.  
El Paso Natural Gas Co.  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVARDE FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079052	T-27-N, R-6-W Sec. 17: W/2 SE/4, SE/4 SE/4	120.00	<u>Tract 1</u>  Royalty Owner: United States of America; 12.50% Working Interest Owner: El Paso Natural Gas Company; 82.50% ORRI Owners: E. W. Ingram, et al; 5.00% TOTAL 100.00%	12.50%  82.50%  4.915% 99.915%	8.333333%  1.04167%  6.87500%  8.333333% 8.41666%	8.32625%  1.04167%  6.87500%  8.32625% 8.40958%

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVARDE FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 15</u>						
SF 079366	T-27-N, R-6-W Sec. 20: N/2	320.00	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL	12.50%  12.50%  77.00%  7.6255% 100.00%	22.22222%  2.77778%  17.11111%  2.33333% 22.22222%	21.58344%  2.77778%  17.11111%  1.69455% 21.58344%
	T-27-N, R-6-W Sec. 20: S/2 Sec. 21: NW/4	480.00	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL	12.50%  12.50%  80.00%  5.00% 100.00%	33.33333%  4.16667%  26.66666%  2.50000% 33.33333%	32.49999%  4.16667%  26.66666%  1.66666% 32.49999%



SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVARDE FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
NM 013654	T-27-N, R-6-W Sec. 17: NE/4 SE/4	40.00	Tract 21			
			Royalty Owner:		<u>2.77778%</u>	<u>2.74763%</u>
			United States of America;	12.50%	12.50%	.34722%
			Working Interest Owner:			.34722%
			El Paso Natural Gas Company;	81.50%	81.50%	2.26389%
			ORRI Owners:			
			E. W. Ingram,			
			et al;	<u>6.00%</u>	<u>4.915%</u>	<u>.16667%</u>
			TOTAL	<u>100.00%</u>	<u>98.915%</u>	<u>2.77778%</u>
						<u>.13652%</u>
						<u>2.74763%</u>

## SCHEDULE II

Tract 24

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVARDE FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-6443-4	T-27-N, R-7-W Sec. 16; NE/4 SE/4	40.00				
	Royalty Owner: State of New Mexico; Working Interest Owner:		12.50%	12.50%	.34722%	.34722%
	El Paso Natural Gas Company; ORRI Owner:		82.50%	82.50%	2.29167%	2.29167%
	C. W. Dunbar; TOTAL		5.00% 100.00%	.00% 95.00%	.13889% 2.77778%	.00000% 2.63889%
<u>Tract 29</u>						
					2.77778%	2.63889%

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of Lands in Participating Area:	
Township 27 North, Range 6 West, N.M.P.M.	
Section 16: W/2, SE/4	
Section 17: SE/4	
Section 20: All	
Section 21: NW/4	
Total number of acres in Participating Area:	1440.00
Percent of Basic Royalty Interest committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of O.R.R.I. committed:	45.38%

Approved _____ 1954	Approved _____ 1954	Approved <u>24 May</u> 1954
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Subject to like approval by the appropriate State Officials, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective December 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

*[Signature]*  
Oil Conservation Commission of the State of New Mexico

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 17, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec No. 916  
NOTICE OF DISCOVERY and REQUEST for  
APPROVAL of INITIAL PARTICIPATING AREA  
MESAVERDE FORMATION  
Effective November 30, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston, as Unit Operator, hereby determines that the Rincon Unit #8 well, completed in the Mesaverde formation, is capable of producing unitized substances in paying quantities and hereby submits for your approval the Initial Mesaverde Participating Area effective as of November 30, 1953.

The Rincon Unit #8 well was the first Unit well completed in the Mesaverde formation. It was completed on November 30, 1953, at a total depth of 5425 ft. The well was gauged with an initial potential of 1,524,000 cu.ft. of gas per day. The well is located in the SW/4 of Section 20, T-27-N, R-6-W, N.M.P.M. This well is currently awaiting a pipeline connection.

Ralph A. Johnston, as Unit Operator, hereby determines that the Initial Participating Area for the Mesaverde formation should be the W/2 of Section 20, T-27-N, R-6-W. This is the only area that could be regarded as proven for Mesaverde gas production. The effective date of this initial Mesaverde Participating area should be November 30, 1953.

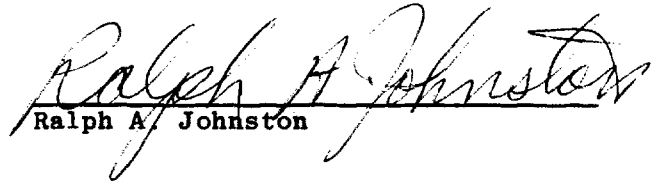
Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-2-

March 17, 1954  
Notice of Discovery  
Mesaverde formation

Attached hereto is Schedule I MV showing the Initial Mesaverde Participating Area for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to the unitized tract as well as the exact breakdown of percentage allocation within such tract. If this initial Mesaverde Participating Area meets with your approval, please indicate such approval in the space provided on Schedule I MV and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil & Gas Co.  
El Paso Natural Gas Co.  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

**SCHEDULE I**  
**ING AREA FOR THE MESAVERDE FORMATION**  
**RINCON UNIT AREA**

[illegible]

SCHEDULE I  
INITIAL PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of lands in Participating Area:  
Township 27 North, Range 6 West, N.M.P.M.  
Section 20: W/2

Total number of acres in Participating Area:	320.00
Percent of Basic Royalty Interest committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of O.R.R.I. committed:	70.14%

Approved \_\_\_\_\_ 1954      Approved \_\_\_\_\_ 1954

Subject to like approval by the appropriate State Officials, effective November 30, 1953, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective November 30, 1953, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement

Approved 24 May 1954

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective November 30, 1953, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Director - United States Geological Survey      Commissioner of Public Lands of the State of New Mexico

*E. R. [Signature]*  
Oil Conservation Commission of the State of New Mexico



299

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

March 16, 1954

RECEIVED  
MAR 17 1954  
12 03:42  
MAIN OFFICE OCC

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec No. 916  
THIRD EXPANDED PARTICIPATING AREA  
PICTURED CLIFFS FORMATION  
Effective November 1, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A Johnston, as Unit Operator, hereby determines that four additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs formation have been completed upon committed acreage to this Unit and that the participating area for the Pictured Cliffs formation should be expanded.

(1) On November 30, 1953, Ralph A. Johnston completed the Rincon Unit #16 well in the Pictured Cliffs formation at a total depth of 3,230 ft. The well was gauged with an initial potential of 826,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 25, T-27-N, R-7-W, and is presently awaiting a pipeline connection.

(2) On November 30, 1953, Ralph A. Johnston completed the Rincon Unit #17 well in the Pictured Cliffs formation at a total depth of 2,880 ft. The well was gauged with an initial potential of 874,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 2, T-26-N, R-7-W, and is presently awaiting a pipeline connection.

Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-2-

March 16, 1954  
3rd Expanded Area  
Pictured Cliffs

(3) On November 30, 1953, Ralph A. Johnston completed the Rincon Unit #18 well in the Pictured Cliffs formation at a total depth of 3,115 ft. The well was gauged with an initial potential of 969,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 35, T-27-N, R-7-W, and is presently awaiting a pipeline connection.

(4) On November 30, 1953, Ralph A. Johnston completed its Rincon Unit #22 well in the Pictured Cliffs formation at a total depth of 3,100 ft. The well was gauged with an initial potential of 2,065<sup>MCF</sup> cu.ft. of gas per day. This well is located in the SW/4 of Section 23, T-27-N, R-7-W, and is presently awaiting a pipeline connection.

It is my belief as Unit Operator that the Pictured Cliffs Participating Area should be expanded due to the completion of these four additional wells to include the following described acreage which should be reasonably regarded as proven for Pictured Cliffs gas:

Township 26 North, Range 6 West

Section 6: E/2

Township 26 North, Range 7 West

Section 1: N/2

Section 2: All

Section 11: N/2, SW/4

Township 27 North, Range 6 West

Section 31: W/2, SE/4

Section 32: S/2

Township 27 North, Range 7 West

Section 23: S/2

Section 25: W/2

Section 26: All

Section 35: All

Section 36: All

--containing 5,120 acres, more or less.

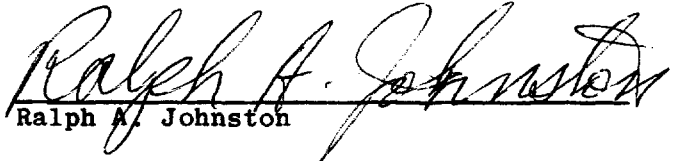
Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-3-

March 16, 1954  
3rd Expanded Area  
Pictured Cliffs

Attached hereto is Schedule IV showing the Third Expanded Participating Area for the Pictured Cliffs formation for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to each lease on an acreage basis, located in the participating area. The E/2 of Section 2, T-26-N, R-7-W, is not yet committed to the Rincon Unit. If this Third Expanded Pictured Cliffs Participating Area meets with your approval, please indicate such approval in the space provided for on Schedule IV and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil & Gas Co.  
El Paso Natural Gas Company  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>		<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 2</u>							
SF 079160	T-26-N, R-7-W Sec. 1: Lots 1, 2, 3, 4, S/2 N/2 Sec. 11: SW/4, N/2	800.80	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Forrest Cave, et al; TOTAL	12.50%          5.00% 100.00%	12.50%          1.75% 96.75%	<u>17.10190%</u>	<u>16.54609%</u>
			82.50%	82.50%	14.10907%	14.10907%	
						.85509% 17.10190%	
						.29928% 16.54609%	

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 9</u>						
SF 079302	T-26-N, R-6-W Sec. 6: Lots 1, 2, S/2 NE/4	160.48	Royalty Owner: United States of America; 12.50%	12.50%	<u>3.42722%</u>	<u>3.42722%</u>
			Working Interest Owner: El Paso Natural Gas Company; 82.50%	82.50%	2.82746%	2.82746%
			ORRI Owners: L. C. Oldham, Jr., et al; 5.00%	5.00%	<u>.17136%</u>	<u>.17136%</u>
			TOTAL 100.00%	100.00%	3.42722%	3.42722%

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079302-B	T-26-N, R-6-W Sec. 6: SE/4	160.00				
			<u>Tract 10</u>			
	Royalty Owner:				<u>3.41696%</u>	<u>3.41696%</u>
	United States of America;	12.50%	12.50%		.42712%	.42712%
	Working Interest Owner:					
	El Paso Natural Gas Company;	82.50%	82.50%		2.81899%	2.81899%
	ORRI Owners:					
	L. C. Oldham, Jr., et al;	5.00%	5.00%		.17085%	.17085%
	TOTAL	100.00%	100.00%		3.41696%	3.41696%

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079321	T-27-N, R-7-W Sec. 25: W/2	320.00	<p style="text-align: center;"><u>Tract 11</u></p> <p>Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: T. J. Ahern, et al; TOTAL</p>	<p>12.50%</p> <p>12.50%</p> <p>82.50%</p> <p>4.9149%</p> <p>99.9149%</p> <p>5.00%</p> <p>100.00%</p>	<p><u>6.83393%</u></p> <p>.85424%</p> <p>5.63799%</p> <p><u>.34170%</u></p> <p>6.83393%</p>	<p><u>6.82811%</u></p> <p>.85424%</p> <p>5.63799%</p> <p><u>.33588%</u></p> <p>6.82811%</p>

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 13</u>						
SF 079364	T-27-N, R-6-W Sec. 31: S/2	320.38	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL	12.50%          12.50%          10.1255% 99.6255%	<u>6.84204%</u>          .85526%          <u>.71841%</u> <u>6.84204%</u>	<u>6.81642%</u>          .85526%          <u>.69279%</u> <u>6.81642%</u>
	T-27-N, R-6-W Sec. 31: NW/4	160.18	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owner: Mike Abraham; TOTAL	12.50%          12.50%          7.50% 100.00%	<u>3.42081%</u>          .42760%          <u>.25656%</u> <u>3.42081%</u>	<u>3.42081%</u>          .42760%          <u>.25656%</u> <u>3.42081%</u>



SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 080385	T-27-N, R-7-W	1600.00	<u>Tract 19</u>			
	Sec. 23: S/2		Royalty Owner:		<u>34.16964%</u>	<u>34.16964%</u>
	Sec. 26: All		United States of			
	Sec. 35: All		America;	12.50%	12.50%	4.27121%
			Working Interest			
	Owner:		El Paso Natural			
	Gas Company;		83.25%	83.25%	28.44622%	28.44622%
	ORRI Owners:					
	C. A. Slater,					
	et al;		<u>4.25%</u>	<u>4.25%</u>	<u>1.45221%</u>	<u>1.45221%</u>
	TOTAL		100.00%	100.00%	34.16964%	34.16964%

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-289-29	T-27-N, R-7-W Sec. 36: SW/4	160.00				
			<u>Tract 22</u>			
	Royalty Owner:				<u>3.41696%</u>	<u>3.24611%</u>
	State of New Mexico;		12.50%	12.50%	.42712%	.42712%
	Working Interest Owner:					
	El Paso Natural Gas Company;		82.50%	82.50%	2.81899%	2.81899%
	ORRI Owners:					
	Francis L. Harvey, et al;		<u>5.00%</u>	<u>.00%</u>	<u>.17085%</u>	<u>.00000%</u>
	TOTAL		100.00%	95.00%	<u>3.41696%</u>	<u>3.24611%</u>

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 24</u>						
E-290-28	T-27-N, R-6-W 120.00 Sec. 32: SE/4 SW/4 T-27-N, R-7-W Sec. 36: E/2 SE/4		Royalty Owner: State of New Mexico; Working Interest Owner: El Paso Natural Gas Company; ORRI Owner: None; TOTAL	12.50%         100.00%	12.50%         100.00%	<u>2.56272%</u>         <u>2.56272%</u>
					.32034%	.32034%
					2.24238%	2.24238%
					<u>.00000%</u>	<u>.00000%</u>
					2.56272%	2.56272%

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 25</u>						
E-290-28	T-27-N, R-6-W 440.00 Sec. 32: SE/4, SW/4 SW/4		Royalty Owner: State of New Mexico; 12.50%	12.50%	<u>9.39665%</u>	<u>8.92682%</u>
	T-27-N, R-7-W Sec. 36: NW/4, W/2 SE/4		Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Francis L. Harvey, et al; 5.00%	12.50%	1.17458%	1.17458%
			82.50%	82.50%	7.75224%	7.75224%
			TOTAL 100.00%	95.00%	<u>9.39665%</u>	<u>8.92682%</u>
	T-27-N, R-6-W 120.00 Sec. 32: NW/4 SW/4		Royalty Owner: State of New Mexico; 12.50%	12.50%	<u>2.56272%</u>	<u>2.56272%</u>
	T-27-N, R-7-W Sec. 36: N/2 NE/4		Working Interest Owner: El Paso Natural Gas Company; ORRI Owner: None; .00%	12.50%	.32034%	.32034%
			87.50%	87.50%	2.24238%	2.24238%
			TOTAL 100.00%	100.00%	<u>2.56272%</u>	<u>2.56272%</u>

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-291-35	T-27-N, R-6-W Sec. 2: NW/4	160.68				
			<u>Tract 27</u>			
	Royalty Owner:				<u>3.43149%</u>	<u>3.43149%</u>
	State of New Mexico;		12.50%	12.50%	.42894%	.42894%
	Working Interest Owner:					
	El Paso Natural Gas Company;		87.50%	87.50%	3.00255%	3.00255%
	ORRI Owner:					
	None;		<u>.00%</u>	<u>.00%</u>	<u>.00000%</u>	<u>.00000%</u>
	TOTAL		<u>100.00%</u>	<u>100.00%</u>	<u>3.43149%</u>	<u>3.43149%</u>

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-291-35	T-27-N, R-6-W Sec. 2: SW/4	160.00				
			<u>Tract 28</u>			
	Royalty Owner:				<u>3.41696%</u>	<u>3.24611%</u>
	State of New Mexico;		12.50%	12.50%	.42712%	.42712%
	Working Interest Owner:					
	El Paso Natural Gas Company;		82.50%	82.50%	2.81899%	2.81899%
	ORRI Owners:					
	Francis L. Harvey,					
	et al;		5.00%	.00%	<u>.17085%</u>	<u>.00000%</u>
	TOTAL		100.00%	95.00%	3.41696%	3.24611%

SCHEDULE IV  
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of Lands in Participating Area:

Township 26 North, Range 6 West, N.M.P.M.	Township 27 North, Range 6 West, N.M.P.M.
Section 6: E/2	Section 31: W/2, SE/4
Township 26 North, Range 7 West, N.M.P.M.	Section 32: S/2
Section 1: N/2	Township 27 North, Range 7 West, N.M.P.M.
Section 2: All	Section 23: S/2
Section 11: SW/4, N/2	Section 25: W/2
	Sections: 26, 35, 36: All

Total number of acres in Participating Area:	4682.52*
Percent of Basic Royalty committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of ORRI committed:	70.72%

\* This figure is the actual participating acreage. The NE/4 SW/4, Section 32, T-27-N, R-6-W, the E/2, Section 2, T-26-N, R-7-W, and the S/2 NE/4, Section 36, T-27-N, R-7-W, which should logically be included in the participating area, are not committed to the Unit Agreement.

Approved \_\_\_\_\_ 1954

Subject to like approval by the appropriate State Officials, effective November 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Approved \_\_\_\_\_ 1954

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective November 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Approved *24 May 54*

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective November 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

*R. R. [Signature]*  
Oil Conservation Commission of the State of New Mexico

Effective November 1, 1953

7 99

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 16, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec. No. 916  
SECOND EXPANDED PARTICIPATING AREA  
PICTURED CLIFFS FORMATION  
Effective October 1, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston, as Unit Operator, hereby determines that five additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs formation have been completed upon committed acreage to this Unit and the participating area for the Pictured Cliffs formation should be expanded.

(1) On October 16, 1953, Ralph A. Johnston completed the Rincon Unit #5 well in the Pictured Cliffs formation at a total depth of 3194'. The well was gauged with an initial potential of 516,000 cu.ft. of gas per day. This well is located in the SE/4 of Section 32, T-27-N, R-6-W, and is presently producing into El Paso Natural Gas Company's pipeline system.

(2) On October 16, 1953, Ralph A. Johnston completed the Rincon Unit #7 well in the Pictured Cliffs formation at a total depth of 2920'. The well was gauged with an initial potential of 1,135,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 1, T-26-N, R-7-W, and is presently awaiting a pipeline connection.



Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-2-

March 16, 1954  
2nd Expanded Area  
Pictured Cliffs

(3) On October 16, 1953, Ralph A. Johnston completed the Rincon Unit #9 well in the Pictured Cliffs formation at a total depth of 3120'. The well was gauged with an initial potential of 1,826,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 31, T-27-N, R-6-W, and is presently awaiting a pipeline connection.

(4) On October 16, 1953, Ralph A. Johnston completed the Rincon Unit #10 well in the Pictured Cliffs formation at a total depth of 3110'. The well was gauged with an initial potential of 1,492,000 cu.ft. of gas per day. This well is located in the NW/4 of Section 36, T-27-N, R-7-W, and is presently awaiting a pipeline connection.

(5) On October 16, 1953, Ralph A. Johnston completed the Rincon Unit #15 well in the Pictured Cliffs formation at a total depth of 2790'. The well was gauged with an initial potential of 1,207 cu.ft. of gas per day. This well is located in the SW/4 of Section 11, T-26-N, R-7-W, and is presently awaiting a pipeline connection.

It is my belief, as Unit Operator, that the Pictured Cliffs Participating Area should be expanded due to the completion of these wells and that the following described acreage is reasonably proven for Pictured Cliffs gas and should therefore be included in the Pictured Cliffs Participating Area effective as of October 1, 1953.

Township 26 North, Range 6 West, N.M.P.M.

Section 6: E/2

Township 26 North, Range 7 West, N.M.P.M.

Section 1: N/2

Section 11: SW/4

Township 27 North, Range 6 West, N.M.P.M.

Section 31: SE/4 and W/2

Section 32: S/2

Township 27 North, Range 7 West, N.M.P.M.

Section 36: All

---- containing 2240.00 acres, more or less.

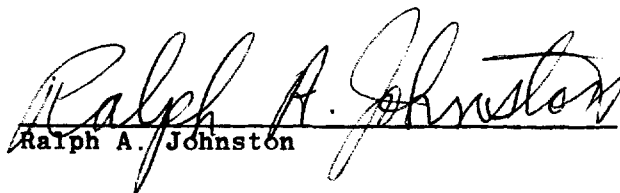
Director. U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-3-

March 16, 1954  
2nd Expanded Area  
Pictured Cliffs

Attached hereto is Schedule III showing the Second Expanded Participating Area for the Pictured Cliffs Formation for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to each lease, on an acreage basis, located in and committed to the participating area. If this Second Expanded Pictured Cliffs Participating Area meets with your approval, please indicate such approval in the space provided on Schedule III and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil & Gas Company  
El Paso Natural Gas Company  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079160	T-26-N, R-7-W Sec. 1: Lots 1, 2, 3, 4, S/2 N/2 Sec. 11: SW/4	480.80	<u>Tract 2</u>  Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Forrest Cave, et al; TOTAL	  12.50%  12.50%  82.50%  1.75%  100.00%	  2.83245%  2.83245%  18.69415%  22.65958%	  2.83245%  2.83245%  18.69415%  21.92314%

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 9</u>						
SF 079302	T-26-N, R-6-W Sec. 6: Lots 1, 2, S/2 NE/4	160.48	Royalty Owner: United States of America; 12.50%	12.50%	<u>7.56325%</u>	<u>7.56325%</u>
	Working Interest Owner: El Paso Natural Gas Company; 82.50%		82.50%	82.50%	6.23969%	6.23969%
	ORRI Owners: L. C. Oldham, Jr., et al; 5.00%		5.00%	5.00%	<u>*.37816%</u>	<u>*.37816%</u>
	TOTAL		100.00%	100.00%	<u>7.56325%</u>	<u>7.56325%</u>

## SCHEDULE III

**Tract 10**

T-26-N, R-6-W  
Sec. 6: SE/4

**PAGE 3**

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 13</u>						
SF 079364	T-27-N, R-6-W Sec. 31: S/2	320.38	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL	12.50%          10.1255% 99.6255%	<u>15.09916%</u>          <u>1.58541%</u> <u>15.09916%</u>	<u>15.04261%</u>          <u>1.52886%</u> <u>15.04261%</u>
	T-27-N, R-6-W Sec. 31: NW/4	160.18	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owner: Mike Abraham; TOTAL	12.50%          7.50% 100.00%	<u>7.54911%</u>          <u>.56618%</u> <u>7.54911%</u>	<u>7.54911%</u>          <u>.56618%</u> <u>7.54911%</u>

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-289--29	T-27-N, R-7-W Sec. 36: SW/4	160.00	<u>Tract 22</u>			
	Royal ty Owner:				<u>7.54062%</u>	<u>7.16359%</u>
	State of New					
	Mexico;	12.50%	12.50%		.94258%	.94258%
	Working Interest					
	Owner:					
	El Paso Natural					
	Gas Company;	82.50%	82.50%		6.22101%	6.22101%
	ORRI Owners:					
	Francis L. Harvey,					
	et al;	5.00%	.00%		.37703%	.00000%
	TOTAL	100.00%	95.00%		7.54062%	7.16359%

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
E-290-28	T-27-N, R-6-W 120.00 Sec. 32: SE/4 SW/4 T-27-N, R-7-W Sec. 36: E/2 SE/4		Tract 24			
			Royalty Owner:		<u>5.65547%</u>	<u>5.65547%</u>
			State of New Mexico;	12.50%	12.50%	.70693%
			Working Interest Owner:			.70693%
			El Paso Natural Gas Company;	87.50%	87.50%	4.94854%
			ORRI Owner:	<u>.00%</u>	<u>.00%</u>	<u>.00000%</u>
			None;	<u>.00%</u>	<u>.00%</u>	<u>.00000%</u>
			TOTAL	100.00%	100.00%	5.65547%



SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 25</u>						
E-290-28	T-27-N, R-6-W 440.00 Sec. 32: SE/4, SW/4 SW/4		Royalty Owner: State of New Mexico; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Francis L. Harvey, et al; TOTAL	12.50% 12.50% 12.50% 82.50% 82.50% 17.10779% 17.10779% 5.00% 100.00%	12.50% 12.50% 12.50% 82.50% 82.50% 17.10779% 17.10779% 1.03684% 20.73672%	20.73672% 19.69986% 2.59209% 2.59209% 17.10779% 17.10779% 1.03684% 20.73672%
	T-27-N, R-6-W 120.00 Sec. 32: NW/4 SW/4 T-27-N, R-7-W Sec. 36: NW/4, W/2 SE/4		Royalty Owner: State of New Mexico; Working Interest Owner: El Paso Natural Gas Company; ORRI Owner: None; TOTAL	12.50% 12.50% 12.50% 87.50% 87.50% 87.50% 100.00%	12.50% 12.50% 12.50% 87.50% 87.50% 87.50% 100.00%	5.65547% 5.65547% .70693% 4.94854% 4.94854% 4.94854% 5.65547%

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of Lands in Participating Area:

Township 26 North, Range 6 West, N.M.P.M.	Township 27 North, Range 6 West, N.M.P.M.
Section 6: E/2	Section 31: W/2, SE/4
Township 26 North, Range 7 West, N.M.P.M.	Section 32: S/2
Section 1: N/2	Township 27 North, Range 7 West, N.M.P.M.
Section 11: SW/4	Section 36: All

Total number of acres in Participating Area:	2121.84*
Percent of Basic Royalty committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of ORRI committed:	59.53%

\*This figure is the actual participating acreage. The NE/4 SW/4, Section 32, T-27-N, R-6-W, and the S/2 NE/4, Section 36, T-27-N, R-7-W, which should logically be included in the participating area, are not committed to the Unit Agreement.

Approved _____	1954	Approved _____	1954	Approved _____	MAY 24 1954	Approved _____	1954
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Subject to like approval by the appropriate State Officials, effective October 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective October 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective October 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

Oil Conservation Commission of the State of New Mexico

*R. R. Sullivan*

Effective October 1, 1953

507

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 16, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec. No. 916  
FIRST EXPANDED PARTICIPATING AREA  
PICTURED CLIFFS FORMATION  
Effective June 1, 1953

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston, as Unit Operator, hereby determines that two additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs formation have been completed upon committed acreage to this Unit and that the Participating Area for the Pictured Cliffs formation should be expanded effective as of June 1, 1953.

(1) On June 29, 1953, Ralph A. Johnston completed the Rincon Unit #3 well in the Pictured Cliffs formation at a total depth of 3040'. The well was gauged with an initial potential of 1,074,000 cu.ft. of gas per day. This well is located in the SE/4 of Section 6, T-26-N, R-6-W, and is presently producing into El Paso Natural Gas Company's pipeline system.

(2) Also, on June 29, 1953, Ralph A. Johnston completed the Rincon Unit #4 well in the Pictured Cliffs formation at a total depth of 3085'. The well was gauged with an initial potential of 1,468,000 cu.ft. of gas per day. This well is located in the SE/4 of Section 31, T-27-N, R-7-W, and is presently producing into El Paso Natural Gas Company's pipeline system.

Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

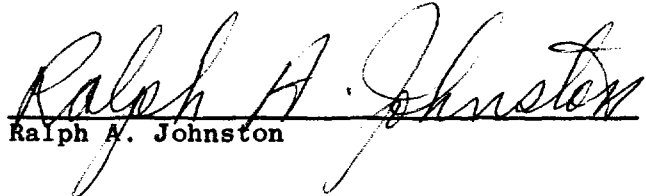
-2-

March 16, 1954  
First Expanded Participating Area -- PC

It is my belief as Unit Operator that the Initial Pictured Cliffs Participating Area consisting of the NE/4 of Section 6, T-26-N, R-6-W, should be expanded to include the SE/4 of Section 6, T-26-N, R-6-W, upon which the Rincon Unit #3 well is located and the SE/4 of Section 31, T-27-N, R-6-W, upon which the Rincon Unit #4 well is located. This additional acreage should be proven insofar as the Pictured Cliffs formation is concerned by the completion of these two wells.

Attached hereto is Schedule II showing the First Expanded Participating Area for the Pictured Cliffs formation for the Rincon Unit. This describes the Participating Area and shows the percentage of unitized substances allocated to each lease, on an acreage basis, located in and committed to the Participating Area. If this First Expanded Pictured Cliffs Participating Area meets with your approval, please indicate such approval in the space provided on Schedule II and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston

cc: Johnston Oil and Gas Company  
El Paso Natural Gas Company  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079302	T-26-N, R-6-W 160.48 Sec. 6: Lots 1, 2, S/2 NE/4		Tract 9			
			Royalty Owner:		<u>33.39994%</u>	<u>33.39994%</u>
			United States of America;	12.50%	12.50%	4.17499%
			Working Interest Owner:			
			El Paso Natural Gas Company;	82.50%	82.50%	27.55495%
			ORRI Owners:			
			L. C. Oldham, Jr., et al;	<u>5.00%</u>	<u>5.00%</u>	<u>1.67000%</u>
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	<u>33.39994%</u>

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079302-B	T-26-N, R-6-W Sec. 6: SE/4	160.00				
			<u>Tract 10</u>			
	Royalty Owner:				<u>33.30003%</u>	<u>33.30003%</u>
	United States of America;		12.50%	12.50%	4.16250%	4.16250%
	Working Interest Owner:					
	El Paso Natural Gas Company;		82.50%	82.50%	27.47253%	27.47253%
	ORRI Owners:					
	L. C. Oldham, Jr., et al;		5.00%	5.00%	<u>1.66500%</u>	<u>1.66500%</u>
	TOTAL		<u>100.00%</u>	<u>100.00%</u>	<u>33.30003%</u>	<u>33.30003%</u>

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079364	T-27-N, R-6-W Sec. 31: SE/4	160.00				
			<u>Tract 13</u>			
	Royalty Owner: United States of America; Working Interest Owner:		12.50%	12.50%	4.16250%	4.16250%
	El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al;		77.00%	77.00%	25.64103%	25.64103%
	TOTAL		<u>10.50%</u> 100.00%	<u>10.1255%</u> 99.6255%	<u>3.49650%</u> 33.30003%	<u>3.37179%</u> 33.17532%

SCHEDULE II  
FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of lands in Participating Area  
Township 26 North, Range 6 West, N.M.P.M.  
Section 6: E/2  
Township 27 North, Range 6 West, N.M.P.M.  
Section 31: SE/4

Total number of acres in Participating Area:	480.48
Percent of Basic Royalty committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of O.R.R.I. committed:	98.17%

Approved \_\_\_\_\_ 1954

Subject to like approval by the appropriate State Officials, effective June 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Approved \_\_\_\_\_ 1954

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective June 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

Approved 24 May 1954

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective June 1, 1953, pursuant to the pertinent provisions of Section 11 of the Unit Agreement.

\_\_\_\_\_  
Director - United States Geological Survey

\_\_\_\_\_  
Commissioner of Public Lands of the State of New Mexico

*R. R. [Signature]*  
Oil Conservation Commission of the State of New Mexico



299

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 15, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington, D. C.

Commissioner of Public Lands  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico

Re: Rincon Unit Agreement  
Rio Arriba County, New Mexico  
I Sec. No. 916  
NOTICE OF DISCOVERY, and  
REQUEST FOR APPROVAL of  
INITIAL PARTICIPATING AREA  
Pictured Cliffs Formation  
Effective October 15, 1952

Gentlemen:

In accordance with Section 11 of the above Unit Agreement, Ralph A. Johnston as Unit Operator, hereby determines that the Rincon Unit #2 well is capable of producing unitized substances in paying quantities and hereby submits for your approval the Initial Participating Area for the Pictured Cliffs Formation effective as of October 15, 1952.

The Rincon Unit #2 well, located in the NE/4 of Section 6, Township 26 North, Range 6 West, N.M.P.M. Rio Arriba County, New Mexico, was completed in the Pictured Cliffs formation on October 15, 1952. The well was drilled to a total depth of 3056' and was gauged with an initial potential of 500,000 cu. ft. of gas per day. This well is currently producing into El Paso Natural Gas Company's pipeline system.

Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

-2-

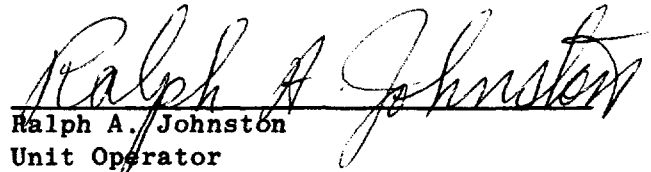
March 15, 1954  
Notice of Discovery  
Pictured Cliffs

Ralph A. Johnston, as Unit Operator, hereby determines that the Initial Participating Area for this well should be the entire NE/4 of Section 6, T-26-N, R-6-W, containing 160 acres more or less.

Attached hereto is Schedule I showing the Initial Participating Area for the Pictured Cliffs formation for the Rincon Unit. This describes the participating area and shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each lease, on an acreage basis, located in and committed to the participating area.

If this Initial Participating Area is acceptable to you, please indicate your acceptance in the space provided on Schedule I and return an approved copy for our files.

Yours very truly,

  
Ralph A. Johnston  
Unit Operator

cc: Johnston Oil & Gas Co.  
El Paso Natural Gas Co.  
R. E. Beamon  
W. C. McMahan  
A. B. Jones  
H. R. Stasney

SCHEDULE I  
INITIAL PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>LEASE OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079302	T-26-N, R-6-W Sec. 6: Lots 1, 2, S/2 NE/4	160.48	<u>Tract 9</u>			
			Royalty Owner:		<u>100.00%</u>	<u>100.00%</u>
			United States of			
			America;	12.50%	12.50%	12.50%
			Working Interest			
			Owner:			
			El Paso Natural			
			Gas Company;	82.50%	82.50%	82.50%
			ORRI Owners:			
			L. C. Oldham, Jr.			
			et al;	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

SCHEDULE I  
INITIAL PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION  
RINCON UNIT AREA

RECAPITULATION

Description of lands in Participating Area:  
Township 26 North, Range 6 West, N.M.P.M.  
Section 6: NE/4

Total number of acres in Participating Area:	160.48
Percent of Basic Royalty Interest committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of O.R.R.I. committed:	100.00%

Approved _____ 1954	Approved _____ 1954	Approved _____ MAY 24 1954 _____ 1954
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Subject to like approval by the appropriate State Officials, effective October 15, 1952, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.	Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective October 15, 1952, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.	Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective October 15, 1952, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.
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<u>Director - United States Geological Survey</u>	<u>Commissioner of Public Lands of the State of New Mexico</u>	<u>Oil Conservation Commission of the State of New Mexico</u>
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*R. R. [Signature]*

*Case 299*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

July 16, 1953

Mr. Ralph A. Johnston  
c/o Dan W. Johnston  
2929 Monte Vista Blvd.  
Albuquerque, New Mexico

Dear Mr. Johnston:

Your plan of development dated September 26, 1952, for the Rincon Unit Area, T-See. No. 916, Rio Arriba County, New Mexico, covering the year ending October 1, 1953, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

Two approved copies of the plan are enclosed.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Copy to: Commissioner of Public Lands, Santa Fe  
✓ Oil Conservation Commission, Santa Fe



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON 25, D. C.

IN REPLY REFER TO:

*Exhibit E*  
*Case 299*

JUN 10 1951

Mr. Ralph A. Johnston  
1453 Sperson Bldg.  
Houston 2, Texas

Dear Mr. Johnson:

Reference is made to the three copies of a proposed unit agreement for the Rincon Largo Unit Area, Rio Arriba County, New Mexico, submitted with your letter of May 26, 1951, to the Oil and Gas Supervisor, Roswell, New Mexico, for preliminary approval. Even though the area to be unitized was designated as the Rincon Largo Unit Area on June 5, 1951, it is deemed advisable henceforth to refer to the area as the Rincon Unit Area in order to prevent a confusion of names.

The form of agreement has been reviewed and found to follow the 1950 standard form. Inasmuch as the unit area involves land owned by the State of New Mexico, appropriate modifications, heretofore approved as applicable to lands of the State of New Mexico, have been inserted in red pencil. The form will be regarded as acceptable if modified as indicated in red pencil. One copy so marked is returned herewith, one copy is being furnished to the Supervisor, and one copy is being retained.

In the absence of any objections not now apparent, a duly executed unit agreement identical with said enclosure as modified will be approved if submitted within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement which, in the Survey's opinion, does not have the full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is submitted to the Supervisor for approval, include the latest status of all Federal acreage, showing the current record owner and the effective date of leases issued, and the current status of all lease applications, if any.

Very truly yours,

*Arthur A. Bahner*  
Acting Director

EMPilkinton:dp:6-14-51

Enclosure

Copy to: Roswell 2 (with 1 copy form of agreement)

*Return to office*  
*Washington*

**ILLEGIBLE**

RS

**RALPH A. JOHNSTON**

1453 ESPERSON BLDG.

HOUSTON 2, TEXAS

May 11, 1951

27N-6-W

Director, New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

Mr. Ralph A. Johnston of Houston, Texas has filed an application for a proposed unit in Rio Arriba County, New Mexico. Since there are some State lands involved in the unit we are furnishing for your information copies of papers filed with the U. S. G. S., as follows:

1. Letter of application for designation of unit.
2. Copy of proposed unit agreement.
3. A land map showing the outline of the proposed unit colored to distinguish between Federal, State and patented lands.

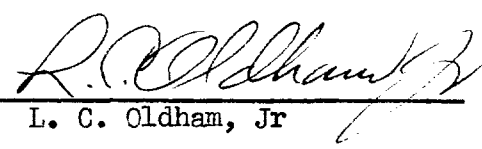
When the U. S. G. S. approve the unit we will furnish you with final copies of the agreement and at that time ask for your approval.

Very truly yours,

RALPH A. JOHNSTON

LCO:lb  
encls (3)

BY

  
L. C. Oldham, Jr.

Case 297

May 7, 1951

Re: Proposed Unit  
Rincon Largo area  
Rio Arriba County,  
New Mexico

Supervisor of Oil and Gas Operations (3)  
United States Geological Survey  
Roswell, New Mexico

Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Director, New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

It is proposed that an oil and gas unit be formed in the Rincon Largo area, Rio Arriba County, New Mexico. In this connection, application is hereby made for:

1. Designation of an area logically subject to unitization. The recommended unit area is outlined on the attached plat.
2. Approval of the drilling obligation of a test well to be drilled to a depth of 8,000 feet in order to test all horizons down to and including the Morrison formation.
3. Approval of the form of unit agreement for the development and operation of the Rincon Largo Unit Area.

As justification for the proposed unit outline, attached hereto is a geological report and a geological map prepared by Mr. Mark Chelton. This geological information is based on data obtained from geological work conducted in the Rincon Largo Area. The evaluation of these data indicates that the area has favorable structural prospects for gas and petroleum.

Case 297



Supervisor of Oil and Gas Operations,  
Commissioner of Public Lands  
Director, New Mexico Oil Conservation Commission

May 7, 1951

The proposed 3,000 foot depth well is expected to evaluate the Mesa Verde group, the Dakota formation and the Morrison. All of these horizons are considered to be suitable prospects for commercial production.

Federal, State and patented lands are contained within the proposed unit area and are identified by distinctive colors on the attached plat. The Federal leases within the unit area are further identified by their Santa Fe serial numbers. This proposed unit embraces approximately 20,002.70 acres of which some 17,921.26 acres are Federal lands, approximately 1,921.14 acres are State lands, and 160.00 acres are patented lands.

The unit agreement adheres to the language employed in the 1947 Federal form with one exception that throughout the agreement additional language has been inserted to provide for the authority of the State officials over State lands.

Exhibit "B" is being prepared and will be submitted for your preliminary approval at an early date.

Unitization will facilitate the drilling of a test well and in the event commercial production is discovered, unitized operations will assure an orderly development program and will enable further operations to be conducted in accordance with principles of conservation and good petroleum engineering practices.

We request that you give early consideration and approval in connection with the above matters in order that we may expedite unitization of the Rincon Largo Area.

Very truly yours,

RALPH A. JAMNICK

by   
L. C. Eldham, Jr.

LJC: bhm  
Attachments

May 7, 1951

Re: Proposed Unit  
Rincon Largo area  
Rio Arriba County,  
New Mexico

Supervisor of Oil and Gas Operations (3)  
United States Geological Survey  
Roswell, New Mexico

Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Director, New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

It is proposed that an oil and gas unit be formed in the Rincon Largo area, Rio Arriba County, New Mexico. In this connection, application is hereby made for:

1. Designation of an area logically subject to unitization. The recommended unit area is outlined on the attached plan.
2. Approval of the drilling obligation of a test well to be drilled to a depth of 8,000 feet in order to test all horizons down to and including the Morrison formation.
3. Approval of the form of unit agreement for the development and operation of the Rincon Largo Unit Area.

As justification for the proposed unit outline, attached hereto is a geological report and a geological map prepared by Mr. Mark Whelan. This geological information is based on data obtained from geological work conducted in the Rincon Largo Area. The evaluation of these data indicates that the area has favorable structural prospects for gas and petroleum.

Case 299

Supervisor of Oil and Gas Operations,  
Commissioner of Public Lands  
Director, New Mexico Oil Conservation Commission

May 7, 1951

The proposed 8,000 foot depth well is expected to evaluate the Mesa Verde group, the Dakota formation and the Morrison. All of these horizons are considered to be suitable prospects for commercial production.

Federal, State and patented lands are contained within the proposed unit area and are identified by distinctive colors on the attached plat. The Federal leases within the unit area are further identified by their Santa Fe serial numbers. This proposed unit embraces approximately 20,082.70 acres of which some 17,921.26 acres are Federal lands, approximately 1,921.44 acres are State lands, and 160.00 acres are patented lands.

The unit agreement adheres to the language employed in the 1949 Federal form with one exception that throughout the agreement additional language has been inserted to provide for the authority of the State officials over State lands.

Exhibit "B" is being prepared and will be submitted for your preliminary approval at an early date.

Unitization will facilitate the drilling of a test well and in the event commercial production is discovered, unitized operations will assure an orderly development program and will enable further operations to be conducted in accordance with principles of conservation and good petroleum engineering practices.

We request that you give early consideration and approval in connection with the above matters in order that we may expedite unitization of the Rincon Largo Area.

Very truly yours,

RALPH A. JOHNETON

By   
L. C. Oldham, Jr.

LCO: bhs  
Attachments