

NORTHWEST PIPELINE CORPORATION

ONE PARK CENTRAL, SUITE 1487
DENVER, COLORADO 80202
(303) 623-9303

June 26, 1978

Mr. James A. Gillham
United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Attention: Mr. Ray D. Graham
Post Office Box 1148
Santa Fe, New Mexico 87501

Energy and Minerals Department
Oil Conservation Division
State of New Mexico
Attention: Mr. Joe Ramey
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-6 Unit #14-08-001-439
Rio Arriba County, New Mexico
INITIAL PARTICIPATING AREA
PICTURED CLIFFS FORMATION
Effective January 17, 1978

Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the date indicated below that the San Juan 29-6 Unit Well No. 110 was capable of producing unitized substances in paying quantities from the Pictured Cliffs formation and was completed on a drilling block committed to this Unit which should create the Initial Participating Area for the Pictured Cliffs formation as follows:

INITIAL PARTICIPATING AREA --- Effective January 17, 1978

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name and No.</u>
E/2 (Lots 5,6,9,10,11, 14,15, pt of Tr. 37, SW/4 NE/4) Section 1-29N-6W	232.73	San Juan 29-6 Unit #110

U. S. Geological Survey
Commissioner of Public Lands
Oil Conservation Division
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Pertinent data is as follows:

The San Juan 29-6 Unit No. 110 Well is located 1810' from the North Line and 1000' from the East Line, Section 1, Township 29 North, Range 6 West, N.M.P.M. Rio Arriba County, New Mexico. This well was spudded on 8/24/77, and completed on 1/17/78, in the Pictured Cliffs formation at a plug back total depth of 3648'. The Pictured Cliffs formation was perforated with seventeen holes in the interval of 3498' - 3514'. These perforations were treated with 500 gal 15% hydrochloric acid, followed by a sand-water fracturing. The well was shut-in 1/9/78 for 8 days with a SIPC of 1107 psig. On 1/17/78, the well was tested and after flowing for three (3) hours through a 3/4 inch variable choke on the 2-7/8 inch tubing, the well gauged 2283 MCFD with a calculated AOF of 2351 MCFD.

Attached are Schedule I and ownership map showing the Initial Participating Area for the Pictured Cliffs formation of the San Juan 29-6 Unit. The Schedule describes the Initial Participating Area and shows the percentage of unitized substances allocated to the drilling block tract. Inasmuch as these need no official approval, no provision is made therefor and in the absence of disapproval, the captioned Initial Participating Area will become effective January 17, 1978.

Copies of this letter, Schedule and map are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

Betty Burnett
Betty R. Burnett

Supervisor of Contracts and Units

BRB:mk
Enclosures
Attachments

cc: Working Interest Owners

SAN JUAN 29-6 UNIT
Working Interest Owners

Amoco Production Company
Attention: Mr. T. M. Curtis
Security Life Building
Denver, Colorado 80202

American Petrofina Company of Texas
Post Office Box 2159
Dallas, Texas 75221

El Paso Natural Gas Company
Attention: Mr. James R. Permenter
Post Office Box 1492
El Paso, Texas 79978

General American Oil Company of Texas
Attention: Mr. L. E. Dooley
Meadows Building
Dallas, Texas 75205

Mr. Tom Bolack
1010 North Dustin Drive
Farmington, New Mexico 87401

Mr. James E. McElvain, Executor
for the Estate of Carl R. McElvain, Deceased
309 West Jefferson Street
Morris, Illinois 60450

Koch Industries, Inc.
Post Office Box 2256
Wichita, Kansas 57201

Mr. James J. Johnston
Nine Greenway Plaza East, Suite 2112
Houston, Texas 77046

Phillips Petroleum Company
Attention: Mr. N. N. Beckner
Security Life Building
Denver, Colorado 80202

Mr. J. William McElvain
310 East Jefferson Street
Morris, Illinois 60450

Atlantic Richfield Company
Attention: Mr. W. A. Walther, Jr.
1860 Lincoln Street
501 Lincoln Tower Building
Denver, Colorado 80203

Southland Royalty Company
Attention: L. O. Van Ryan
P.O. Drawer 570
Farmington, New Mexico 87401

Mrs. Veva Jean Gibbard
Post Office Box 436
Sulphur, Oklahoma 73086

First National Bank of Fort Worth
Trustee under the Will of Eula May Johnston
Post Office Box 2546
Fort Worth, Texas 76101

Beta Development Company
Attention: Mr. John Hampton
Post Office Box 1659
Midland, Texas 79701

Mrs. Catherine B. McElvain
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico 87501

V. A. Johnston Family Trust
Post Office Box 925
Ralls, Texas 79357

Supron Energy Corporation
Suite 1700 Campbell Centre
8350 North Central Expressway
Dallas, Texas 75206

National Cooperative Refinery Association
404 Lincoln Tower Building
Denver, Colorado 80202

Mr. J. Glenn Turner, Jr.
Independent Co-Executor of Estate
of J. Glenn Turner, Deceased
1700 Mercantile Bank Building
Dallas, Texas 75201

Ms. Mabelle M. Miller
Individually and as Independent
Executrix of the Estate of
Forrest B. Miller
1224 Lois Street
Post Office Box 1445
Kerrville, Texas 78028

San Juan 29-6 Unit
Working Interest Owners
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Mrs. Ruth M. Vaughn
300 Caversham Road
Byrn Mawr, Pennsylvania 19010

Union Texas Petroleum
A Division of Allied Chemical Corporation
Attention: Mr. W. L. Hixon
Post Office Box 2120
Houston, Texas 77001

Texas Pacific Oil Company, Inc.
Attention: Mr. L. B. Jeffers
1700 One Main Place
Dallas, Texas 75250

Union Oil Company of California
Attention: Mr. Harold Simpson
District Operations Manager
Post Office Box 2620
Casper, Wyoming 82601

The Wiser Oil Company
Post Office Box 192
Sistersville, West Virginia 26175

NORTHWEST PIPELINE CORPORATION
UNIT AREA EXPANSION SCHEDULE

SCHEDULE I

INITIAL PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATION
					PERCENTAGE		
<u>Tract 1</u>							
USA NY-012698	<u>T 29 N, R 6 W</u>	232.73	Royalty		12.50%	12.50%	100.00%
	Sec. 1: Lots 5, 6, 9, 10, 11, 14, 15, Pt. of Tr. 37, SW/4 NE/4 (E/2)		Working Interest: Northwest Pipeline Corp.; ORRI;		83.50% <u>4.00%</u>	83.50% <u>4.00%</u>	
					<u>100.00%</u>	<u>100.00%</u>	

Total Number of Acres in Participating Area: 232.73
Total Number of Acres Committed in Participating Area: 232.73

Effective January 17, 1978