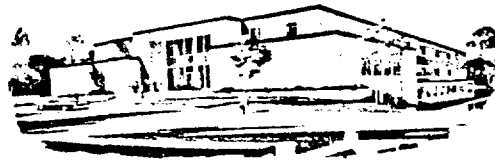


State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

P. O. BOX 1148
SANTA FE, NEW MEXICO 87504
87504-1148

Northwest Pipeline Corporation
1125 Seventeenth Street Suite 2140
Denver, Colorado 80202

420

Re: San Juan 32-7 Unit
San Juan County, New Mexico
CORRECTED AMENDED EIGHTEENTH EXPANDED
PARTICIPATING AREA
Mesaverde Formation
Effective August 1, 1977

AMENDED NINETEENTH EXPANDED
PARTICIPATING AREA
Mesaverde Formation
Effective September 1, 1977

NOTICE OF COMPLETION OF ADDITIONAL WELL

ATTENTION: Kathy Michael

Gentlemen:

We are in receipt of three copies of the Corrected Amended Eighteenth Expanded Participating Area effective August 1, 1977 and the Amended Nineteenth Expanded Participating Area effective September 1, 1977, for the San Juan 32-7 Unit, San Juan County, New Mexico.

Since this needs no official approval, we have this date filed one copy in our unit file. Enclosed is one copy for your files reflecting the date it was received in this office.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

NORTHWEST PIPELINE CORPORATION

August 14, 1980

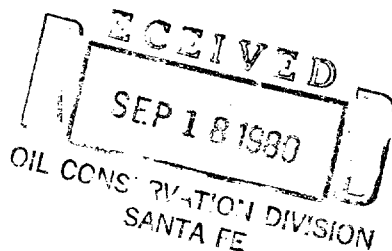
ONE PARK CENTRAL, SUITE 1457
DENVER, COLORADO 80202
303-623-9303

Mr. Jack Willock
Assistant Area Oil
and Gas Supervisor
United States Geological Survey
Western National Bank Building
505 Marquette NW, Suite 815
Albuquerque, New Mexico 87102

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

State of New Mexico
Oil Conservation Commission
Attention: Mr. Joe Ramey
Post Office Box 2088
Santa Fe, New Mexico 87501

Gentlemen:



Re: San Juan 32-7 Unit
No. 14-08-001-441
San Juan County, New Mexico
SECOND EXPANDED PARTICIPATING AREA
PICTURED CLIFFS FORMATION
Effective May 1, 1978

THIRD EXPANDED PARTICIPATING AREA
PICTURED CLIFFS FORMATION
Effective September 1, 1978

FOURTH EXPANDED PARTICIPATING AREA
PICTURED CLIFFS FORMATION
Effective July 1, 1979

NOTICE OF COMPLETION OF
ADDITIONAL PICTURED CLIFFS WELLS

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the dates indicated below that wells capable of producing unitized substances in paying quantities from the Pictured Cliffs formation were completed on drilling blocks containing a portion of acreage committed to this Unit and Participating Area for the Pictured Cliffs formation should be expanded as follows:

SECOND EXPANDED PARTICIPATING AREA - Effective May 1, 1978:

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name and No.</u>
T31N-R7W	160.00	Federal #4 Well
Section 2: W/2SW/4		
Section 3: E/2SE/4		

The pertinent data is as follows:

The Federal #4 Well is located 1124 feet from the South Line and 564 feet from the East Line, Section 3, Township 31 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on January 22, 1978 and completed on April 19, 1978 in the Pictured Cliffs formation at a plug back depth of 3589 feet. The Pictured Cliffs formation was perforated with one hole at each of the following depths:

3396', 3400', 3402', 3415', 3421', 3494', 3507', 3557', 3563' and 3589'.

These perforations were treated with 15% HCL, followed by a sand-water fracturing. The well was shut in April 19, 1978 for seven days with an SIPT of 1359 psig and SIPC of 1381 psig. On April 26, 1978 the well was tested and after flowing for 3 hours through a 3/4-inch variable choke on the 2-3/8 inch tubing, the well gauged 7446 MCFD with a calculated AOF of 8717 MCFD.

THIRD EXPANDED PARTICIPATING AREA - Effective September 1, 1978:

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name and No.</u>
T32N-R7W	160.00	Middle Mesa #2 Well
Section 33: SE/4		

The pertinent data is as follows:

The Middle Mesa #2 Well is located 1520 feet from the South Line and 1640 feet from the East Line, Section 33, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on June 30, 1978 and completed on August 28, 1978 in the Fruitland/Pictured Cliffs formation at a plug back depth of 3742 feet. The Fruitland/Pictured Cliffs formation was perforated with one hole at each of the following depths:

3468', 3471', 3474', 3490', 3494', 3504', 3508', 3569', 3576',
3582', 3592', 3606', 3624', 3628', 3632', 3645', 3656', 3661'.

These perforations were treated with 500 gallons 7-1/2% HCL followed by a sand-water fracturing. The well was shut in August 21, 1978 for seven days with an SIPT of 1550 psig and SIPC of 1550 psig. On August 28, 1978, the well was tested and after flowing for three (3) hours through a 3/4-inch variable choke on the 1-1/2 inch tubing, the well gauged 5462 MCFD with a calculated AOF of 12075 MCFD.

FOURTH EXPANDED PARTICIPATING AREA - Effective July 1, 1979:

<u>Drilling Block</u>	<u>Area</u>	<u>Well Name and No.</u>
T32N-R7W	320.00	San Juan 32-7 Unit #47 Well
Section 35: E/2		San Juan 32-7 Unit #49 Well
Section 34: E/2		San Juan 32-7 Unit #50 Well

The pertinent data for these wells is as follows:

The San Juan 32-7 Unit #47 Well is located 1040 feet from the North Line and 1160 feet from the East Line, Section 35, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on June 13, 1978 and completed on June 7, 1979 in the Fruitland/Pictured Cliffs formation at plug back depth of 3905 feet. The Fruitland/Pictured Cliffs formation was perforated with one hole at each of the following depths:

3552', 3558', 3564', 3570', 3576', 3594', 3602', 3610', 3684',
3690', 3696', 3716', 3722', 3732', 3740' and 3750'.

These perforations were treated with 500 gallons of 7-1/2% HCL followed by a sand-water fracturing. The well was shut in May 30, 1979 for eight days with an SIPC of 1530 psig. On June 7, 1979 the well was tested and after flowing for three (3) hours through a 3/4-inch variable choke on the 2-7/8 inch casing the well gauged 5162 MCFD with a calculated AOF of 5814 MCFD.

The San Juan 32-7 Unit #49 Well is located 1800 feet from the South Line and 985 feet from the East Line, Section 35, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on July 7, 1978 and completed on June 8, 1979 in the Fruitland/Pictured Cliffs formation at a plug back depth of 3863 feet. The Fruitland/Pictured Cliffs formation was perforated with one hole at each of the following depths:

3544', 3545', 3546', 3547', 3548', 3549', 3550', 3551', 3552',
3553', 3554', 3555', 3556', 3557', 3558', 3559', 3560', 3561'
and 3562'.

These perforations were sand-water fractured. The well was shut in May 30, 1979 for eight days with an SIPC of 1503 psig. On June 8, 1979 the well was tested and after flowing for three (3) hours through a 3/4-inch variable choke on the 2-7/8 inch casing the well gauged 1153 MCFD with a calculated AOF of 1160 MCFD.

The San Juan 32-7 Unit #50 Well is located 920 feet from the South Line and 1660 feet from the East Line, Section 34, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on July 14, 1978 and completed on June 6, 1979 in the Fruitland/Pictured Cliffs formation at a plug back depth of 3872 feet. The Fruitland/Pictured Cliffs formation was perforated with one hole at each of the following depths:

3542', 3546', 3550', 3554', 3564', 3576', 3674', 3694', 3702',
3710', 3726', 3730', 3734', 3746' and 3779'.

These perforations were treated with 500 gallons of 7-1/2% HCL followed by a sand-water fracturing. The well was shut in May 26, 1979 for 11 days with an SIPC of 1505 psig. On June 6, 1979 the well was tested and after flowing for three (3) hours through a 3/4-inch variable choke on the 2-7/8 inch casing the well gauged 5284 MCFD with a calculated AOF of 6024 MCFD.

NOTICE OF COMPLETION OF ADDITIONAL PICTURED CLIFFS WELLS:

Northwest Pipeline Corporation, as Unit Operator, has determined the following well capable of producing unitized substances in paying quantities has been completed upon acreage committed to the Unit.

The pertinent data is as follows:

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name and No.</u>
T32N-R7W	160.00	San Juan 32-7 Unit
Section 35: W/2		Well #48

The San Juan 32-7 Unit #48 Well is located 900 feet from the North Line and 1030 feet from the West Line, Section 35, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on July 22, 1978 and completed on June 12, 1979 in the Fruitland/Pictured Cliffs formation at a plug back depth of 3785 feet. The Fruitland/Pictured Cliffs formation was perforated with one hole at each of the following depths:

3472', 3474', 3494', 3496', 3500', 3504', 3508', 3512', 3516',
3520', 3524', 3530' and 3534'.

These perforations were treated with 500 gallons of 7-1/2% HCL followed by a sand-water fracturing. The well was shut in June 4, 1979 for eight days with an SIPC of 1512 psig. On June 12, 1979 the well was tested and after flowing for three hours through a 3/4-inch variable choke on the 2-7/8 inch casing the well gauged 1082 MCFD with a calculated AOF of 1088 MCFD.

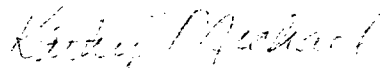
Since this well was drilled within the existing Pictured Cliffs Participating Area, the Participating Area is not enlarged by virtue of this well and the percentage of participation remains the same.

Attached are Schedules III, IV and V and ownership maps showing the Second, Third and Fourth Expanded Participating Areas for the Pictured Cliffs formation of the San Juan 32-7 Unit. The Schedules describe the Second, Third and Fourth Expanded Participating Areas and show the percentage of unitized substances allocated to each tract. Inasmuch as this needs no official approval, no provision is made therefor and in the absence of disapproval, the captioned Second, Third and Fourth Expanded Participating Areas will become effective as set forth herein.

Mr. Jack Willock, et al
August 14, 1980
Page 5

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

Very truly yours,



Kathy Michael
Land Records Coordinator

KM:vh
Enclosures

cc: Working Interest Owners
(see attached list)

SAN JUAN 32-7 UNIT

Working Interest Owners

Mr. J. Glenn Turner, Jr.
Independent Co-Executor of the
Estate of J. Glenn Turner, Deceased
1700 Mercantile Bank Building
Dallas, Texas 75206

General American Oil Company of Texas
Attention: Mr. L. E. Dooley
Meadows Building
Dallas, Texas 75206

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

Phillips Petroleum Company
Attention: N. N. Beckner
7800 East Dorado Place
Englewood, Colorado 80111

Mrs. Iris Gerber Damson
25 Mamaroneck Road
Scarsdale, New York 10583

Amoco Production Company
Attention: Mr. A. M. Roney
1670 Broadway, Suite 750
Amoco Building
Denver, Colorado 80202

UNIT AREA EXPANSION SCHEDULE

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
<u>TRACT 5</u>						
USA SF 078542	<u>T-32-N, R-7-W</u> Sec. 35: SW/4	160.00	Royalty; Working Interest: Northwest Pipeline Corp.; Gen. Am. Oil of Texas; ORRI;	12.500% 61.875% 20.625% <u>5.000%</u> 100.000%	12.500% 61.875% 20.625% <u>5.000%</u> 100.000%	40.000000
<u>TRACT 6</u>						
USA SF 078543	<u>T-32-N, R-7-W</u> Sec. 35: NW/4	160.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;	12.500% 82.500% <u>5.000%</u> 100.000%	12.500% 82.500% <u>5.000%</u> 100.000%	40.000000
<u>TRACT 10</u>						
USA SF 078996	<u>T-31-N, R-7-W</u> Sec. 3: N/2SE/4	80.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;	12.500% 82.500% <u>5.000%</u> 100.000%	12.500% 82.500% <u>5.000%</u> 100.000%	20.000000

EFFECTIVE MAY 1, 1978

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
			<u>TRACT 26</u>				
Fee	<u>T-31-N, R-7-W</u>	160.00	Royalty;		20.00%	00.00%	0.00000
	<u>Sec. 3: E/2SW/4,</u>		Working Interest:				
	S/2SE/4		Palmer Oil and Gas;		80.00%	00.00%	
			ORRI;		<u>0.00%</u>	<u>0.00%</u>	
					100.00%	<u>100.00%</u>	
Total Number of Acres in Participating Area			560.00				
Total Number of Acres Committed in Participating Area			400.00				
Total Number of Acres Not Committed to Participating Area			160.00				

EFFECTIVE MAY 1, 1978

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
			OWNERSHIP	PERCENTAGE		
TRACT 5						
USA SF 078542	T-32-N, R-7-W Sec. 35: SW/4	160.00	Royalty; Working Interest: Northwest Pipeline Corp.; Gen. Am. Oil of Texas; ORRI;	12.500% 61.875% 20.625% 5.000%	12.500%	33.333333
			TOTAL	100.000%		
TRACT 6						
USA SF 078543	T-32-N, R-7-W Sec. 35: NW/4	160.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;	12.500% 82.500% 5.000%	12.500%	33.333333
			TOTAL	100.000%		
TRACT 10						
USA SF 078996	T-31-N, R-7-W Sec. 3: N/2SE/4	80.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;	12.500% 82.500% 5.000%	12.500%	16.666667
			TOTAL	100.000%		

EFFECTIVE SEPTEMBER 1, 1978

UNIT AREA EXPANSION SCHEDULE

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
TRACT 11							
USA SF 078998	T-32-N, R-7-W Sec. 33: E/2SE/4	80.00	Royalty; Working Interest: Northwest Pipeline Corp.;		12.500%	12.500%	16.666667
			ORRI;		5.000%	5.000%	
			TOTAL		100.000%	100.000%	
TRACT 26							
Fee	T-31-N, R-7-W Sec. 3: E/2SW/4 S/2SE/4	160.00	Royalty; Working Interest: Palmer Oil and Gas; ORRI;		20.000%	00.000%	0.000000
			TOTAL		100.000%	100.000%	
Total Number of Acres in Participating Area 640.00							
Total Number of Acres Committed in Participating Area 480.00							
Total Number of Acres Not Committed to Participating Area 160.00							

EFFECTIVE SEPTEMBER 1, 1978

UNIT AREA EXPANSION SCHEDULE

SCHEDULE V

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTI PARTICIPAT
<u>TRACT 5</u>							
USA SF 078542	T-32-N, R-7-W Sec. 34: NE/4 Sec. 35: S/2	480.00	Royalty; Working Interest: Northwest Pipeline Corp.; Gen. Am. Oil of Texas; ORRI;		12.500% 61.875% 20.625% 5.000%	12.500% 61.875% 20.625% 5.000%	42.857143
	TOTAL				100.000%	100.000%	
<u>TRACT 6</u>							
USA SF 078543	T-32-N, R-7-W Sec. 35: N/2	320.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;		12.500% 82.500% 5.000%	12.500% 82.500% 5.000%	28.571429
	TOTAL				100.000%	100.000%	
<u>TRACT 10</u>							
USA SF 078996	T-31-N, R-7-W Sec. 3: N/2SE/4	80.00	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;		12.500% 82.500% 5.000%	12.500% 82.500% 5.000%	7.142857
	TOTAL				100.000%	100.000%	

EFFECTIVE JULY 1, 1979

NIT AREA EXPANSION SCHEDULE

SCHEDULE V

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTIVITY PARTICIPATION
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TRACT 11

USA SF 078998	T-32-N, R-7-W	240.00	Royalty;		12.500%	12.500%	21.428571
	Sec. 33: E/2SE/4		Working Interest:				
	Sec. 34: SE/4		Northwest Pipeline Corp.	82.500%		82.500%	
			ORRI;	5.000%		5.000%	
			TOTAL	100.000%		100.000%	

TRACT 26

	T-31-N, R-7-W	160.00	Royalty;		20.000%	00.000%	0.000000
	Sec. 3: E/2SW/4, S/2SE/4		Working Interest:				
			Palmer Oil and Gas	80.000%		00.000%	
			ORRI;	0.000%		0.000%	
			TOTAL	100.000%		00.000%	

RECAPITULATION

Township 31 North, Range 7 West	
Section 3: SE/4, E/2SW/4	
Township 32 North, Range 7 West	
Section 33: E/2SE/4	
Section 34: E/2	
Section 35: All	
Total Number of Acres in Participating Area	1260.00
Total Number of Acres Committed in Participating Area	1120.00
Total Number of Acres Not Committed to Participating Area	160.00