> San Juan 32-8 Unit (PA) 3180 (07327)

### OCT 29 1993

Mr. A. J. Kieke Phillips Petroleum Company 5525 Highway 64, NBU 3004 Farmington, NM 87401

Dear Mr. Kieke:

We have analyzed the following wells submitted for paying well determinations in your correspondence dated August 23, 1993.

Well	Location	Acres	Dedicated
207	SE%SW% Sec. 22, T. 31 N., R. 8 W.	320.00	₩½
208	SE%SW% Sec. 29, T. 32 N., R. 8 W.	320.00	<b>W</b> ½
237	SE'ANE' Sec. 23, T. 31 N., R. 8 W.	320.00	E½
238	SE%SW% Sec. 23, T. 31 N., R. 8 W.	320.00	₩½
220	NW1/SW1/ Sec. 24, T. 31 N., R. 8 W.	320.00	₩½
240	NE¼SW¼ Sec. 3, T. 31 N., R. 8 W.	320.47	₩½
245	SE1/SW1/4 Sec. 14, T. 31 N., R. 8 W.	320.00	₩1⁄2
225	SW1/SW1/4 Sec. 15, T. 31 N., R. 8 W.	320.00	₩½
236	SE1/SE1/4 Sec. 22, T. 31 N., R. 8 W.	320.00	E½
244	SW1/NE1/4 Sec. 14, T. 31 N., R. 8 W.	320.00	E½
234	SW¼SW¼ Sec. 21, T. 31 N., R. 8 W.	320.00	<b>₩</b> ½

We concur with your findings and agree that all of the wells listed are capable of producing unitized substances in paying quantities and should be included in the Fruitland Participating Area of the San Juan 32-8 Unit.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning our decision, please contact Ray Hager at (505) 599-6366.

Sincerely,

IJI Duane Spender

Duane W. Spencer Chief, Branch of Reservoir Management

1 Enclosure:

1 - Paying Well Determination Application

cc:

See Attached

Minerals Management Service w/enclosure Royalty Management Program Reference Data Branch P. O. Box 5760 - (MS-3240) Denver, CO 80217

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, NM 87504

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503



138 EC 11 117 9 08

August 23, 1993

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 446

State of New Mexico Commissioner Of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, New Mexico 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: San Juan 32-8 Unit
#14-08-001-446
Commerciality Determination
Fruitland Formation
San Juan County, NM
GF-5465

#### Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company ("Phillips"), as Operator, determined whether or not the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland coal member of the Fruitland formation.

Phillips is seeking confirmation of the enclosed paying well determinations as listed hereinbelow. The remaining wells [listed below as "NS" [not submitted] under column (5) below] are mentioned for reference only and Phillips is neither confirming nor denying the paying well status of such wells at this time. As adequate production history from these wells is received, additional submittals will be provided using this format.

This alternative approach has been acknowledged by the Branch of Reservoir Management at the Farmington District Office of the Bureau of Land Management as acceptable to facilitate individual well commerciality determinations that are ordinarily filed in order of "date of test" during completion operations.

Upon receipt of response from the BLM and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the formal Participating Area application with accompanying Lease Schedules with unit tract descriptions and working interest ownerships for each well will be prepared for each expansion of the Participating Area based on those wells confirmed for inclusion therewith.

San Juan 32-8 Unit #14-08-001-446 Commerciality Determination August 23, 1993 Page 2

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)*
Test Date We	ll Numbe	T32N-R8W r Drill Block	1	for Paying Well Determination	Disposition
11-30-76	36	E/2 Section 25	320.00	10-11-77	Initial PA
10-14-77	37	E/2 Section 23	320.00	10-04-78	1st Expansion
06-19-81	41	W/2 Section 23	320.00	01-15-82	2nd Expansion
12-08-89	207	W/2 Section 22	320.00	08-23-93	Paying Well
03-25-90	208	W/2 Section 29	320.00	08-23-93	Paying Well
08-02-90	223	W/2 Sec. 10-31N-8W	320.00	NS	
08-03-90	224	E/2 Sec. 10-31N-8W	320.00	NS	
08-24-90	221	W/2 Sec. 9-31N-8W	320.00	NS	
09-01-90	202	W/2 Section 27	320.00	NS	
09-09-90	222	E/2 Sec. 9-31N-8W	320.00	NS	
09-24-90	226	E/2 Sec. 15-31N-8W	320.00	NS	
10-15-90	237	E/2 Sec. 23-31N-8W	320.00	08-23-93	Paying Well
10-29-90	238	W/2 Sec. 23-31N-8W	320.00	08-23-93	Paying Well
11-18-90	220	W/2 Sec. 24-31N-8W	320.00	08-23-93	Paying Well
03-15-91	206	E/2 Sec. 24-31N-8W	320.00	NS	
04-11-91	229	W/2 Section 20	320.00	NS	
04-28-91	230	E/2 Section 28	320.00	NS	
05-26-91	231	W/2 Section 28	320.00	NS	
05-11-91	232	E/2 Section 29	320.00	NS	
06-13-91	241	E/2 Sec. 4-31N-8W	320.00	ns	
06-22-91	239	Lots 1-4; E/2 W/2 Section 30	221.20	NS	
07-09-91	233	E/2 Section 30	320.00	NS	
07-23-91	240	Lots 3,4,S/2 NW/4, SW/4 Sec. 3-31N-8W	320.47	08-23-93	Paying Well
08-04-91	249	Lots 1,2,S/2 NE/4, SE/4 Sec. 3-31N-8W	320.57	NS	
08-20-91	250	W/2 Section 33	320.00	NS	
09-02-91	242	Lots 3,4,S/2 NW/4, SW/4 Sec. 4-31N-8W	320.57	NS	
09-28-91	228	E/2 Sec. 16-31N-8W	320.00	NS	

San Juan 32-8 Unit #14-08-001-446 Commerciality Determination August 23, 1993 Page 3

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)*
Test Date We	ll Number	T32N-R8W Drill Block	1	for Paying Well Determination	Disposition
10-11-91	245 W	2 Sec. 14-31N-8W	320.00	08-23-93	Paying Well
10-23-91	225 W	2 Sec. 15-31N-8W	320.00	08-23-93	Paying Well
10-25-91	243 W	2 Sec. 11-31N-8W	320.00	NS	
11-10-91	236 E	2 Sec. 22-31N-8W	320.00	08-23-93	Paying Well
11-07-91	227 W	2 Sec. 16-31N-8W	320.00	NS	
11-23-91	244 E	2 Sec. 14-31N-8W	320.00	08-23-93	Paying Well
11-28-91	248 E	2 Sec. 11-31N-8W	320.00	NS	
12-07-91	235 E	2 Sec. 21-31N-8W	320.00	NS	
12-18-91	234 W	2 Section 21	320.00	08-23-93	Paying Well
09-24-92	203 E	2 Section 33	320.00	NS	
09-17-92	204 W	2 Section 34	320.00	NS	
09-10-92	205 E	2 Section 34	320.00	NS	
09-03-92	219 W	2 Section 35	320.00	NS	
10-03-92	218 E	2 Section 35	320.00	NS	

\*Those wells submitted herewith that have been determined to be capable of producing in paying quantities are listed as "Paying Well".

Copies of this submittal with enclosures are being sent to the working interest owners on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

w/o attachments

cc: R. G. Flesher

K. L. Czirr

D. B. Evans (r) J. L. Mathis

w/attachments

SJ 32-7 Unit Owners

### San Juan 32-8 Working Interest Owners 6/18/93

Meridian Oil Production Land Department P.O. Box 4289 Farmington, NM 87499 Frank D. Gorham, Jr. DBA Cuesta Production Company William G. Webb P. O. Box 451 Albuquerque, NM 87103-0451

Prudential-Bache Energy, et al c/o Graham Royalty, LTD. 1675 Larimer Street, Ste. 400 Denver, CO 80202

Suzanna P. Kelly P.O. Box 585 Careron, MT 59720

Texaco Expl. & Prod. Inc. Joint Int. Operations P. O. Box 46555 Denver, CO 80201-6555

Wintergreen Energy Corp. Attn: Gene N. Garnett Dorchester Pl, St 125 5735 Pineland Drive Dallas, TX 57231

Williams Production Co. Attn: Mgr. Leasehold Oprs. P. O. Box 58900 Salt Lake City, UT 84158-0900

### San Juan 32-8 Unit #207 Fruitland Coal W/2 Sec. 22- T31N - R8W San Juan County, NM

Date of First Delivery:	05/30/90		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$232,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	199	178,200 Actual
1991	480	246,576 Actual
1992	564	142,490 Actual
1993	1260	47,300
1994	1150	47,300
1995	1000	47,300
1996	900	47,300
1997	850	47,300
1998	800	47,300
1999	750	47,300
2000	700	47,300
2001	650	47,300
2002	600	47,300
2003	550	47,300
2004	500	47,300

<sup>\*</sup> Operating expenses were not escalated for inflation.  $\mbox{wp}\328207.com}$ 

# San Juan 32-8 Unit #208 Fruitland Coal W/2 Sec. 29- T32N - R8W San Juan County, NM

Date of First Delivery:	05/01/90		
Date of Commerciality Submittal:		<del></del>	
Well Cost Data			
Total Well Costs:	\$288,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 prem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	38	100,000 Actual
1991	59	115,300 Actual
1992	112	104,250 Actual
1993	230	52,600
1994	298	36,600
1995	298	36,600
1996	296	36,600
1997	291	36,600
1998	285	36,600
1999	275	36,600
2000	262	36,600
2001	249	36,600
2002	237	36,600
2003	225	36,600
2004	213	36,600

<sup>\*</sup> Operating expenses were not escalated for inflation. wp\328208.com

#### San Juan 32-8 Unit #220 Fruitland Coal W/2 Sec. 24- T31N - R8W San Juan County, NM

Date of First Delivery:	8/12/92		
Date of Commerciality Submittal:	·		
Well Cost Data		1	
Total Well Costs:	\$289,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		4	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	<u> </u>	-
1992	85.5	9,500 ACTUAL
1993	512	39,500
1994	853	39,500
1995	694	39,500
1996	661	39,500
1997	542	39,500
1998	448	39,500
1999	496	39,500
2000	417	39,500
2001	366	39,500
2002	329	39,500
2003	300	39,500
2004	275	39,500
2005	254	39,500
2006	234	39,500

<sup>\*</sup> Operating expenses were not escalated for inflation.

### San Juan 32-8 Unit #225 Fruitland Coal W/2 Sec. 16- T31N - R8W San Juan County, NM

Date of First Delivery:	11/04/92		
Date of Commerciality Submittal:			
Well Cost Data		,	
Total Well Costs:	\$286,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
	Serverence Ad Valorem		ence 4.60 orem 3.62

#### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	<pre>Gas (MMCF)</pre>	* Operating Expense (\$)
1991	_	<u>-</u>
1992	46.0	19,000 ACTUAL
1993	557	41,300
1994	929	41,300
1995	911	41,300
1996	705	41,300
1997	561	41,300
1998	412	41,300
1999	379	41,300
2000	309	41,300
2001	261	41,300
2002	227	41,300
2003	199	41,300
2004	223	41,300
2005	201	41,300
2006	179	41,300

<sup>\*</sup> Operating expenses were not escalated for inflation.

# San Juan 32-8 Unit #234 Fruitland Coal W/2 Sec. 21- T31N - R8W San Juan County, NM

Date of First Delivery:	11/03/92		
Date of Commerciality Submittal:			
Well Cost Data	•	1	
Total Well Costs:	\$280,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		t t	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	-	
1992	69.6	3,000 ACTUAL
1993	743	41,200
1994	1238	41,200
1995	1004	41,200
1996	764	41,200
1997	623	41,200
1998	450	41,200
1999	427	41,200
2000	345	41,200
2001	292	41,200
2002	254	41,200
2003	224	41,200
2004	260	41,200
2005	235	41,200
2006	206	41,200

<sup>\*</sup> Operating expenses were not escalated for inflation.

### San Juan 32-8 Unit #236 Fruitland Coal E/2 Sec. 22- T31N - R8W San Juan County, NM

Date of First Delivery:	08/14/92		
Date of Commerciality Submittal:			<del></del>
Well Cost Data		ı	
Total Well Costs:	\$330,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	-	_
1992	142.3	38,900 ACTUAL
1993	888	39,000
1994	1480	39,000
1995	1015	39,000
1996_	784	39,000
1997	665	39,000
1998	791	39,000
1999	685	39,000
2000	603	39,000
2001	526	39,000
2002	463	39,000
2003	412	39,000
2004	369	39,000
2005	332	39,000
2006	303	39,000

<sup>\*</sup> Operating expenses were not escalated for inflation.

# San Juan 32-8 Unit #237 Fruitland Coal W/2 Sec. 23- T31N - R8W San Juan County, NM

Date of First Delivery:	07/04/91		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$304,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

#### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	135.6	99,300 ACTUAL
1992	325.4	104,700 ACTUAL
1993	559.0	37,000
1994	530	37,000
1995	476	37,000
1996	419	37,000
1997	423	37,000
1998	395	37,000
1999	376	37,000
2000	362	37,000
2001	348	37,000
2002	356	37,000
2003	339	37,000
2004	320	37,000
2005	298	37,000

<sup>\*</sup> Operating expenses were not escalated for inflation.

# San Juan 32-8 Unit #238 Fruitland Coal W/2 Sec. 23- T31N - R8W San Juan County, NM

Date of First Delivery:	03/13/91		
Date of Commerciality Submittal:			
Well Cost Data		·	
Total Well Costs:	\$300,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Servere Ad Valo	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	200.0	129,200 ACTUAL
1992	327.5	82,000 ACTUAL
1993	949	37,900
1994	950	37,900
1995	763	37,900
1996	614	37,900
1997	708	37,900
1998	574	37,900
1999	489	37,900
2000	428	37,900
2001	381	37,900
2002	343	37,900
2003	311	47,000
2004	282	47,000
2005	257	47,000

<sup>\*</sup> Operating expenses were not escalated for inflation.

### San Juan 32-8 Unit #240 Fruitland Coal W/2 Sec. 3- T31N - R8W San Juan County, NM

Date of First Delivery:	12/17/91		
Date of Commerciality Submittal:			
Well Cost Data		,	
Total Well Costs:	\$290,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	0.082	4,100 ACTUAL
1992	14.8	63,700 ACTUAL
1993	244	38,500
1994	389	38,500
1995	406	38,500
1996	332	38,500
1997	293	38,500
1998	332	38,500
1999	307	38,500
2000	291	38,500
2001	279	38,500
2002	270	38,500
2003	259	38,500
2004	250	38,500
2005	238	38,500

<sup>\*</sup> Operating expenses were not escalated for inflation.

# San Juan 32-8 Unit #244 Fruitland Coal W/2 Sec. 17- T31N - R8W San Juan County, NM

Date of First Delivery:	02/02/93		
Date of Commerciality Submittal:		<del></del>	
Well Cost Data			
Total Well Costs:	\$330,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

Year	Gas (MMCF)	* Operating Expense (\$)
1991	<u> </u>	_
1992	-	-
1993	624	39,800
1994	1040	39,800
1995	793	39,800
1996	707	39,800
1997	556	39,800
1998	452	39,800
1999	336	39,800
2000	318	39,800
2001	263	39,800
2002	227	39,800
2003	200	39,800
2004	179	39,800
2005	200	39,800
2006	182	39,800
2007	162	39,800

<sup>\*</sup> Operating expenses were not escalated for inflation.

### San Juan 32-8 Unit #245 Fruitland Coal W/2 Sec. 17- T31N - R8W San Juan County, NM

Date of First Delivery:	10/30/92		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$307,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991		-
1992	21.5	12,400 ACTUAL
1993	756	40,000
1994	1260	40,000
1995	1085	40,000
1996	845	40,000
1997	689	40,000
1998	509	40,000
1999	484	40,000
2000	399	40,000
2001	342	40,000
2002	302	40,000
2003	270	40,000
2004	304	40,000
2005	276	40,000
2006	245	40,000

<sup>\*</sup> Operating expenses were not escalated for inflation.



### State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1271

March 17, 1993

Phillips Petroleum Company 5525 Highway 64 NBU 3004 Farmington, New Mexico 87401

Attn: Mr. A. J. Kieke, CPL

Re: 1993 Plan of Development

San Juan 32-8

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA

COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505), 827-5744

JB/FOP/pm cc: OCD BLM



March 8, 1993

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (3 copies)

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, New Mexico 87504-1148 (2 copies)

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503
(2 copies)



Re: San Juan 32-8 Unit

*#*14-08-001-446

San Juan County, New Mexico 1993 Plan of Development

GF-5465

#### Gentlemen:

By letter dated March 2, 1992 Phillips Petroleum Company as Unit Operator, filed the 1992 Plan of Development (POD) for the San Juan 32-8 Unit. By letter dated June 15, 1992, Phillips filed the First Supplemental POD. The POD's indicated that seven (7) Fruitland Coal wells and one (1) Entrada Water disposal well would be drilled in 1992.

Note the following list describing the wells, the POD under which the well was submitted and dispostion:

Well Number	1992 POD	Dispostion
San Juan 32-8 #203	Initial	Drilled
San Juan 32-8 #204	Initial	Drilled
San Juan 32-8 #205	Initial	Drilled
San Juan 32-8 <b>#</b> 218	Initial	Drilled
San Juan 32-8 #219	Initial	Drilled
San Juan 32-8 #251	Initial	Carried over to 1993 POD
San Juan 32-8 #252	Initial	Carried over to 1993 POD
San Juan 32-8 <b>#</b> 303SWD	1st Supplemental	Drilled

San Juan 32-8 Unit #14-08-001-446 1993 Plan of Development March 8, 1993 Page 2

As of this date, the total number of wells drilled and operated by Phillips Petroleum Company on acreage committed to the San Juan 32-8 Unit are as follows:

Fruitland (Sand), commercial	Z
Fruitland (Sand), plugged and abandoned	1
Fruitland (Sand)/Pictured Cliffs (Fruitland	
commercial, Pictured Cliffs non-commercial)	1
Entrada, Water Disposal Facility	2
	38
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured	
Cliffs commercial/Mesaverde non-commercial)	1
Mesaverde, non-commercial	3
Mesaverde, commercial 3	37
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	1
Dakota, commercial	1
Dakota, non-commercial _	1
TOTAL 9	3

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

FORMATION	REVISION	EFFECTIVE
Fruitland (Sand)	Second	July 1, 1981
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has solicited and received majority approval from the San Juan 32-8 Unit Working Interest Owners to include the following Fruitland Coal Wells in the 1993 Plan of Development:

WELL NUMBER	FORMATION	DRILLING BLOCK
San Juan 32-8 <b>#</b> 3	Recompletion from Mesaverde to Fruitland Coal	W/2 Section 17-32N-8W
San Juan 32-8 #4	Recompletion from Mesaverde to Fruitland Coal	W/2 Section 15-32N-8W
San Juan 32-8 #246	Fruitland Coal	S/2 Section 18-32N-8W
San Juan 32-8 #247	Fruitland Coal	W/2 Section 19-32N-8W
San Juan 32-8 #251	Fruitland Coal	W/2 Section 17-32N-8W
San Juan 32-8 #252	Fruitland Coal	E/2 Section 19-32N-8W
San Juan 32-8 #302SWD	Entrada	NE/4 SW/4 Sec 18-32N-8W

San Juan 32-8 Unit #14-08-001-446 1993 Plan of Development March 8, 1993 Page 3

Phillips Petroleum Company, as Unit Operator, will drill any wells that may be required to prevent drainage and any other wells deemed necessary or requested by the Unit Working Interest Owners under the terms and provisions of the Unit Operating Agreement.

Please signify your approval as required under Section 10 of the Unit Agreement by signing in the space provided for on the attached sheet and returning an approved copy to the undersigned.

Copies of this 1993 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Respectfully,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

cc: SJ 32-8 Unit WIO's

R. G. Flesher (r) Supervisors, Unit File

J. G. Bearden

D. B. Evans, J. L. Mathis (r) GF-5465

San Juan 32-8 Unit #14-08-001-446 1993 Plan of Development March 8, 1993 Page 4

APPROVEI	)	DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Division		
APPROVEI	Commissioner of Public Lands Subject to like approval by the Area Oil and Gas Supervisor and the Oil Conservation Division	DATE	
APPROVEC	Oil Conservation Division Subject to like approval by the Area Oil, and Gas Supervisor and the	DATE 3-11-93	

The foregoing approvals are for the 1993 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

Commissioner of Public Land

## San Juan 32-8 Working Interest Owners 3/8/93

Meridian Oil Production Land Department P.O. Box 4289 Farmington, NM 87499

DBA Questa Production Company William G. Webb c/o Questa Petroleum Inc. P. O. Box 451 Albuquerque, NM 87103-0451

Frank D. Gorham, Jr.

Oryx Energy Company Northern Region Jt Operations P.O. Box 2880 Dallas, TX 75221-2880 Prudential-Bache Energy, et al c/o Graham Royalty, LTD. 1675 Larimer Street, Ste. 400 Denver, CO 80202

Suzanna P. Kelly P.O. Box 585 Careron, MT 59720

Texaco Expl. & Prod. Inc. Joint Int. Operations P. O. Box 46555
Denver, CO 80201-6555

Wintergreen Energy Corp. Attn: Gene N. Garnett Dorchester Pl, St 125 5735 Pineland Drive Dallas, TX 57231

Williams Production Co. Attn: Mgr. Leasehold Oprs. P. O. Box 58900 Salt Lake City, UT 84158-0900



### State of New Mexico

OFFICE OF THE

### Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1206

September 29, 1992

Phillips Petroleum Company 5525 HWY 64, NBU 3004 Farmington, New Mexico 87401

Attn: A.J. Kieke, CPL

Re: 1992 (First Supplemental) Plan of Development

San Juan 32-8 Unit

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

JB/FOP/pm cc: OCD BLM



### State of New Mexico

OFFICE OF THE

### Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1205

September 29, 1992

Phillips Petroleum Company 5525 HWY 64, NBU 3004 Farmington, New Mexico 87401

Attn: A.J. Kieke, CPL

Re: 1992 Plan of Development

San Juan 32-8 Unit

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

JB/FOP/pm cc: OCD BLM 5525 HWY 64 NBU 3004

July 22, 1992

M DIVISION

OIL CONSER!

San Juan 29-5 Unit Owners San Juan 29-6 Unit Owners San Juan 30-5 Unit Owners San Juan 31-6 Unit Owners San Juan 32-7 Unit Owners San Juan 32-8 Unit Owners

> Re: San Juan 29-5 Unit - GF-5395 San Juan 29-6 Unit - GF-5396 San Juan 30-5 Unit - GF-5397 San Juan 31-6 Unit - GF-5469 San Juan 32-7 Unit - GF-5464

San Juan 32-8 Unit - GF-5465 Rio Arriba and San Juan Counties

#### Gentlemen:

Find enclosed the Bureau of Land Management response to my July 1, 1992 letter requesting interpretation of Section 11(a) respective referenced Unit Agreements.

Please note that under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described therein within twenty (20) days from July 21, 1992.

Advise if you have any questions or comments.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

cc: New Mexico Oil Conservation Division New Mexico Commissioner of Public Lands Certified mail - P 081-702.526



### United States Department of the Interior

BUREAU OF LAND MANAGEMENT

'92 JU Zii Affarmingon Resource Area 1235 Laplata Highway

Farmington, New Mexico 87401 San Juan 29-5 Unit et al. (GC) 3180 (019)



### RECEIVED

月日 22 1952

PHILLIPS PETROLEUM CO. FARMINGTON AREA

JUL. 2 1 1992

CERTIFIED--RETURN RECEIPT REQUESTED P 081 702 526

Mr. Jay Kieke Phillips Petroleum Company 5525 Highway 64, NBU 3004 Farmington, NM 87401

Dear Mr. Kieke:

Your letter dated July 1, 1992, requested our interpretation of Section 11(a) of the San Juan 29-5 Unit, and its affect on establishing separate Fruitland Coal and Fruitland Sand participating areas (PAs). This section states that for the purposes of the agreement, all wells completed for production in the Fruitland Formation shall be regarded as producing from a single zone or pool. This language is common to the San Juan 29-5, 29-6, 30-5, 31-6, 32-7, and 32-8 Unit Agreements.

This language is very straight forward. The agreement eliminates any distinction between the varying zones within the formation. It requires that any paying Fruitland Formation well, whether sand or coal, be included in a common PA. Therefore, separate PAs cannot be established.

In your letter, you provided some of the problems with combining both Fruitland coal and sand wells within the same PA, such as owners of non-fruitland coal wells having to share in costs and potential problems with drainage protection. While these problems would be eliminated if separate PAs were formed, the terms of the agreement do not allow it.

You also referred to a number of PA approval letters from both our office and NMOCD. These letters have approved both the establishment and revision of Fruitland Coal PAs. We regret that the language in our approval letters has caused some confusion on this matter. Per the unit agreement, these approvals are for Fruitland Formation PAs, not Fruitland Coal PAs. We will issue clarification letters stating that these PAs are not Fruitland Coal PAs, but rather Fruitland Formation PAs.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

We hope that this letter clarifies our position on this matter. We request that you provide other working interest owners in the unit a copy of this decision. If you need any additional information, please call Duane Spencer at (505) 599-8950.

Sincerely,

for Mike Pool Area Manager

Deane on Specia



ラ 11 / 四911

June 15, 1992

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (3 copies)

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, New Mexico 87504-1148 (2 copies)

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503
(2 copies)

Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico First Supplemental 1992 Plan of Development GF-5465

#### Gentlemen:

By letter dated March 2, 1992, Phillips Petroleum Company as Unit Operator, filed the 1992 Plan of Development for the San Juan 32-8 Unit

Subsequent to the date of filing the initial 1992 Plan of Development, it has been proposed that one (1) Entrada water disposal well be drilled under the 1992 Plan of Development. Phillips Petroleum Company, as Operator for the San Juan 32-8 Unit has advised all working interest owners in accordance with Section 7 of the Unit Operating Agreement.

The proposed Entrada water disposal well is as follows:

WELL NUMBER

LOCATION

San Juan 32-8 Unit Well #303

NW/4 Section 14-T31N-R8W

If this First Supplemental 1992 Plan of Development for the San Juan 32-8 Unit meets your approval, please signify by signing in the space provided below and return an approved copy to the attention of the undersigned.

San Juan 32-8 Unit #14-08-001-446 1992 Plan of Development First Supplemental June 15, 1992 Page 2

Copies of this letter are being sent to the working interest owners as shown on the attached list.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

cc: San Juan 32-8 Unit Working Interest Owners
 R. G. Flesher
 (r) R. A. Allred, L. E. Robinson, J. G. Bearden, Unit File

San Juan 32-8 Unit #14-08-001-446 1992 Plan of Development Fist Supplemental June 15, 1992 Page 3

APPROVED		DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	_	
APPROVED	Commissioner of Public Lands Subject to like approval by the	DATE _	
	Area Oil and Gas Supervisor and the Oil Conservation Commission		
APPROVED	Oil Conservation Commission Subject to like approval by the Area Oil and Gas Supervisor and the Commissioner of Public Land	DATE _	6-19-92

The foregoing approvals are for the First Supplemental 1992 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

### SAN JUAN 32-8 UNIT WORKING INTEREST OWNERS

H. H. Phillips, Agent H. H. Phillips, Jr. 8918 Tesoro Dr., Suite 116 San Antonio, Texas 78217

PWG Partnership P. O. Box 451 Albuquerque, New Mexico 87103

Prudential-Bache Energy, et al c/o Graham Royalty, LTD 1675 Larimer St. Suite 400 Denver, Colorado 80202

Texaco Exploration & Production Inc. P. O. Box 46555
Denver, Colorado 80201-6555

Williams Production Company
P. O. Box 58900
Salt Lake City, Utah 84158-0900

Meridian Oil Production
P. O. Box 4289
Farminton, New Mexico 87499

Oryx Energy Company
P. O. Box 2880
Dallas, Texas 75221-2880

Suzanna P. Kelly P. O. Box 585 Careron, Montana 59720

Wintergreen Energy Corp. Dorchester Plaza, Suite 125 5735 Pineland Drive Dallas, Texas 57231

Phillips Petroleum Company 5525 Hwy 64, NBU 3004 Farmington, New Mexico 87401





Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (3 copies)

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, New Mexico 87504-1148 (2 copies)

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, New Mexico 87503 (2 copies)

> Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico 1992 Plan of Development GF-5465

#### Gentlemen:

By letter dated March 26, 1991 Northwest Pipeline Corporation (Northwest) as Unit Operator, filed the 1991 Plan of Development (POD) for the San Juan 32-8 Unit except for Fruitland development. No wells were included in Northwest's 1991 POD. By letter dated February 7, 1991, Phillips Petroleum Company (Phillips) as sub-operator of the Fruitland formation filed the 1991 POD for the captioned unit area. Effective April 1, 1991, Phillips was approved as successor Unit Operator to Northwest. No wells were included in Phillips' 1991 POD.

As of this date, the total number of wells drilled and operated by Phillips Petroleum Company on acreage committed to the San Juan 32-8 Unit are as follows:

Fruitland (Sand), commercial	2
Fruitland (Sand), plugged and abandoned	1
Fruitland (Sand)/Pictured Cliffs (Fruitland	
commercial, Pictured Cliffs non-commercial)	1
Entrada, Water Disposal Facility	1
Fruitland Coal, undetermined	33
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured	
Cliffs commercial/Mesaverde non-commercial)	1
Mesaverde, non-commercial	3
Mesaverde, commercial	37
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	1
Dakota, commercial	1
Dakota, non-commercial	_1
TOTAL	87

San Juan 32-8 Unit #14-08-001-446 1992 Plan of Development March 2, 1992 Page 2

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

FORMATION	REVISION	EFFECTIVE
Fruitland (Sand)	Second	July 1, 1981
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has solicited and received majority approval from the San Juan 32-8 Unit Working Interest Owners to include the following Fruitland Coal Wells in the 1992 Plan of Development:

WELL NUMBER	DRILLING BLOCK
San Juan 32-8 #203	E/2 Section 33-32N-8W
San Juan 32-8 <b>#</b> 204	W/2 Section 34-32N-8W
San Juan 32-8 #205	E/2 Section 34-32N-8W
San Juan 32-8 #218	E/2 Section 35-32N-8W
San Juan 32-8 #219	W/2 Section 35-32N-8W
San Juan 32-8 #251	W/2 Section 17-32N-8W
San Juan 32-8 #252	E/2 Section 19-32N-8W

Phillips Petroleum Company, as Unit Operator, will drill any wells that may be required to prevent drainage and any other wells deemed necessary or requested by the Unit Working Interest Owners under the terms and provisions of the Unit Operating Agreement.

Please signify your approval as required under Section 10 of the Unit Agreement by signing in the space provided for on the attached sheet and returning an approved copy to the undersigned.

Copies of this 1992 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Respectfully,

PHILLIPS PETROLEUM COMPANY

Kuke d. A. J. Kieke, CPL Area Landman San Juan Basin

SJ 32-8 Unit WIO's cc:

N. L. Maddox (r) GF-5465

R. G. Flesher (r) K. L. Czirr (r) T. R. Moore

R. A. Allred

J. G. Bearden

R. T. Hillburn O. J. Mitchell

San Juan 32-8 Unit #14-08-001-446 1992 Plan of Development March 2, 1992 Page 3

APPROVED		DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission		
APPROVED	Commissioner of Public Lands Subject to like approval by the Area Oil and Gas Supervisor and the Oil Conservation Commission	DATE_	
APPROVED	A Makrown	DATE	3-6-92

The foregoing approvals are for the 1992 Plan of Development for the San Juan 32-8 Unit  $\sharp 14\text{-}08\text{-}001\text{-}446$ .

### San Juan 32-8 Working Interest Owners 2/27/92

H.H. Phillips, Agent H.H. Phillips, Jr. 8918 Tesoro Dr., St 116 San Antonio, TX 78217

Meridian Oil Production Land Department P.O. Box 4289 Farmington, NM 87499 PWG Partnership
P. O. Box 451
Albuquerque, NM 87103

Oryx Energy Company Attn:Land Dept 12 Floor P.O. Box 2880 Dallas, TX 75221-2880 Prudential-Bache Energy, et al c/o Graham Royalty, LTD. 1675 Larimer Street, Ste. 400 Denver, CO 80202

Suzanna P. Kelly P.O. Box 585 Careron, MT 59720

Texaco, Inc. Joint Int. Operations P. O. Box 46555 Denver, CO 80201-6555

Wintergreen Energy Corp. Attn: Gene N. Garnett Dorchester Pl, St 125 5735 Pineland Drive Dallas, TX 57231

Williams Production Co. Attn: Vern Hansen 295 Chipeta Way Salt Lake City, UT 84108



# State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

April 11, 1991

Northwest Pipeline Corporation P.O. Box 8900 Salt Lake City, Utah 84108-0900

Attn: Mr. Darrell L. Gillen

Re: San Juan 32-8 Unit

San Juan County, New Mexico 1991 Plan of Development

Dear Mr. Gillen:

The Commissioner of Public Lands has this date approved the 1991 Plan of Development for the San Juan 32-8 Unit. Our approval is subject to like approval by all other appropriate agencies.

There is a possibility of drainage by wells outside the Unit Area and the need for further development may exist.

If we may be of further assistance please contact our office at (505) 827-5791.

Sincerely,

JIM BACA

COMMISSIONER OF PUBLIC LANDS

By: Deopo a Rami Floyd O. Prando, Director Oil, G.s & Minerals Division

JB/FOP/DM/dm

cc: OCD

Unit POD File

Unit Correspondence File Phillips Petroleum Company

#446



- PIVISION

FARMINGTON, NEW MEXICO 87401
300 W. ARRINGTON, SUITE 200, PHONE: 505 599-3400 March 27, 1991
91 701 707 25 107 8 48

Area Manager Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401

> Re: San Juan 32-8 Unit #14-08-001-446 Designation of Agent E/2 Sec. 24-31N-8W San Juan Co., NM

#### Gentlemen:

At the request of Meridian Oil Inc. and concurrence of Phillips Petroleum Company, as sub-operator of the Fruitland Formation and pending successor Unit Operator of the San Juan 32-8 Unit Area, find enclosed herewith for your approval and file four (4) copies of Designation of Agent forms. Phillips is designating Meridian as agent to complete the San Juan 32-8 Unit Well # 206 Fruitland Coal well located in the E/2 Section 24-31N-8W, San Juan County, NM.

Please return an original approved copy to the undersigned when available.

> Very truly yours PHILLIPS PETROLEUM COMPANY

A. J. Kieke Area Landman San Juan Basin (505) 599-3410

rehe L

State of New Mexico cc:

> Commissioner of Public Lands Attn: Mr. Floyd O. Prando

State of New Mexico Oil Conservation Commission Attn: William J. Lemay

Alan Alexander Meridian Oil Inc.





P O BOX 8900 SALT LAKE CITY, UTAH 84108-0900 BO1-583-8800

#446

March 26, 1991

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington NM 87401

State of New Mexico Commissioner of Public Lands ATTN: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe NM 87504-1148

State of New Mexico Oil Conservation Commission ATTN: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe NM 87503

> Re: San Juan 32-8 Unit, #14-08-001-446 San Juan County, New Mexico 1991 Plan of Development

# Gentlemen:

By letter dated February 26, 1990, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Plan of Development for the referenced unit. The Plan of Development indicated that twenty-six Fruitland Coal formation wells would be drilled during 1990 in the Unit. In February of 1990, Northwest Pipeline Corporation designated Phillips Petroleum Company as Suboperator of the Fruitland formation within the Unit, therefore, Phillips Petroleum Company will provide an accounting of the Fruitland Coal formation wells drilled during 1990, as well as any wells drilled in the Fruitland formation under prior years drilling programs which are operated by Phillips.

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 26, 1991 page 2

As of this date, the total number of wells drilled and operated by Northwest Pipeline Corporation in the San Juan 32-8 Unit on acreage committed to the unit is as follows:

Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured	
Cliffs commercial, Mesaverde non-	
commercial)	1
Mesaverde, commercial	37
Mesaverde, non-commercial	3
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	1
Dakota, commercial	1
Dakota, non-commercial	_1
TOTAL	49

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

<u>Formation</u>	Revision	<u>Effective</u>
Pictured Cliffs Mesaverde	First Nineteenth	January 1, 1983 July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, is submitting a Plan of Development providing for the drilling of no wells during 1991.

Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Plan of Development is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Committee March 26, 1991 page 3

Copies of this Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen Land Manager

DLG:jbl

Attachment

cc: Working Interest Owners

W.O. Curtis
P.C. Thompson

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Committee March 26, 1991 page 4

APPROVED		DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission		
APPROVED		DATE	
	Commissioner of Public Lands		
	Subject to like approval by the		
	Area Oil and Gas Supervisor and		
	the Oil Conservation Commission		
APPROVED	Ly Elohum	DATE	4-8-91
	Oil Conservation Commission	<del></del>	
	Subject to like approval by the		
	Area Oil and Gas Supervisor and		
	the Commissioner of Public Lands		

The foregoing approvals are for the 1990 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS. JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

SUZANNA P. KELLY P.O. BOX 585 CAMEKON, MI 59720

TEXACO, INC. JOINT INTEREST OPERATIONS P.O. BOX 46555 DENVER, CO. 80201-6555

WINTERGREEN ENERGY CORP.
ATTN: GENF N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

PHILLIPS PETROLEUM COMPANY ATTN: JAY KIFKE 300 WEST ARKINGTON, SULLF 200 FARMINGTON, NM 87401 ORYX LNERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, IX 75221

# RESIGNATION OF UNIT OPERATOR AND DESIGNATION OF SUCCESSOR UNIT OPERATOR

SAN JUAN 32-8 UNIT AREA
COUNTY OF SAN JUAN, STATE OF NEW MEXICO
NO. 14-08-001-446

THIS INDENTURE, dated as of the 15th day of March, 1991, by and between Northwest Pipeline Corporation, operator and owner of unitized working interest, hereinafter called "Northwest" and Phillips Petroleum Company, successor operator and owner of unitized working interest, hereinafter called "Phillips",

# WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. §§181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 13th day of January, 1953, approved the Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area, wherein Northwest is designated as Unit Operator; and

WHEREAS, under the provisions of an Act of Legislature (§1, Chap. 162, Laws of 1951, and §§ 1 and 2, Chap. 176, Laws of 1961, Sec. Chap. 7, Article 11, §§39, 40 and 41, New Mexico Statutes 1953 Annotated) (Now being Chap. 19, Article 10, §§ 45, 46 and 47 New Mexico Statutes Annotated 1978 Com.) the Commissioner of Public Lands on the 16th day of December, 1952, approved a Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area, wherein Northwest is designated as Unit Operator; and

WHEREAS, said Northwest has resigned as such Operator, and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS, in accordance with the terms and provisions of the San Juan Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area, Northwest has procured the necessary consent from working interest owners in the San Juan 32-8 Unit to resign as Unit Operator prior to the required 6-month waiting period after notification to working interest owners and regulatory agencies, and Phillips has procured the necessary consent from said owners to replace Northwest as Operator of the San Juan 32-8 Unit.

NOW, THEREFORE, effective April 1, 1991, Northwest hereby resigns as Unit Operator under the Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area and Phillips hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area, and Northwest covenants and agrees that, upon approval of this indenture by the Authorized Officer in the proper BLM office and the Commissioner

of Public Lands, Phillips shall be granted the exclusive right and privilege of exercising any and all rights and privileges and Unit Operator, pursuant to the terms and conditions of said Unit Agreement; and said Unit Agreement being hereby incorporated hereby by references and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

Approved as

o.g.c.

Unit Operator and Working Interest Owner Northwest Pipeline Corporation

3y: ( )

Successor Unit Operator and Working Interest Owner Phillips Petroleum Company

Attorney-in-Fact

STATE OF (tak): ss.
COUNTY OF falt Lake

The foregoing instrument was acknowledged before me this 18th day of March, 1991, by Warren O. Curtis, as Attorney-in-Fact on behalf of Northwest Pipeline Corporation.

My commission expires: September 8, 1991 Motary Public

NOTARY PUBLIC
QUEEN E. GRAVES
295 Chipeta Way
Salt Lake City, Utah 84158
My Commission Expires
September 8, 1991
STATE OF UTAH

STATE OF TEXAS ) : ss. COUNTY OF HARRIS )

The foregoing instrument was acknowledged before me this  $20^{\frac{M}{2}}$  day of  $\frac{MARCH}{MACH}$ , 1991, by  $\frac{N.L.}{MADDOX}$  as Attorney-in-Fact on behalf of  $\frac{PHILLIPS}{MADDOX}$ .

My commission expires: 41-12-93

Notary Public

LINDA M. CRUZ Notary Public, State of Texas My Commission Expires 4-12-93

RESIGNATION OF UNIT OPERATOR AND DESIGNATION OF SUCCESSOR UNIT OPERATOR SAN JUAN 32-8 UNIT AREA

#### DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Suboperator of the Fruitland Formation, hereafter referred to as "Suboperator", under the San Juan 32-8 Unit Agreement, San Juan County, New Mexico No. I Sec. No.: 14-08-001-446 approved October 21, 1952 and hereby designates:

NAME: Meridian Oil Inc.

ADDRESS: P.O. Box 4289

Farmington, NM 87499

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing the unitized substances to a depth covering the top to the base of the Fruitland Coal Seam formation for the following well:

San Juan Unit 32-8 #206 E/2 Sec. 24, T31N, R8W Fruitland Coal

It is understood that this Designation of Agent does not relieve the Suboperator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Suboperator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representatives.

The Suboperator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

Designation of Agent, 32-8 Unit #206 Page No. 2

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. This Designation of Agent is limited to field operations only and does not cover administrative action which shall require the specific authorization of the Suboperator. This Designation of Agent shall be effective until the San Juan 32-8 Unit #206 Well has been drilled, completed and connected to the gas sales pipeline, but in no event later than September 30, 1991. Meridian shall give Suboperator thirty (30) days written notice prior to connecting said well to the gas sales pipeline. Suboperator will assume operatorship upon termination of this Designation of Agent.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

Date

BY: Maddax Amp

N. L. MADDOX

Attorney-in-Fact

STATE OF TEXAS:

HARRIS
COUNTY OF ECTOR:

Before me <u>LINDA M. CRUZ</u>, a Notary Public in and for said county and state, on this day personally appeared <u>N.L. MADDOX</u>, Attorney-in-fact of PHILLIPS PETROLEUM COMPANY, a corporation, known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this  $20\frac{h}{2}$  day of  $\frac{MARCH}{199L}$ .

My Commission Expires:

4-12-93

NOTARY PUBLIC in and for the State of Texas



Phillips Petroleum Company Suboperator

## EXHIBIT "A"

# DESIGNATION OF AGENT

Meridian Oil Inc. ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature in the space provided below and agrees to drill and complete or plug and abandon said Fruitland Coal well as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 32-8 Unit Agreement and the San Juan 32-8 Unit Operating Agreement, and also agrees to the following conditions. Agent shall:

- 1). Submit to Suboperator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
- 2.) Notify Suboperator when drilling Operations are commenced.
- 3.) Furnish Suboperator with complete daily driller's tour report, at Agent's expense.
- 4.) Furnish Suboperator with daily reports by telephone call or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5.) Allow representatives of Suboperator access to the derrick floor at all times at their sole risk and expense.
- 6.) Notify Suboperator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Suboperator's representatives to be present; and also notify Suboperator in sufficient time in order that Suboperator may attend and witness any and all potential tests and packer leakage test.
- 7.) Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Suboperator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.
- 8.) Furnish Suboperator three field prints and five final prints of all well surveys made during drilling or upon completion of wells.

- 9.) Furnish Suboperator a representative and adequate cut of all cores and ditch samples taken during the drilling of wells.
- 10.) Provide Suboperator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
- 11.) Notify Suboperator of any intention to plug and abandon wells and allow Suboperator forty-eight (48) hours in which to concur.
- 12.) Furnish the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico, with a copy to Suboperator at the addresses hereinafter provided.
- 13.) Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
- 14.) Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to indemnify and defend Suboperator and all of Suboperator's affiliated and subsidiary companies and the agents, servants and employees of Suboperator and all of its affiliated and subsidiary companies and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character; from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Exhibit "A" Page No. 3

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

- (i) which arises directly, indirectly or incident to the Agent's operation;
- (ii) without regard to cause or causes thereof, including, without limitation, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises;
- (iii) whether the claim therefore is based on common law, civil law or statute.

However, such indemnity by Agent shall not apply and may not be relied upon by Suboperator to the extent that any claim or liability is found by a court or other tribunal of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Suboperator.

All notices, samples or other information required to be furnished shall be sent to:

Phillips Petroleum Company Attn: Ralph Hawks 300 W. Arrington, Suite 200 Farmington, New Mexico 87401 Telephone (505) 599-3421 or 334-2073 Fax No. (505) 599-3442

Mexidian Oil Inc.

By:

Attorney-in-Fact

# ACKNOWLEDGMENT

STATE OF NEW MEXICO

March 6 1991

COUNTY OF SAN JUAN

The foregoing instrument was acknowledged before me this day of <u>Trauch</u>, 1991 by Kent Beers, as Attorney-in-Fact of Meridian Oil Inc., a Delaware corporation on behalf of the corporation.

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My Commission Expires:

November 8, 1994

# 446



300 W. ARRINGTON, SUITE 200, PHONE: 505 599-3400

**EXPLORATION AND PRODUCTION** 

February 7, 1991

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (3 copies enclosed)

State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148 (2 copies enclosed)

Attn: Mr. Floyd O. Prando

State of New Mexico Oil Conservation Commission 310 Old Santa Fe Trail, Room 206 Santa Fe, New Mexico 87503 (2 copies enclosed)

Attn: Mr. William J. Lemay

Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico 1991 Plan of Development GF-5465

#### Gentlemen:

By letter dated February 26, 1990 Northwest Pipeline Corporation, as Unit Operator, filed the Initial 1990 San Juan 32-8 Unit Plan of Development. By letters dated May 7, 1990 and July 20, 1990, Phillips Petroleum Company, as Unit sub-operator of the Fruitland Formation, filed the First and Second Supplemental 1990 San Juan 32-8 Unit Plans of Development. The drilling programs indicated that forty-eight (48) Fruitland Coal wells and one (1) Entrada water disposal well would be drilled for the Unit. The following list describes those wells which have been drilled or dropped during 1990 and those wells carried over to the 1991 Plan of Development, if any.

Well No	1990 Plan of Development	Disposition
San Juan 32-8 Unit #201	Initial	Dropped
San Juan 32-8 Unit #202	Initial	Drilled
San Juan 32-8 Unit #203	Initial	Dropped
San Juan 32-8 Unit #204	Initial	Dropped
San Juan 32-8 Unit #205	Initial	Dropped
San Juan 32-8 Unit #206	Initial	Drilled
San Juan 32-8 Unit #209	Initial	Dropped
San Juan 32-8 Unit #210	Initial	Dropped
San Juan 32-8 Unit #211	Initial	Dropped
San Juan 32-8 Unit #212	Initial	Dropped
San Juan 32-8 Unit #213	Initial	Dropped
San Juan 32-8 Unit #214	Initial	Dropped
San Juan 32-8 Unit #215	Initial	Dropped
San Juan 32-8 Unit #216	Initial	Dropped
San Juan 32-8 Unit #217	Initial	Dropped
San Juan 32-8 Unit #218	Initial	Drilled
San Juan 32-8 Unit #219	Initial	Dropped
San Juan 32-8 Unit #220	Initial	Drilled
San Juan 32-8 Unit #221	Initial	Drilled
San Juan 32-8 Unit #222	Initial	Drilled
San Juan 32-8 Unit #223	Initial	Drilled
San Juan 32-8 Unit #224	Initial	Drilled
San Juan 32-8 Unit #225	Initial	Drilled
San Juan 32-8 Unit #226	Initial	Drilled
San Juan 32-8 Unit #227	Initial	Drilled
San Juan 32-8 Unit #228	Initial	Drilled
San Juan 32-8 Unit #229	First	Drilled
San Juan 32-8 Unit #230	First	Drilled
San Juan 32-8 Unit #231	First	Drilled
San Juan 32-8 Unit #232	First	Drilled
San Juan 32-8 Unit #233	First	Drilled
San Juan 32-8 Unit #234	First	Drilled
San Juan 32-8 Unit #235	First	Drilled
San Juan 32-8 Unit #236	Second	Drilled
San Juan 32-8 Unit #237	Second	Drilled
San Juan 32-8 Unit #238	Second	Drilled
San Juan 32-8 Unit #239	Second	Drilled
San Juan 32-8 Unit #240	Second	Drilled
San Juan 32-8 Unit #241	Second	Drilled
San Juan 32-8 Unit <b>#242</b>	Second	Drilled

4

Well No.	1990 Plan of Development	Disposition	
San Juan 32-8 Unit #243	Second	Drilled	
San Juan 32-8 Unit #244	Second	Drilled	
San Juan 32-8 Unit #245	Second	Drilled	
San Juan 32-8 Unit #246	Second	Dropped	
San Juan 32-8 Unit #247	Second	Dropped	
San Juan 32-8 Unit #248	Second	Drilled	
San Juan 32-8 Unit #249	Second	Drilled	
San Juan 32-8 Unit #250	Second	Drilled	
San Juan 32-8 Unit #301 S	SWD Second	Drilled	

The total number of Fruitland wells including water disposal Facility wells drilled on acreage committed to the San Juan 32-8 Unit are as follows:

```
Fruitland, Commercial 2
Fruitland, plugged and abondoned 1
Fruitland/Pictured Cliffs 1
(Fruitland Commercial, Pictured Cliffs non-commercial)
Fruitland Coal, undetermined 33
Entrata, Water disposal Facility 1
```

The Participating areas which has been established in the San Juan 32-8 Unit is as follows:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>		
Fruitland (Sand)	Second	July 1, 1981		

There has been no change to this Participating Area during 1990.

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips Petroleum Company, as Unit sub-operator of the Fruitland Formation, has solicited and received majority concurrence from the San Juan 32-8 Unit Working Interest Owners that no wells be proposed at this time as part of the 1991 Plan of Development.

Phillips Petroleum Company will drill any wells that may be necessary to prevent drainage and any other wells deemed necessary or requested by the Unit sub-operator or the Unit Working Interest Owners under the terms and provisions of the Unit Operating Agreement.

Please signify your approval as required under Section 10 of the Unit Agreement by signing in the space provided for on the attached sheet and returning an approved copy to the undersigned.

Copies of the 1991 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet. If you need additional information please advise.

Very truly yours,

Phillips Petroleum Company

A. J. Kieke Area Landman San Juan Basin (505) 599-3410

cc: Unit Working Interest Owners

J. E. Carlton A. R. Lyons

R. T. Hillburn

#4 - 328pd.jay

APPROVED

DATE

Assistant District Manager, Minerals Bureau of Lnad Managment Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission

APPROVED

DATE

Commissioner of Public Lands Subject to like approval by the Area Oil and Gas Supervisor and the Oil Conservation Commission

**APPROVED** 

DATE 2-14-91

Oil Conservation Commission Subject to like approval by the Area Oil and Gas Supervisor and the Commissioner of Public Lands

mu-

The foregoing approvals are for the 1991 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

H. H. PHILLIPS, AGENT
H. H. PHILLIPS, JR.
8918 TESORA DR. - SUITE 116
SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC. P. O. BOX 4289 FARMINGTON, NM 87499

ORYX ENERGY COMPANY ATTN: TOM HOBBS P. O. BOX 1861 MIDLAND, TX 79702-1861

PHILLIPS PETROLELUM COMPANY ATTN: A. J. KIEKE 300 WEST ARRINGTON SUITE 200 FARMINGTON, NM 87401

SUZANNA P. KELLY P. O. BOX 585 CAMERON, MT 59720

TEXACO, INC.
JOINT INTEREST OPERATIONS
P. O. BOX 46555
DENVER, CO 80201-6555

WINTERGREEN ENERGY CORP. ATTN: GENE N GARNETT DORCHESTER PLACE, SUITE 125 5735 PINELAND DRIVE DALLAS, TX 75231 NORTHWEST PIPELINE CORPORATION 3539 EAST 30TH STREET FARMINGTON, NM 87401 ATTN: JEFF VAUGHN

NORTHWEST PIPELINE CORPORATION 295 CHIPETA WAY SALT LAKE CITY, UT 84108 ATTN: VERN HANSEN

#2 - WIO328.JAY



# PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401 300 W. ARRINGTON, SUITE 200, PHONE: 505 599-3400

10 TO 8 8 8 9 47

EXPLORATION AND PRODUCTION

November 29, 1990

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Piando P.O. Box 1148 Santa Fe, NM 87504-1148 #440

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

Re: Designation of Agent
San Juan 32-8 Unit
Contract #14-08-001-446
Unit Wells 201, 203, 204, 205
206, 212, 213, 214, 215, 216,
217, 218 and 219
San Juan County, NM
GF-5465

#### Gentlemen:

Find enclosed for your review and approval two (2) copies of our Designation of Agent forms whereby Phillips Petroleum Company, as sub-operator of the Fruitland formation for the referenced unit, designates Meridian Oil, Inc. as agent to drill the San Juan 32-8 Unit 201, 203, 204, 205, 206, 212, 213, 214, 215, 216, 217, 218 and 219 Fruitland Coal wells.

Note that the BLM has already approved same and I respectfully request your concurrent approval. Please forward an approved copy and/or approval letter to the undersigned.

Very truly yours
PHILLIPS PETROLEUM COMPANY

A. J. Kieke Area Landman San Juan Basin (505) 599-3410

Miche J.

# State of New Mexico





# Commissioner of Public Lands

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

October 12, 1990

Phillips Petroleum Company 300 W. Arrington, Suite 200 Farmington, NM 87401

Attn: A. J. Kieke, Area Landman

Re:

San Juan 32-8 Unit

Rio Arriba County, New Mexico

1990 Plan of Development

Dear Mr. Kieke:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the San Juan 32-8 Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development may exist. You will be contacted at a later date regarding these possibilities.

If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

Floyd O. Prando, Director Oil, Gas & Minerals Division

cc: OCD

Unit Corresp.

Unit POD



# United States Department of the Interior

# 10 07 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA 1235 LAPLATA HIGHWAY FARMINGTON, NEW MEXICO 87401



San Juan 32-8 Unit (POD) 3180 (019)

SEP. 1 3 1990

Phillips Petroleum Company Attn: A. J. Kieke 300 W. Arrington, Suite 200 Farmington, NM 87401

Gentlemen:

One approved copy of your second Supplemental 1990 Plan of Development for the San Juan 32-8 Unit area, San Juan County, New Mexico is enclosed. Such plan, proposing fifteen (15) additional Fruitland Coal wells and one (1) Entrada salt water disposal well, was approved on this date (subject to like approval by the appropriate officials of the State of New Mexico).

The possibility of drainage by wells outside of the unit boundary may exist.

You will be contacted at a later date about this possibility.

If you have any questions, please contact Kenny Howell, Petroleum Engineer, at the above address or telephone (505) 327-5344.

Sincerely.

Is John L. Keller

John L. Keller, Chief Branch of Mineral Resources

Enclosure

cc: New Mexico Oil Conservation Division, 310 Old Santa Fe Trail, Room 206, Santa Fe, NM 87503
Commissioner of Public Lands, State of New Mexico, P. O. Box 1148, Santa Fe. NM 87504



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA 1235 LAPLATA HIGHWAY FARMINGTON, NEW MEXICO 87401



San Juan 32-8 Unit (GC) 3180 (019)

AUG. O 1 1990

Phillips Petroleum Company 300 W. Arrington, Suite 200 Farmington, NM 87401

Gentlemen:

Your letter of June 11, 1990 transmitted a copy of a designation of agent whereby Phillips Petroleum Company as sub-operator of the Fruitland formation for the San Juan 32-8 unit agreement, designates Meridian Oil Incorporated as agent to drill the following Fruitland coal wells: San Juan 32-8 unit wells: 201, 203, 205, 205, 206, 212, 213, 214, 215, 216, 217, 218, 219.

The designation of Meridian Oil Incorporated agent to drill the above Fruitland coal wells is hereby approved effective June 11, 1990.

If you have any questions, please contact Kenny Howell at the above address or telephone 327-5344.

Sincerely,

TRon Fellows Area Manager

cc: Commissioner of Public Lands, State of New Mexico, P. O. Box 1148, Santa Fe, NM 87504



EXPLORATION AND PRODUCTION

July 20, 1990

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, N. M. 87401 (4 Copies Enclosed)

State of New Mexico Commissioner of Public Lands Attn: Mr Floyd O. Prando P. O. Box 1148 Santa Fe, N. M. 87504-1148 (2 Copies Enclosed)

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, N. M. 87503
(2 Copies Enclosed)

Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico Second Supplemental 1990 Plan of Development GF-5465

#### Gentlemer:

By letter dated February 26, 1990, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Plan of Development for the San Juan 32-8 Unit. By letter dated May 7, 1990, Phillips Petroleum Company, as suboperator of the Fruitland Formation for the San Juan 32-8 Unit, filed the First Supplement to the 1990 Drilling Program.

Subsequent to filing the original and First Supplemental Drilling Programs, it has been proposed that (15)fifteen additional Fruitland Coal wells and one (1) Entrada Salt Water disposal well be drilled under the 1990 Drilling Program. The working interest owners have been contacted in accordance with Section 7 of the Unit Operating Agreement.

San Juan 32-8 Unit Second Supplemental 1990 Drilling Program July 20, 1990 Page 2 of 3

The proposed Fruitland Coal Wells are as follows:

Well Number_	Drilling Block
San Juan 32-8 #236	E/2 Section 22-31N-8W
San Juan 32-8 #237	E/2 Section 23-31N-8W
San Juan 32-8 #238	W/2 Section 23-31N-8W
San Juan 32-8 #239	W/2 Section 30-32N-8W
San Juan 32-8 #240	W/2 Section 3-31N-8W
San Juan 32-8 #241	E/2 Section 4-31N-8W
San Juan 32-8 #242	W/2 Section 4-31N-8W
San Juan 32-8 #243	W/2 Section 11-31N-8W
San Juan 32-8 #244	E/2 Section 14-31N-8W
San Juan 32-8 <b>#24</b> 5	W/2 Section 14-31N-8W
San Juan 32-8 #246	S/2 Section 18-32N-8W
San Juan 32-8 #247	W/2 Section 19-32N-8W
San Juan 32-8 #248	E/2 Section 11-31N-8W
San Juan 32-8 #249	E/2 Section 3-31N-8W
San Juan 32-8 #250	W/2 Section 33-32N-8W

The Entrada Salt Water disposal well, named the San Juan 32-8 #301SWD will be located in the SW/4 Section 16-31N-8W.

If this Second Supplemental 1990 Drilling Program for the San Juan 32-8 Unit meets your approval, please signify by signing in the space provided below and return an approved copy to the attention of the undersigned.

Copies of this letter are being sent to the Working Interest Owners as shown on the attached list.

Very truly yours,

Phillips Petroleum Company

A. J. Kieke Area Landman San Juan Basin

Grebe L

#1 - pd2s(2-8.jay)

San Juan 32-8 Unit Second Supplemental 1990 Drilling Frogram July 20, 1990 Page 3 of 3

APPROVED		DATE:
	ASSISTANT DISTRICT MANAGER, MINERALS EUREAU OF LAND MANAGEMENT Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	
API'ROVED		DATE:
AP] <sup>,</sup> ROVED(	COMMISSIONER OF PUBLIC LANDS Subject to like approval by the Area Oil and Gas Supervisor, BLM and the Oil Conservation Commission  OIL CONSERVATION COMMISSION Subject to like approval by the Area Oil and Gas Supervisor, BLM and the Commissioner of Public Lands	DATE: 7-25-90

The foregoing approvals are for the Second Supplemental 1990 Drilling Program for the San Juan 32-8 Unit. #14-08-001-446.

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO. TX 78217

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 118 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

ORYX ENERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS. TX 75221

PHILLIPS PETROLEUM COMPANY ATTN: JAY KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 87401

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720

TEXACO, INC.
JOINT INTEREST OPERATIONS
P.O. BOX 46858
DENVER. CO 80201-6555

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 128
5735 PINCLAND DRIVE
DALLAS, TX 78231

P

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

Farmington, NM 87401 Att: Jeff Vaughn Northwest Pipeline Corporation 3539 E. 30th Street

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\*30 JUN 7 AM 8 45

JUN 0 5 1990

Phillips Petroleum Company Attn: A. J. Kieke 300 West Arrington, Suite 200 Farmington, NM 87499

Santa Fe, NM 87504

#### Gentlemen:

One approved copy of your First Supplemental 1990 Plan of Development for the San Juan 32-8 Unit Area, San Juan County, New Mexico is enclosed. Such plan, proposing the drilling of seven (7) additional Fruitland Coal wells during 1990, was approved on this date (subject to like approval by the appropriate officials of the State of New Mexico).

The possibility of drainage by wells outside of the unit boundary may exist. You will be contacted at a later date about this possibility.

If you have any questions, please contact Kenny Howell, Petroleum Engineer, at the above address or telephone (505) 327-5344.

Sincerely,

Is John L. Keller

John Keller, Chief Branch of Mineral Resources

## Enclosure

cc: New Mexico Oil Conservation Division. 310 Old Santa Fe Trail, Room 206, Santa Fe. NM 87503 Commissioner of Public Lands. State of New Mexico, P.O. Box 1148, **EXPLORATION AND PRODUCTION** 

May 57, 1990 Fil 9 19

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401 (4 Copies Enclosed)

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, NM 87504-1148 (2 Copies Enclosed)

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503
(2 Copies Enclosed)

RE: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico First Supplemental 1990 Drilling Program GF-5465

#### Gentlemen:

By letter dated February 26, 1990, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Plan of Development for the San Juan 32-8 Unit.

Subsequent to filing the original 1990 Drilling Program, it has been proposed that seven (7) additional Fruitland Coal wells be drilled under the 1990 Drilling Program. Phillips Petroleum Company, as Suboperator of the Fruitland Formation, for the San Juan 32-8 Unit has contacted all Working Interest Owners in accordance with Section 7 of the Unit Operating Agreement.

The Proposed Fruitland Coal wells are as follows:

May 7, 1990
First Supplemental 1990
Drilling Program
San Juan 32-8 Unit
Page No. 2

WELL NUMBER	(ALL LOCATED DRILLING BLOCK IN T-32N-R8W)
SAN JUAN 32-8 UNIT #229 SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #231 SAN JUAN 32-8 UNIT #232 SAN JUAN 32-8 UNIT #233 SAN JUAN 32-8 UNIT #234 SAN JUAN 32-8 UNIT #235	W/2 SEC. 20 E/2 SEC. 28 W/2 SEC. 28 E/2 SEC. 29 E/2 SEC. 30 W/2 SEC. 21 E/2 SEC. 21

If this First Supplemental 1990 Drilling Program for the San Juan 32-8 unit meets your approval, please signify by signing in the space provided below and return an approved copy to the attention of the undersigned.

Copies of this letter are being sent to the Working Interest Owners as shown on the attached list.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke Area Landman San Juan Basin

AJK:ba BLM32-8.JAY May 7, 1990
First Supplemental 1990
Drilling Program
San Juan 32-8 Unit
Page No. 3

APPROVED	DATE
ASSISTANT DISTRICT MANAGER, BUREAU OF LAND MANAGEMENT Subject to like approval by Commissioner of Public Lands the Oil Conservation Commiss	the and
APPROVED	DATE
COMMISSIONER OF PUBLIC LANDS Subject to like approval by Area Oil and Gas Supervisor, and the Oil Conservation Com	the BLM mmission
OIL CONSERVATION COMMISSION Subject to like approval by	

The foregoing approvals are for the First Supplemental 1990 Drilling Program for the San Juan 32-8 Unit. #14-08-001-446.

the Area Oil and Gas Supervisor, BLM and the Commissioner of Public Lands

# WORKING INTEREST OWNERS SAN JUAN 32-B UNIT

Northwest Pipeline Corporation 3539 E. 30th Street Farmington, NM 87401 Att: Jeff Vaughn

H. H. PHILLIPS, AGENT. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

ORVX ENERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221 PHILLIPS PETROLEUM COMPANY ATTN: JAV KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 67401

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
JOINT INTEREST OPERATIONS
P.O. BOX 46555
DENVER, CO 80201-6555

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

EXPLORATION AND PRODUCTION

May 4, 1990

## DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Suboperator of the Fruitland Formation, hereafter referred to as "Suboperator", under the San Juan 32-8 Unit Agreement, San Juan County, New Mexico No. I Sec. No.: 14-08-001-446 approved October 21, 1952 and hereby designates:

NAME:

Meridian Oil Inc.

ADDRESS:

P. O. Box 4289

Farmington, NM 87499

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, completing and operating the unitized substances to a depth covering the top to the base of the Fruitland Coal Seam formation for the following wells:

San	Juan	32-8	Unit	#201	All	Sec.	9,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#203	E/2	Sec.	33,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#204	W/2	Sec.	34,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#205	E/2	Sec.	34,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#206	E/2	Sec.	24,	T31N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#212	E/2	Sec.	22,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#213	W/2	Sec.	22,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#214	E/2	Sec.	23,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#215	W/2	Sec.	23,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#216	E/2	Sec.	24,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#217	E/2	Sec.	25,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#218	E/2	Sec.	35,	T32N,	R8W	Fruitland	Coal
San	Juan	32-8	Unit	#219	W/2	Sec.	35,	T32N,	R8W	Fruitland	Coal

Designation of Agent, 32-8 Unit Page No. 2

It is understood that this Designation of Agent does not relieve the Suboperator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Suboperator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representatives.

The Suboperator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. This Designation of Agent is limited to field operations only and does not cover administrative action which shall require the specific authorization of the Suboperator. This Designation of Agent shall be effective until December 31, 1990 unless a Participating Area is established between Meridian Oil Inc. and at least one other third party working interest owner which includes the Drilling Block for a well described above. If such Participating Area is formed this Designation of Agent shall continue until terminated by written notice.

Suboperator will assume operatorship upon termination of this Designation of Agent.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

Phillips Petroleum Company
Suboperator

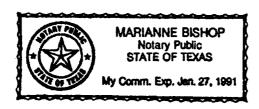
June 7, 1990

Date

J.VE. Carlton

Attorney-in-Fact

STATE OF TEXAS :	
COUNTY OF ECTOR :	
county and state, on Attorney-in-Fact of the person whose nam to me that he exe	Marianne Bishop, a Notary Public in and for said this day personally appeared J. E. Carlton, PHILLIPS PETROLEUM COMPANY, a corporation, known to me to be e is subscribed on the foregoing instrument, and acknowledged cuted the same for the purposes and consideration therein e capacity therein stated.
Given unde 19 <u>90</u> . My Commission Expire	r my hand and seal of office this <u>7th</u> day of <u>June</u> , s:
1-27-91	NOTARY PUBLIC in and for the State of Texas



#### EXHIBIT "A"

#### DESIGNATION OF AGENT

Meridian Oil Inc. ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature in the space provided below and agrees to drill, complete, operate, or plug and abandon said Fruitland Coal wells as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 32-8 Unit Agreement and the San Juan 32-8 Unit Operating Agreement, and also agrees to the following conditions. Agent shall:

- 1.) Submit to Suboperator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
- 2.) Notify Suboperator when drilling Operations are commenced.
- 3.) Furnish Suboperator with complete daily driller's tour report, at Agent's expense.
- 4.) Furnish Suboperator with daily reports by telephone call or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5.) Allow representatives of Suboperator access to the derrick floor at all times at their sole risk and expense.
- 6.) Notify Suboperator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Suboperator's representatives to be present; and also notify Suboperator in sufficient time in order that Suboperator may attend and witness any and all potential tests and packer leakage test.
- 7.) Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Suboperator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.

- 8.) Furnish Suboperator three field prints and five final prints of all well surveys made during drilling or upon completion of wells.
- 9.) Furnish Suboperator a representative and adequate cut of all cores and ditch samples taken during the drilling of wells.
- 10.) Provide Suboperator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
- 11.) Notify Suboperator of any intention to plug and abandon wells and allow Suboperator forty-eight (48) hours in which to concur.
- 12.) Furnish the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico, with a copy to Suboperator at the addresses hereinafter provided.
- 13.) Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
- 14.) Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to indemnify and defend Suboperator and all of Suboperator's affiliated and subsidiary companies and the agents, servants and employees of Suboperator and all of its affiliated and subsidiary companies and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character; from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

#### ACKNOWLEDGMENT

STATE OF NEW MEXICO § COUNTY OF SAN JUAN §

The foregoing instrument was acknowledged before me this 4th day of June, 1990 by Kent Beers, as Attorney-in-Fact of Meridian Oil Inc., a Delaware corporation on behalf of the corporation.

My Commission Expires:

May 30, 1993



# State of New Mexico Commissioner of Public Lands

W. R. Humphries COMMISSIONER

**Advisory Board** 

April 16, 1990

George Clark
Chairman

Northwest Pipeline Corporation

Kristin Connitt Vice Chairman

P.O. Box 8900 Salt Lake City, Utah 84108-0899

Melvin Cordova

Cordova

Joe Kelly

Robert Portillos ATTN: Mr. Darrell L. Gillen

Nancy Lynch Vigil

Designation of Suboperator

Wilson RE:

San Juan 32-8 Unit

Rex Wilson

San Juan County, New Mexico

#### Gentlemen:

We received your letter, dated March 21, 1990, regarding the Designation of Phillips Petroleum Company as the Suboperator of the Fruitland Formation of the above captioned unit in San Juan County, New Mexico.

The Commissioner of Public Lands hereby grants approval to the designation of Phillips Petroleum Company as Suboperator of the Fruitland Formation for the above captioned unit. The approval of Designation of Suboperator does not modify, amend or supercede the terms of the Unit Agreement.

If you have any questions, please contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES, COMMISSIONER OF PUBLIC LANDS

BY: Layer Mon

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5749



LAND DEPARTMENT

213-90

P.O BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

March 29, 1990

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: San Juan 32-8 Unit #14-08-001-446

San Juan County, New Mexico 1990 Plan of Development

#### Gentlemen:

The 1990 Plan of Development filed by letter dated February 26, 1990 for the San Juan 32-8 Unit has been approved by the regulatory agencies as follows:

Bureau of Land Management
Oil Conservation Commission

3/15/90 3/6/90

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Land Manager

DLG:cg Attachment

cc: Working Interest Owners

W. O. Curtis P. C. Thompson

H. H. PHILLIPS, AGENT 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

ORYX ENERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221 PHILLIPS PETROLEUM COMPANY ATTN: JAY KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 87401

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
JOINT INTEREST OPERATIONS
P.O. BOX 46555
DENVER, CO 80201-6555

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

178-90

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

March 21, 1990

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe. NM 87504-1148

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

Re: Designation of Suboperator

San Juan 32-8 Unit, Fruitland Formation

San Juan County, New Mexico

#### Gentlemen:

Attached for your consideration and approval is the Designation of Suboperator, designating Phillips Petroleum Company as Suboperator of the Fruitland formation within the San Juan 32-8 Unit.

Northwest Pipeline Corporation, as Unit Operator, has polled the Working Interest Owners, pursuant to Section 7 of the Unit Operating Agreement, and has received approval of the Designation of Suboperator from the majority of working interests of the Fruitland formation within the unit. The results of that poll are as follows:

Working Interest Owner	W.I. Percentage Approved	W.I. Percentage Disapproved	W.I. Percentage No Response
Northwest Pipeline Corp.	68.770838%		402100¢
H. H. Phillips Meridian Oil Inc.	30.240910%		.483199%
Suzanna P. Kelly	****		.036625%

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 21, 1990 Page 2

Working Interest	Owner	W.I. Percentage Approved	W.I. Percentage Disapproved	W.I. Percentage No Response
Texaco Inc. Wintergreen Energy	Corp.	.240450%		.227978%
	TOTAL	99.252198%	- 0 -	.747802%

If this Designation of Suboperator is acceptable, please signify your approval in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Copies of this letter are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Danell Lyillen

Darrell L. Gillen Land Manager

DLG:cg Attachment

cc: Working Interest Owners
 W. O. Curtis

W. O. Curtis
P. C. Thompson

Jay Kieke - Phillips

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 21, 1990 Page 3

APPROVED		DATE
	Assistant District Manager, Minerals Bureau of Land Management	
	Subject to like approval by the	
	Commissioner of Public Lands and the Oil Conservation Commission	
	orr conservacion commission	
APPROVED		DATE
	Commissioner of Public Lands	
	Subject to like approval by the Area Oil and Gas Supervisor and	
	the Oil Conservation Commission	
	$(\cdot)\alpha(\cdot)$	
40000UED	K. Strhenman	DATE 4-2-90
APPROVED	Oil Consequention Commission	DATE / Z-10
	Oil Conservation Commission Subject to like approval by the	
	Area Oil and Gas Supervisor and	
	the Commissioner of Public Lands	

The foregoing approvals are for the Designation of Suboperator for the San Juan 32-8 Unit, Fruitland formation.

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 II. H. PIIILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM. 87401 PHILLIPS PETROLEUM COMPANY ATTN: JAV KIEKE 300 WES! ARRINGTON, SUITE 200 FARMINGTON, NM 87401

SUZANNA P. KELLY P.O. HOX 585 CAMERON, MT 59720 TEXACO, INC. JOINT INTEREST OPERATIONS P.O. BOX 46555 DENVER, CO 80201-6555 WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE. SUITE 125
5735 PINCLAND DRIVE
DALLAS. TX 75231

#### APPENDIX "4"

# dated February 19, 1990, by and between NORTHWEST PIPELINE CORPORATION and PHILLIPS PETROLEUM COMPANY

THIS designation is made and entered into this 19 day of february, 1990, by and between NORTHWEST PIPELINE CORPORATION (hereinafter referred to as "Northwest"), a Delaware corporation, whose address is 295 Chipeta Way, P.O. Box 58900, Salt Lake City, Utah 84158-0900; and PHILLIPS PETROLEUM COMPANY (hereinafter referred to as "Phillips"), a Delaware corporation, whose address is 300 West Arrington, Suite 200, Farmington, New Mexico 87401; and all other working interest owners in the San Juan 32-8 Fruitland formation (hereinafter referred to as "working interest owners").

WHEREAS, Northwest is Unit Operator for the San Juan 32-8 Unit, created by that certain Unit Agreement for the Development and Operation of the San Juan 32-8 Unit Area, I. Sec. No. 14-08-001-446, San Juan County, New Mexico (hereinafter referred to as "Unit Agreement"); and

WHEREAS, Phillips desires to takeover as suboperator of unitized substances from the Fruitland formation within the subject Unit (the lands therein shall hereafter be referred to as the "Suboperated Premises"); and

WHEREAS, Northwest hereto intends to relinquish its rights as Unit Operator for the Fruitland formation within the subject Unit to Phillips; and

WHEREAS, Northwest pursuant to the terms of the Unit Agreement will request the working interest owners of the Fruitland formation to execute this designation in order that the Suboperated Premises may be suboperated by Phillips.

NOW, THEREFORE, in consideration of the mutual covenants and other valuable consideration hereby acknowledged the parties hereto hereby agree as follows:

## A. Designation

In order to permit Phillips to suboperate the Suboperated Premises, Northwest, as Unit Operator, and a working interest owner in the Suboperated Premises, hereby designates Phillips, suboperator of the Suboperated Premises only.

#### B. Notices

Phillips indicates its acceptance of this designation by placing its signature in the space provided below and agrees to develop and operate the Suboperated Premises as a reasonable and prudent operator in accordance with the terms and conditions of the Unit Agreement and Unit Operating Agreement, and also agrees to:

- (1) Furnish the Bureau of Land Management (BLM), the Commissioner of Public Lands and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time period as specified by the BLM, the Commissioner of Public Lands and the Oil Conservation Commission of the State of New Mexico, with a copy to Northwest at the addresses hereinafter provided.
- (2) Copies of all notices or other information required to be furnished shall be sent by Phillips to:

Northwest Pipeline Corporation Attn: Manager, Administration 295 Chipeta Way P.O. Box 58900 Salt Lake City, UT 84158-0900

With copies to:

Northwest Pipeline Corporation Attn: Manager, Production 3539 East 30th Street Farmington, NM 87401

## C. Indemnity

With regard to risks of loss and liability due to personal injury, property damage and the like, while providing services under this Designation of Suboperator, Phillips shall assume all duties of indemnification, liabilities and costs and be entitled to the same privileges and reimbursements applicable to Northwest as operator pursuant to the Unit Agreement and Unit Operating Agreement for the San Juan 32-8 Federal Unit. Phillips will indemnify Northwest for any liabilities and costs arising out of the duties assumed in the above referenced agreements.

## D. Unit Agreement

The parties hereto agree that Phillips shall develop the Suboperated Premises in conformity with the provisions of the Unit Agreement, and the Unit Operating Agreement for the subject Unit.

## E. Jurisdiction

Development of the Suboperated Premises is subject to the jurisdiction of the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to state lands, and the Assistant District Manager, Minerals of the BLM, Farmington, New Mexico, as to Federal and/or Indian Lands.

## F. Term

Upon the BLM's approval and the majority of the Fruitland formation working interest owners execution of this agreement, this agreement shall remain in full force and effect for a term through September 31, 1990 and from month to month until (a) cancelled by Northwest or Phillips upon thirty (30) days advance written notice, or (b) superseded or terminated by another agreement between Northwest and Phillips. Upon termination of this Designation of Suboperator, Phillips will immediately resign as suboperator and Northwest will resume as Unit Operator of this unit unless Phillips has been appointed as Unit Operator for all formations within this unit by the working interest owners and approved by the BLM.

## G. Assignment

This designation is personal and cannot be assigned in whole or in part by Phillips without the written consent of all the other parties hereto having first been obtained.

# H. Counterparts

This designation may be executed in any number of counterparts with the same force and effect as if all parties has signed the same document.

IN WITNESS WHEREOF, this designation is executed as of the day and year first hereinabove written.

The new conditions and the control of the control of the conditions and the conditions are control of the conditions and the conditions are control of the conditions are conditions and the conditions are conditional conditions are conditional conditions are conditional conditions.	
	NORTHWEST PIPELINE CORPORATION
	Date: 12/19/90 By: 1 aulu Ollum
	Warren O. Curtis Approved as to Form WETU
	PHILLIPS PETROLEUM COMPANY
	Date:
	By: Attorney-in-Fact
	SUZANNA P. KELLY
	Date:
	By:
ATTEST:	MERIDIAN OIL PRODUCTION INC.
~ · · · · · · · · · · · · · · · · · · ·	Date:
	Ву:

## G. Assignment

This designation is personal and cannot be assigned in whole or in part by Phillips without the written consent of all the other parties hereto having first been obtained.

## H. Counterparts

This designation may be executed in any number of counterparts with the same force and effect as if all parties has signed the same document.

IN WITNESS WHEREOF, this designation is executed as of the day and year first hereinabove written.

NORTHWEST PIPELINE CORPORATION Warren O. Curtis Approved as Attorney-in-Fact PHILLIPS PETROLEUM COMPANY SUZANNA P. KELLY Date:\_\_\_ MERIDIAN OIL PRODUCTION INC. ATTEST: Date:\_\_\_

## G. Assignment

This designation is personal and cannot be assigned in whole or in part by Phillips without the written consent of all the other parties hereto having first been obtained.

## H. Counterparts

This designation may be executed in any number of counterparts with the same force and effect as if all parties has signed the same document.

IN WITNESS WHEREOF, this designation is executed as of the day and year first hereinabove written.

NORTHWEST PIPELINE CORPORATION Approved as Attorney-in-Fact PHILLIPS PETROLEUM COMPANY Date: Attorney-in-Fact SUZANNA P. KELLY Date: EL PASO PRODUCTION COMPANY MERIDIAN OIL PRODUCTION INC. ATTEST: Date: KENT BEERS, ATTORNEY-IN-FACT

	H. H. PHILLIPS, AGENT
	Date:
	By:
	H. H. PHILLIPS, JR.
	Date:
	By:
ATTEST:	TEXACO, INC.
	Date:
	By:
ATTEST:	WINTERGREEN ENERGY CORPORATION
BY: alice Darner	Date: March 15, 1990
ALICE GARNER, SECRETARY	By: Sene n. Garnett
	Gene N. Garnett. Vice Pres.

STATE OF) ss.	
COUNTY OF) SS.	
Before me, the undersigned, a Notary Public in and for said County	
State, on this day personally appeared	
known to me to be the person and officer whose name is subscribed to	
foregoing instrument and acknowledged to me that the same was the act of	
said, and that he executed the s	
as the act of such corporation of the purposes and consideration ther	ein
expressed, and in the capacity therein stated.  Given under my hand and seal of office this the day of	
Given under my hand and seal of office this the day of, 19	
My Commission Expires:  Notary Public	
STATE OF UTAH )	
COUNTY OF SALT LAKE )	
The foregoing instrument was acknowledged before me on this 1944	
day of Frivaci , 1990 by Warren O. Curtis, Attorney-in-Fa	
for NORTHWEST PIPELINE CORPORATION, a Delaware corporation, on behalf of sa	DFI
corporation.	
· Kin muin	
Notary Public C	
My Commission Expires:  Notary Public JAN M. SMITH	
295 Chipeta Way Sait Lake City, Utah 04103 My Commission Expires June 11, 1992	
My Commission Expires June 11, 1992	

STATE OF Texas
COUNTY OF Hazzas
Before me, the undersigned, a Notary Public in and for said County and
State, on this day personally appeared J. P. Gregory Attended - har-tac
known to me to be the person and officer whose name is subscribed to the
foregoing instrument and acknowledged to me that the same was the act of the said things Pataleum Compones and that he executed the same
as the act of such corporation of the purposes and consideration therein
expressed, and in the capacity therein stated.
Given under my hand and seal of office this the 12th day of Maxch, 19 30.
My Commission Expires:  Outpar S. Patel  Notary Public
ABAN S. PATEL Notary Public STATE OF TEXAS My Comm. Exp. MAY 15, 1991
STATE OF UTAH )
: SS.
COUNTY OF SALT LAKE )
The foregoing instrument was acknowledged before me on this $\frac{-f^2/2f^2}{f^2}$
day of, 1990 by Warren O. Curtis, Attorney-in-Fact
for NORTHWEST PIPELINE CORPORATION, a Delaware corporation, on behalf of said
corporation.
Notary Public
My Commission Expires:    Notary Public JAN M. SMITH   295 Chipe in Way   295 Chipe in Way   295 Chipe in Way   295 Chipe in Expires   34 (108 City, 1932)   34 (108 City, 1932)   35 (108 City, 1932)   35 (108 City, 1932)   36 (108 City, 1932)   37 (108 City, 1932)   37 (108 City, 1932)   38 (108 City, 1932)

STATE OF	day ,
Notary Public  My Commission Expires:	
STATE OF Jew March:  SS.  COUNTY OF Jump:  The foregoing instrument was acknowledged before me this of march, 1990, by Jump:  On behalf of MERIDIAN OIL PRODUCTION INC. EL PASO PRODUCTION COMPANY.	day
My Commission Expires:  My So 1993	6

STATE OF	
COUNTY OF)	
The foregoing instrument was acknowledged before me this of, 1990, by on behalf of TEXACO, INC.	day ,
Notary Public  My Commission Expires:	
STATE OF TEXAS )  COUNTY OF DALLAS )	
The foregoing instrument was acknowledged before me this $\frac{15  \mathrm{th}}{}$ of $\frac{\mathrm{MARCH}}{}$ , 1990, by $\frac{\mathrm{GENE~N.~GARNETT,~VICE~PRESIDENT}}{}$ on behalf of WINTERGREEN ENERGY CORPORATION	day
Muce J. Salmer Notary Public	
My Commission Expires:  ALICE J. GARNER Notary Public STATE OF TEXAS  My Comm. Exp. Nov. 16, 1991	

-

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

106-90

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

February 26, 1990

#446

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P. O. Box 1148 Santa Fe, NM 87504-1148

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

> Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico 1990 Plan of Development

#### Gentlemen:

By letter dated March 3, 1989, and July 12, 1989, Northwest Pipeline Corporation, as Unit Operator, filed drilling programs for the referenced unit. The drilling programs indicated that eight Fruitland Coal formation wells would be drilled under the 1989 Plan of Development. The San Juan 32-8 Unit #207 and #208 wells were drilled on a timely basis. The San Juan 32-8 Unit #201, #202, #203, #204, #205 and #206 were not drilled and will be carried over to the 1990 Plan of Development for the San Juan 32-8 Unit.

As of this date, the total number of wells drilled in the San Juan 32-8 Unit on acreage committed to the unit is as follows:

Fruitland Coal, undetermined	2
Fruitland, commercial	2
Fruitland, plugged and abandoned	1
Fruitland/Pictured Cliffs (Fruitland	
commercial, Pictured Cliffs non-	
commercial)	1

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission February 26, 1990 Page 2

Pictured Cliffs/Mesaverde, commercial Pictured Cliffs/Mesaverde, (Pictured	2
Cliffs commercial, Mesaverde non-	
commercial)	1
Mesaverde, commercial	37
	•
Mesaverde, non-commercial	3
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	7
	ı
Dakota, commercial	1
Dakota, non-commercial	1
Dakota, non commercial	<u></u> -
TOTAL	
IUIAL	55

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

<u>Formation</u>	Revision	<u>Effective</u>
Fruitland (Sand)	Second	July 1, 1981
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

There have been no changes to the Participating Areas during 1989.

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, has contacted all of the Working Interest Owners and has received the necessary concurrence to propose the drilling of the following wells during the calendar year 1990:

San Juan 32-8 Unit #201*  San Juan 32-8 Unit #202*  San Juan 32-8 Unit #203*  San Juan 32-8 Unit #203*  San Juan 32-8 Unit #204*  San Juan 32-8 Unit #204*  San Juan 32-8 Unit #205*  San Juan 32-8 Unit #206*  San Juan 32-8 Unit #206*  San Juan 32-8 Unit #209  San Juan 32-8 Unit #209  San Juan 32-8 Unit #210  San Juan 32-8 Unit #210  San Juan 32-8 Unit #211  San Juan 32-8 Unit #211  San Juan 32-8 Unit #212  San Juan 32-8 Unit #213  San Juan 32-8 Unit #214  San Juan 32-8 Unit #215  San Juan 32-8 Unit #215  San Juan 32-8 Unit #215  San Juan 32-8 Unit #216  San Juan 32-8 Unit #215  San Juan 32-8 Unit #216  San Juan 32-8 Unit #216	Well No.	Drilling Block	<u>Formation</u>
San Juan 32-8 Unit #217 E/2 Sec. 25, T32N, R8W Fruitland Coal	San Juan 32-8 Unit #20 San Juan 32-8 Unit #21	1* All Sec. 9, T32N, R8 2* W/2 Sec. 27, T32N, R8 3* E/2 Sec. 33, T32N, R8 4* W/2 Sec. 34, T32N, R8 5* E/2 Sec. 34, T32N, R8 6* E/2 Sec. 24, T31N, R8 9 E/2 Sec. 14, T32N, R8 0 W/2 Sec. 14, T32N, R8 1 E/2 Sec. 15, T32N, R8 2 E/2 Sec. 22, T32N, R8 3 W/2 Sec. 22, T32N, R8 4 E/2 Sec. 23, T32N, R8 5 W/2 Sec. 24, T32N, R8 6 E/2 Sec. 24, T32N, R8	W Fruitland Coal

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Committee February 26, 1990 Page 3

Well No.	Drilling Block	<u>Formation</u>
San Juan 32-8 Unit #218 San Juan 32-8 Unit #219 San Juan 32-8 Unit #220 San Juan 32-8 Unit #221 San Juan 32-8 Unit #222 San Juan 32-8 Unit #223 San Juan 32-8 Unit #224 San Juan 32-8 Unit #225 San Juan 32-8 Unit #225 San Juan 32-8 Unit #226	E/2 Sec. 35, T32N, R8W W/2 Sec. 35, T32N, R8W W/2 Sec. 24, T31N, R8W W/2 Sec. 9, T31N, R8W E/2 Sec. 9, T31N, R8W W/2 Sec. 10, T31N, R8W E/2 Sec. 10, T31N, R8W W/2 Sec. 15, T31N, R8W E/2 Sec. 15, T31N, R8W	Fruitland Coal
San Juan 32-8 Unit #227 San Juan 32-8 Unit #228	W/2 Sec. 16, T31N, R8W E/2 Sec. 16, T31N, R8W	Fruitland Coal Fruitland Coal

<sup>\*</sup>Carried over from the 1989 Plan of Development.

Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Plan of Development is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Copies of this Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell K. Gillen by V.H.

Darrell L. Gillen Land Manager

DLG:cg Attachment

cc: Working Interest Owners

W. O. Čurtis P. C. Thompson Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission February 26, 1990 Page 4

APPROVED		DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the	<del></del>	
	Commissioner of Public Lands and the Oil Conservation Commission		
APPROVED		DATE	
	Commissioner of Public Lands	<del></del>	<del></del>
	Subject to like approval by the		
	Area Oil and Gas Supervisor and the Oil Conservation Commission		
	$\bigcirc$ $\bigcirc$ $\bigcirc$ $\bigcirc$		
APPROVED	Ky Ellokum	DATE	3-6-90
	Oil Conservation Commission	<del>.</del>	
	Subject to like approval by the		
	Area Oil and Gas Supervisor and the Commissioner of Public Lands		
	the commissioner of rubile Lands		

The foregoing approvals are for the 1990 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

H. H. PHILLIPS, AGENT
8918 TESORO DR. - SUITE 116
SAN ANTONIO, TX 78217

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

ORYX ENERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

PHILLIPS PETROLEUM COMPANY ATTN: JAY KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 87401

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720

TEXACO, INC.
JOINT INTEREST OPERATIONS
P.O. BOX 46555
DENVER, CO 80201-6555

WINTERGREEN ENERGY CORP. ATTN: GENE N. GARNETT DORCHESTER PLACE, SUITE 125 5735 PINELAND DRIVE DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

508-89

LAND DEPARTMENT

September 5, 1989

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0900 801-584-6669 801-584-7215

SEP 1 3 1989
OIL CONSERVATION DIV.

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: San Juan 32-8 Unit #14-08-001-446

San Juan County, New Mexico

Supplemental 1989 Drilling Program



The Supplemental 1989 Drilling Program filed by letter dated July 12, 1989, for the San Juan 32-8 Unit has been approved by the regulatory agencies as follows:

Bureau of Land Management 8/1/89 Commissioner of Public Lands 7/26/89 Oil Conservation Commission 7/25/89

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen Land Manager

DLG:cg Attachment

cc: Working Interest Owners

W. O. Curtis P. C. Thompson

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

ORVX ENERGY COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221 PHILLIPS PETROLEUM COMPANY ATTN: PARTNERSHIP OPERATIONS P.O. BOX 1967 HOUSTON, TX 77251-1967

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# State of New Mexico





#446

# Commissioner of Public Lands

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

July 26, 1989

Northwest Pipeline Corporation P.O. Box 8900 Salt Lake City, Utah 84108-0899

ATTN: Darrell Gillen

RE: San Juan 32-8 Unit

San Juan County, New Mexico Plan of Development - Amendment

#### Gentlemen:

The Commissioner of Public Lands has this date approved the July 12, 1989 Amendment to the above captioned 1989 Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files. If we may be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director Oil and Gas Division

(505) 827-5749

Donne Mar

cc: OCD - Santa Fe, New Mexico

BLM

Unit Correspondence File

Unit P.O.D. File

WRH/FOP/SMH

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

LAND DEPARTMENT

387-89

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

July 12, 1989

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe. NM 87504-1148

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico

Supplemental 1989 Drilling Program

Gentlemen:

By letter dated March 3, 1989, Northwest Pipeline Corporation, as Unit Operator, filed the 1989 Drilling Program for the San Juan 32-8 Unit.

Subsequent to filing the 1989 Drilling Program, it has been proposed that two (2) new wells be drilled in 1989. All necessary Working Interest Owners have been contacted pursuant to Section 7 of the Unit Operating Agreement.

The proposed wells are as follows:

Well Number

Drilling Block

Formation

San Juan 32-8 Unit #207

W/2 Sec. 22, T31N, R8W

Fruitland Coal

San Juan 32-8 Unit #208

W/2 Sec. 29, T32N, R8W

Fruitland Coal

If this Supplemental 1989 Drilling Program for the San Juan 32-8 Unit meets with your approval, please signify your approval in the space provided and return an approved copy to Northwest Pipeline Corporation.

RECEIVED

JUL 2 4 1989

OIL CONSERVATION DIV. SANTA FE Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission July 12, 1989 Page 2

Copies of this letter are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Danell L'aille

Darrell L. Gillen Land Manager

DLG:cg Attachment

cc: Working Interest Owners
W. O. Curtis
P. C. Thompson

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission July 12, 1989 Page 3

•

APPROVED	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE
APPROVED	Commissioner of Public Lands Subject to like approval by the Area Oil and Gas Supervisor and the Oil Conservation Commission	DATE
APPROVED	Oil Conservation Commission Subject to like approval by the Area Oil and Gas Supervisor and the Commissioner of Public Lands	DATE >-25-89

The foregoing approvals are for the Supplemental 1989 Drilling Program for the San Juan 32-8 Unit #14-08-001-446.

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401 PHILLIPS PETROLEUM COMPANY ATTN: PARTNERSHIP OPERATIONS P.O. BOX 1967 HOUSTON, TX 77251-1967

SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

218-89

LAND DEPARTMENT

April 27, 1989

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87504-1148

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

> Re: San Juan 32-8 Unit #14-08-001-446 San Juan County, New Mexico 1989 Drilling Program

#### Gentlemen:

The 1989 Drilling Program filed by letter dated March 3, 1989, for the San Juan 32-8 Unit has been approved by the regulatory agencies as follows:

Bureau of Land Management 3/31/89 Commissioner of Public Lands 4/3/89 Oil Conservation Commission 3/13/89

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Land Manager

DLG:cg Attachment

cc: Working Interest Owners

W. O. Curtis
P. C. Thompson

H. H. PHILLIPS, AGENT 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401 PHILLIPS PETROLEUM COMPANY ATTN: PARTNERSHIP OPERATIONS P.O. BOX 1967 HOUSTON, TX 77251-1967 SUN EXPLORATION & PRODUCTION COMPANY ATTN: 080 ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

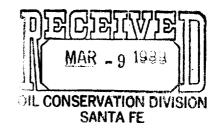
97-89

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

March 3, 1989

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107



State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: San Juan 32-8 Unit, #14-08-001-446 San Juan County, New Mexico

1989 Drilling Program

#### Gentlemen:

By letter dated July 5, 1988, Northwest Pipeline Corporation, as Unit Operator, filed a Drilling Program for the referenced unit. The Drilling Program indicated that no additional wells would be drilled during 1988 in the unit.

As of this date, the total number of wells drilled in the San Juan 32-8 Unit on acreage committed to the unit is as follows:

Fruitland, commercial	2
Fruitland, plugged and abandoned	1
Fruitland/Pictured Cliffs (Fruitland	
commercial, Pictured Cliffs non-commercial)	1
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured Cliffs	
commercial, Mesaverde non-commercial)	1
Mesaverde, commercial	37
Mesaverde, non-commercial	3
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	1

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 3, 1989 Page 2

Dakota, commercial Dakota, non-commercial		] _]
	TOTAL	53

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

<u>Formation</u>	Revision	<u>Effective</u>
Fruitland	Second	July 1, 1981
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to the Bureau of Land Management's new requirements to provide maps and the latest geologic interpretations of each of the Participating Areas within the unit, and our discussions with Robert Kent and Gail Keller of BLM, it was agreed that new maps are not required at this time due to the fact that Northwest Pipeline Corporation has provided maps for the Participating Areas listed above at the time of application, and there have been no changes to the Participating Areas listed. Additionally, the geology of the San Juan Basin is well established, therefore as agreed, we are not including our geologic interpretations.

Attached is a production history of each Participating Area within the San Juan 32-8 Unit area.

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, has contacted all of the Working Interest Owners and has received the necessary concurrence to propose the drilling of the following wells during the calendar year 1989.

Well Number	Drilling Block	<u>Formation</u>
San Juan 32-8 Unit #201	W/2 Sec. 9, T32N, R8W	Fruitland Coal
San Juan 32-8 Unit #202	W/2 Sec. 27, T32N, R8W	Fruitland Coal
San Juan 32-8 Unit #203	E/2 Sec. 33, T32N, R8W	Fruitland Coal
San Juan 32-8 Unit #204	W/2 Sec. 34, T32N, R8W	Fruitland Coal
San Juan 32-8 Unit #205	E/2 Sec. 34, T32N, R8W	Fruitland Coal
San Juan 32-8 Unit #206	E/2 Sec. 24, T31N, R8W	Fruitland Coal

All of the Working Interest Owners have been contacted and this Drilling Program reflects the desires of a majority of the Working Interest Owners. Northwest Pipeline Corporation, as Unit Operator, and the Working Interest Owners believe that all current obligations have been satisfied.

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 3, 1989 Page 3

Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Copies of this Drilling Program are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Land Manager

DLG:cg

Attachment

cc: Working Interest Owners

W. O. Curtis
P. C. Thompson

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 3, 1989 Page 4

APPROVED	Assistant District Manager, Minerals Bureau of Land Management	DATE
	Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	
<b>APPROVE</b> D		DATE
	Commissioner of Public Lands Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Oil Conservation Commission	
APPROVED	( \$ 9/2/1	DATE 3-13-89
MPPRUVED	Oil Conservation Commission	DATE O 15 CT
	Subject to Nike approval by the	
	Area Oil and Gas Supervisor	
	and the Commissioner of Public Lands	

The foregoing approvals are for the 1989 Drilling Program for the San Juan 32-8 Unit #14-08-001-446.

H. H. PHILLIPS, AGENT 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401 PHILLIPS PETROLEUM COMPANY ATTN: PARTNERSHIP OPERATIONS P.O. BOX 1967 HOUSTON, TX 77251-1967 SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 FRUITLAND

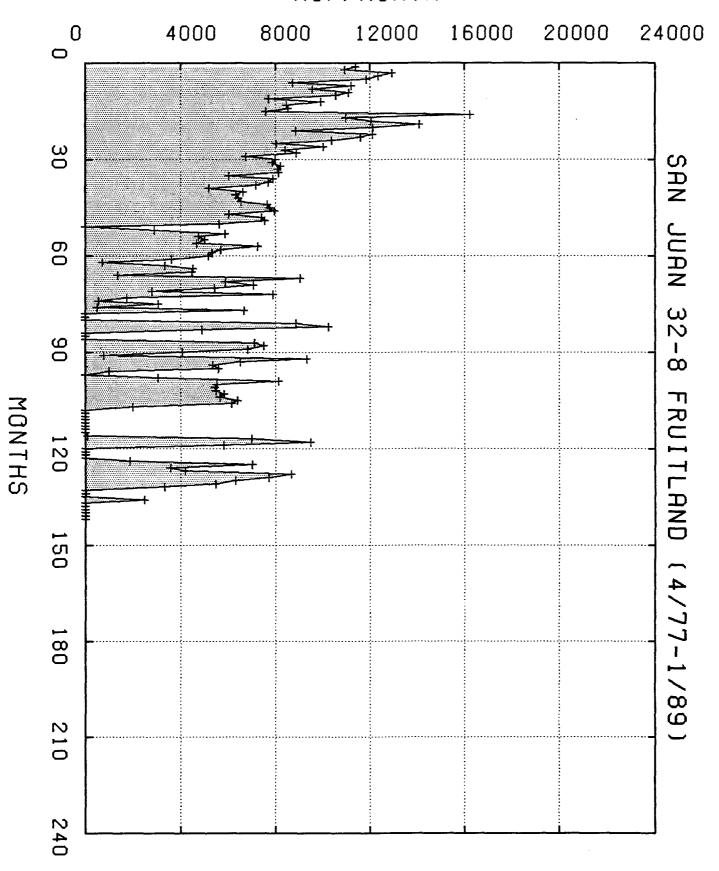
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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 FRUITLAND

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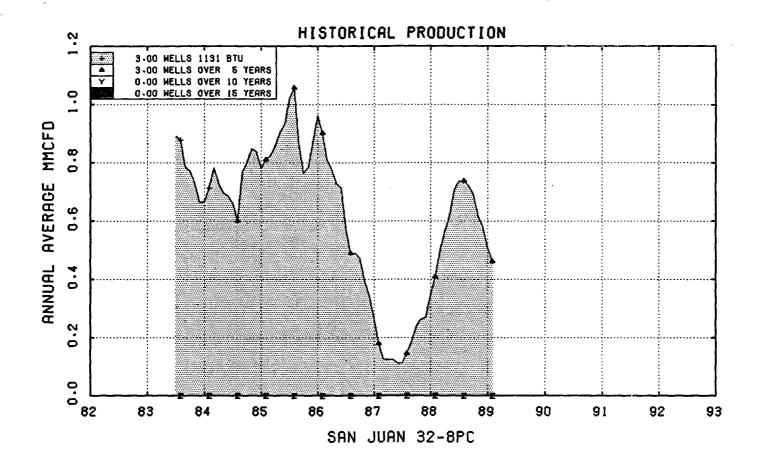


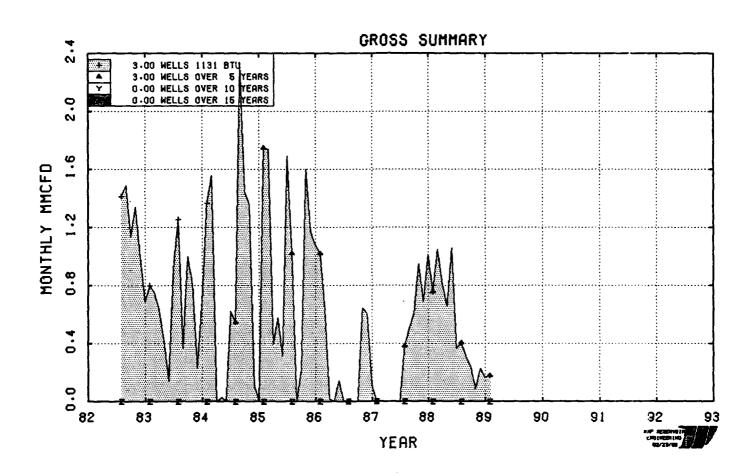
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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 PICTURED CLIFFS

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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 MESA VERDE

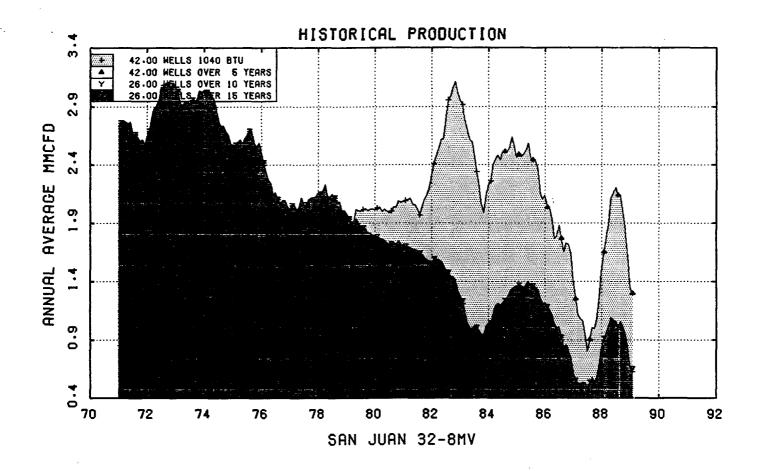
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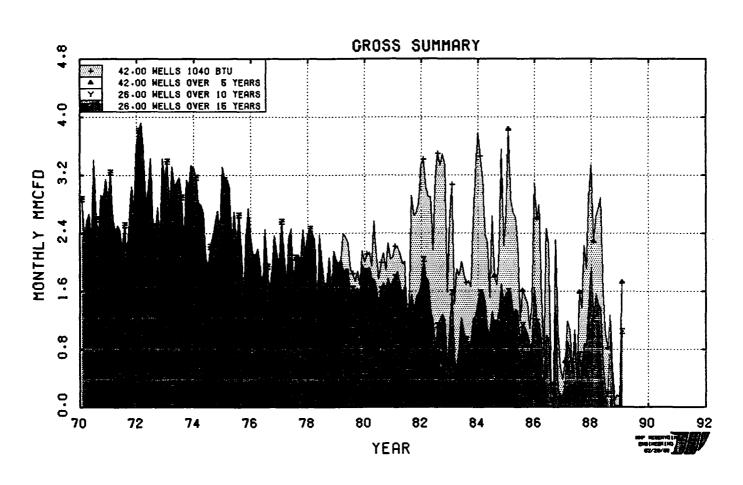
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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 MESA VERDE

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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORV FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 DAKOTA

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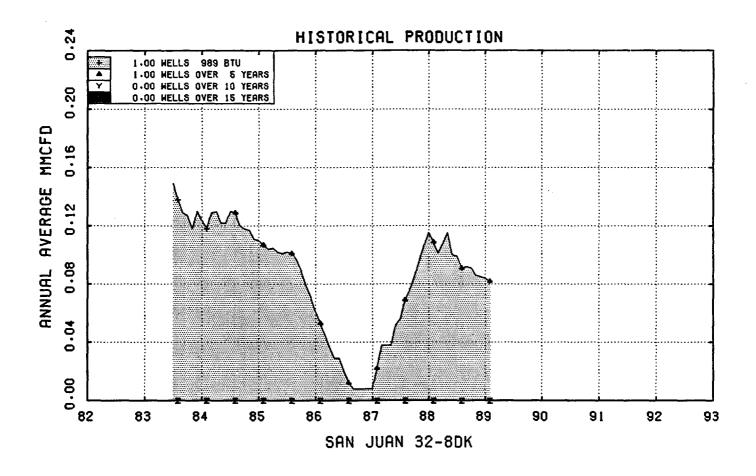
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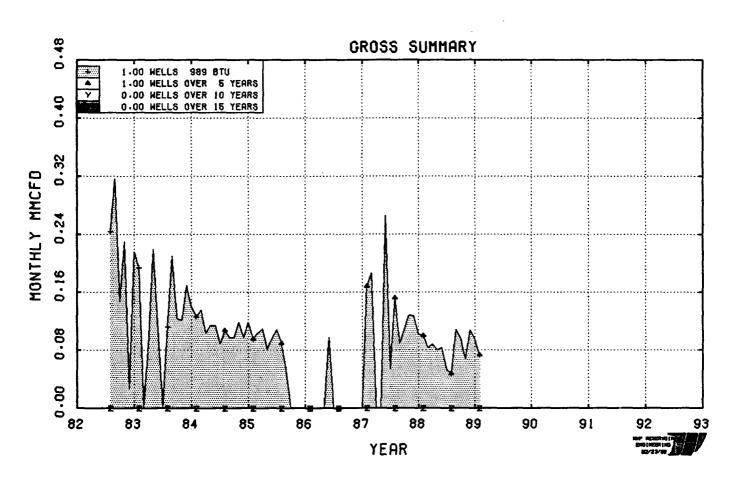
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NORTHWEST PIPELINE CORPORATION RESERVOIR ENGINEERING HISTORY FILE EXTRACT @ 14.73 PSIA SAN JUAN 32-8 DAKOTA

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# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

643-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

OIL CONSERVATION DEVI

November 11, 1988

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87501

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: San Juan 32-8 Unit #14-08-001-446

Application for Approval of the Twentieth Participating Area

Mesaverde Formation

#### Gentlemen:

The application for approval of the Twentieth Participating Area, Mesaverde formation filed by letter dated April 28, 1988 has been rejected by the Bureau of Land Management. The San Juan 32-8 Mesaverde Unit well #50 which would have created the Twentieth Participating Area has been determined non-commercial by the Bureau of Land Management and therefore will be produced under the lease.

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Supervisor, Land Department

DLG/cg Attachment Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission November 11, 1988 Page 2

cc: Working Interest Owners K. J. Stracke

W. S. West

L. G. Loving C. N. Potter

R. L. Glenn

M. H. Johnson R. P. Gregory L. K. Leaver

H. H. PHILLIPS, AGENT 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 H. H. PHILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: GARY KUSE 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75201

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720

TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE, SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES A

469-88

LAND DEPARTMENT

August 1, 1988

P O BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe. NM 87501

State of New Mexico 0il Conservation Commission Attn: Mr. William J. LeMay P.O. Box 2088 Santa Fe, NM 87501

Re: San Juan 32-8 Unit, #14-08-001-446

San Juan County, New Mexico

1988 Drilling Program

#### Gentlemen:

The 1988 Drilling Program filed on July 5, 1988, for the San Juan 32-8 Unit has been approved by the Regulatory Agencies as follows:

Bureau of Land Management 7/25/88 Commissioner of Public Lands 7/21/88 Oil Conservation Commission 7/8/88

Copies of this letter are being sent to the Working Interest Owners on the attached list.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Supervisor, Land/NGPA

DLG/cg Attachment

cc: Working Interest Owners

K. J. Stracke P. C. Thompson

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE - SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: ANTHONY TAI 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

SOUTHLAND ROYALTY COMPANY 3535 E. 30TH STREET FARMINGTON, NM 87499 SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702



441-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

July 25, 1988

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands ATTN: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87501

State of New Mexico Oil Conservation Commission ATTN: Mr. William J. LeMay P.O. Box 2088 Santa Fe. NM 87501

Re: San Juan 32-8 Unit #14-08-001-446

## APPLICATION FOR APPROVAL OF THE TWENTIETH PARTICIPATING AREA Mesaverde Formation

#### Gentlemen:

The BLM will hold their approval of the referenced application until October 1, 1988 so that sufficient production history may be compiled on the San Juan 32-8 unit well #50. This well will create the Twentieth Participating Area for the Mesaverde formation if determined commercial by the BLM.

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen
Supervisor Land/NG

Supervisor, Land/NGPA

DLG/cg Attachment Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission July 25, 1988 Page 2

cc: Working Interest Owners
 K. J. Stracke
 W. S. West

L. G. Loving C. N. Potter R. L. Glenn

M. H. Johnson R. P. Gregory L. K. Leaver

# U56N2650 07/21/88

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

H. H. PHILLIPS, JR. 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

100 M 60

PHILLIPS PETROLEUM COMPANY ATTN: ANTHONY TAI 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

SOUTHLAND ROYALTY COMPANY 3535 E. 30TH STREET FARMINGTON, NM 87499

SUN EXPLORATION & PRODUCTION COMPANY ATTN: 080 ACCOUNTING P:0. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 5972

59720

TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE - SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

## State of New Mexico

SLO REF NO OG-843



W.R. HUMPHRIES COMMISSIONER



#### Commissioner of Public Lands

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

July 21, 1988

Northwest Pipeline Corporation Attn: Mr. Darrell L. Gillen P. O. Box 8900 Salt Lake City, Utah 84108-0899

Re: 1988 Plan of Development

San Juan 32-8 Unit

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES

COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director Oil and Gas Division

(505) 827-5744

WRH/FOP/pm encls. cc: OCD BLM

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES A

417-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

Assistant District Manager, Minerals

Assistant District Manager, Minerals SANTA FE 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands ATTN: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87501

State of New Mexico Oil Conservation Commission ATTN: Mr. William J. LeMay P.O. Box 2088 Santa Fe. NM 87501

Re: San Juan 32-8 Unit, #14-08-001-446

San Juan County, New Mexico

Approval of Extension of Time to Drill Intervening

Drilling Block Wells

#### Gentlemen:

By letter dated April 5, 1988, Northwest Pipeline Corporation requested an extension of time to drill Intervening Drilling Block Wells in the referenced unit. This request has been approved by the BLM June 1, 1988 and by the Commissioner of Public Lands June 15, 1988, and extends the time for drilling said Intervening Drilling Block Wells to July 1, 1989.

A copy of this letter is being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Supervisor, Land/NGPA

DLG:cq Attachment

cc: Working Interest Owners

K. J. Stracke

P. C. Thompson

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

H. H. PHILLIPS, AGENT 8918 TESORO DR. – SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: ANTHONY TAI 8055 E. TUFTS AVE. PKWV. DENVER, CO 80237

SOUTHLAND ROYALTY COMPANY 3535 E. 30TH STREET FARMINGTON, NM 87499 SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE - SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

415-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

July 5, 1988

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands ATTN: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe. NM 87501

State of New Mexico Oil Conservation Commission ATTN: Mr. William J. LeMay P.O. Box 2088 Santa Fe, NM 87501

> Re: San Juan 32-8 Unit, #14-08-001-446 San Juan County, New Mexico 1988 Drilling Program

#### Gentlemen:

By letter dated March 3, 1987, Northwest Pipeline Corporation, as Unit Operator, filed a Drilling Program for the referenced unit. The Drilling Program indicated that no additional wells would be drilled during 1987 in the unit.

As of this date, the total number of wells drilled in the San Juan 32-7 Unit on acreage committed to the unit is as follows:

Fruitland, commercial	2
Fruitland, plugged and abandoned	1
Fruitland/Pictured Cliffs (Fruitland	
commercial, Pictured Cliffs non-commercial	1
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured Cliffs	
commercial, Mesaverde non-commercial)	1
Mesaverde, commercial	37
Mesaverde, non-commercial	2
Mesaverde, commerciality undetermined	1
Mesaverde, plugged and abandoned	3
Mesaverde/Dakota, plugged and abandoned	1

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission July 5, 1988 Page 2

> Dakota, commercial 1 Dakota, non-commercial TOTAL 53

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation is submitting a Drilling Program for the calendar year 1988. additional wells are proposed to be drilled during 1988.

All of the Working Interest Owners have been contacted and this Drilling Program reflects the desires of a majority of the Working Interest Owners. Northwest Pipeline Corporation, as Unit Operator, and the Working Interest Owners believe that all current obligations have been satisfied.

Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Copies of this Drilling Program are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely.

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Supervisor, Land/NGPA

DLG:cq

Attachment

cc: Working Interest Owners

K. J. Stracke P. C. Thompson Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission June 5, 1988 Page 3

APPROVED		DATE
	Assistant District Manager, Minerals	
	Bureau of Land Management	
	Subject to like approval by the	
	Commissioner of Public Lands	
	and the Oil Conservation Commission	
APPROVED		DATE
	Commissioner of Public Lands	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Oil Conservation Commission	
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,		10.88
APPROVED/	go/C In m	DATE <u>78-88</u>
`	Oil Conservation Commission	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	·
	and the Commissioner of Public Lands	

The foregoing approvals are for the 1988 Drilling Program for the San Juan 32-8 Unit #14-08-001-446.

# WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE - SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217 MERIDIAN OIL PRODUCTION INC LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: ANTHONY TAI 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

SOUTHLAND ROYALTY COMPANY 3535 E. 30TH STREET FARMINGTON, NM 87499 SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720 TEXACO, INC.
OPERATIONS DIVISION
P.O. BOX 3109
MIDLAND, TX 79702

(بد

State of New Mexico

SLO REF NO OG-819



COMMISSIONER



## Commissioner of Public Lands

June 15, 1988

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

Northwest Pipeline Corporation Attn: Mr. Darrell L. Gillen P. O. Box 8900 Salt Lake City, UT 84108-08900

Re: San Juan 32-8 Unit, San Juan County, New Mexico, Application for Approval of Extension of Time to Drill Intervening Drilling Block wells

#### Gentlemen:

This office has been advised by the Bureau of Land Management, that your application Dated April 5, 1988, requesting an additional extension of time to drill two intervening drilling block wells in the San Juan 32-8 Unit area has been approved.

The Commissioner of Public Lands has this date also approved the above extension until July 1, 1989 to commence drilling wells on the intervening drilling blocks in the E½ Section 28 and E½ Section 29, Township 32 North, Range 8 West, San Juan County, New Mexico.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls. cc: BLM OCD

#### MERIDIAN OIL

May 31, 1988

Northwest Pipeline Corporation Attention: Mr. Darrell Gillen

Mailstop #10337

Post Office Box 8900

Salt Lake City, Utah 84108-0900

Re: San Juan 32-8 Unit

Proposed Twentieth Participating Area

Mesaverde Formation

Effective December 1, 1985 San Juan County, New Mexico

Dear Mr. Gillen:

This is to advise that Meridian Oil, on behalf of El Paso Production Company, is not in concurrence with the referenced proposed expansion.

The San Juan 32-8 Unit #50 well, W/2 Section 28, T32N, R8W, had an initial volume of 440 MCF/D and has declined in production at an annual rate of 95% to a present volume of 105 MCF/D in 8 months. An economic analysis was run with a decline rate for the first 10 months of 95% to a daily volume of 60 MCF/D and then a 10% decline to abandonment. This is the most optimistic scenario possible for this well, yet the rate of return is an unacceptable 2.64%. This well is marginal and should be deemed non-commercial for unit purposes and not brought into the Mesaverde Participating Area.

The enclosed nine-section plat shows that from surrounding well data, there is no reason to expect any better wells from the Intervening Drilling Block acreage in the E/2 of Sections 28 and 29, T32N, R8W. Also enclosed is the decline curve and economic analysis for your review.

We would appreciate reconsideration of the admission of the San Juan 32-8 Unit #50 and the Intervening Drilling Block acreage into the Mesaverde Participating Area.

Please advise the undersigned of your decision regarding Meridian's position in this matter.

Yours very truly

Linda Donohue

Landman

LD/tlm Enclosures

S.J. 32-8 Unit, 4.2

Doc. #97+

xc: Bureau of Land Mangement

Commissioner of Public Lands Oil Conservation Division

	8/57 * \$J 32-8 #14 71-667 0-0	\$1 32-8 #40 \$1 32-8 #40	CE CNV #1 PTI SN
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Z		SJ 32·8 #40A 147·156 0·0 33	RATTLESNAKE CNY #2 158-207 0-0 32
Z		2/58 * \$J 32-8 #25 85-642 5/82 0-0	6/83
z	11/58 SJ 32-8 #30 0-304 0-0		4/57 SJ 32-8 #2 18-121 0-0
27   32			29
T		TOB	
<b>A</b>	32-8 PA	8/87 A SJ 32-8 #50 246-42.6 0-0	32-8 PA
		TRAIL CANYON #1 52-247 0-0	
MCF/D-MMCF CUMULATIVE	SJ 32-8 #31 67-520 0-0	1/69	3 #9 RATTLESNAKE 115-12 0-0
LOCATION UNIT: SEC: 28 THN: 32N RNG: 8H		21	20 11/56 20 12/83
FORM: MESA VERDE			***
NAME: 32-8 PARTICIE			
DATE: MAY 25, 1988			

32-8 PARTICIPATING AREA

10-

# PAGE 04 NORTHWEST PIPELINE 32-8 UNIT PA EXPANSION SAN JUAN 32-8 UNIT NO. 50 NW SECTION 28, T32N, R8W

## \*\*\*\*\*\*\* SUMMARY \*\*\*\*\*\*\*

0.00 5.00 10.00 15.00 20.00 30.00	DISC.	NET PRESE	INTERESTS *  INTL WORK AVG. WORK INTL NET AVG. NET
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ы , <u>л</u>		* # # # # # # # # # # # # # # # # # # #	PROPANE ( MSTB) (
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254-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

April 28, 1988

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87501

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay P.O. Box 2088 Santa Fe. NM 87501

Re: San Juan 32-8 Unit #14-08-001-446

APPLICATION FOR APPROVAL OF THE TWENTIETH PARTICIPATING AREA Mesaverde Formation Effective December 1, 1985

#### Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement #14-08-001-446, Northwest Pipeline Corporation, as Unit Operator, hereby respectfully requests approval of Twentieth Participating Area for the Mesaverde formation.

This proposed revision of the participating area for the Mesaverde formation is predicated upon the determination by Northwest Pipeline Corporation, as Unit Operator, that the following San Juan 32-8 Unit Mesaverde well which was completed outside the limits of the existing Mesaverde Participating Area, is capable of producing unitized substances in paying quantities from the Mesaverde formation.

Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission April 28, 1988 Page 2

#### TWENTIETH PARTICIPATING AREA - Effective December 1, 1985

#### Description of Land

No. of Acres

Township 32 North, Range 8 West, N.M.P.M.

960

Section 28: W/2

Section 28: E/2 (Brought in as an intervening drilling block)
Section 29: E/2 (Brought in as an intervening drilling block)

The well data is as follows:

The San Juan 32-8 Unit #50 well is located 980 feet from the north line and 790 feet from the west line, Section 28, Township 32 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on July 13, 1985 and completed in the Mesaverde formation on October 17, 1985. The plug back depth is 6100'. The Mesaverde formation was perforated with 21 holes at the following depths:

```
5621', 5622', 5933', 5934', 5936', 5937', 5944', 5948', 5949', 5950', 5952', 5956', 5999', 6004', 6006', 6008', 6013', 6023', 6035', 6042', 6044'
```

The Mesaverde formation was hydraulically fractured with 2156 barrels of fluid carrying 80,000 pounds of 20/40 mesh sand. On November 4, 1985 the Mesaverde formation was tested using a positive choke. During the 3-hour test the well produced 261 Mcf of gas, flowing at a rate of 2091 Mcfd with a calculated AOF of 2401 Mcfd. The shut-in pressure prior to the test was 1068 psig.

Attached is Schedule XXI along with the ownership map showing the Twentieth Participating Area for the Mesaverde formation of the San Juan 32-8 Unit Area. The schedule describes the Revised Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, in the absence of disapproval within 30 days, the Twentieth Participating Area will become effective December 1, 1985.

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

Sincerely.

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen
Supervisor, Land/NGPA

Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission April 28, 1988 Page 3

#### DLG/cg Attachments

cc: Working Interest Owners
 K. J. Stracke
 W. S. West

W. S. West
L. G. Loving
C. N. Potter
R. L. Glenn
M. H. Johnson
R. P. Gregory
L. K. Leaver

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission April 28, 1988 Page 4

APPROVED		DATE
	Assistant District Manager, Minerals	
,	Bureau of Land Management	
	Subject to like approval by the	
	Commissioner of Public Lands	
	and the Oil Conservation Commission	
APPROVED		DATE
	Commissioner of Public Lands	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Oil Conservation Commission	
APPROVED	Des Chrum	DATE 5-4-88
	Oil Conservation Commission	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Commissioner of Public Lands	

The foregoing are approvals for the TWENTIETH PARTICIPATING AREA in the Mesaverde formation of the San Juan 32-8 Unit #14-08-001-446.

## WORKING INTEREST OWNERS SAN JUAN 32-8 UNIT

H. H. PHILLIPS, AGENT 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

H. H. PHILLIPS, JR. 8918 TESORO DR. - SUITE 116 SAN ANTONIO, TX 78217

MERIDIAN OIL PRODUCTION INC LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM B7401

PHILLIPS PETROLEUM COMPANY ATTN: ANTHONY TAI 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

SOUTHLAND ROYALTY COMPANY 3535 E. 30TH STREET FARMINGTON, NM 87499

SUN EXPLORATION & PRODUCTION COMPANY ATTN: OBO ACCOUNTING P.O. BOX 2880 DALLAS, TX 75221

SUZANNA P. KELLY P.O. BOX 585 CAMERON, MT 59720

TEXACO, INC. ATTN: COMPTROLLERS DEPARTMENT P.O. BOX 2100 DENVER, CD BD2D)

WINTERGREEN ENERGY CORP.
ATTN: GENE N. GARNETT
DORCHESTER PLACE - SUITE 125
5735 PINELAND DRIVE
DALLAS, TX 75231

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 3			
NM-013364	T-31-N, R-8-W Sec. 21: N/2N/2,	360.00	Royalty Working Interest	12.500000%	12.500000%	2.865767%
	N/2S/2, SE/4SE/4		Northwest Pipeline Corp.	54.263195%	54.263195%	
			Susanna Kelly	1.539378%	1.539378%	
			Wintergreen Energy	10.102190%	10.102190%	
			H. H. Phillips, Agent	18.761217%	18.761217%	
			H. H. Phillips, Jr.	1.539377%	1.539377%	
			ORRI	1.294643%	1.294643%	
			Total	100.000000%	100.000000%	
			TRACT 4			
SF-079004	T-31-N, R-8-W	1,720.00	•	12.500000%	12.500000%	13.692000%
	Sec. 9: All		Working Interest	00 500000	02 500000	
	Sec. 10: All		Northwest Pipeline Corp.	82.500000%	82.500000%	
	Sec. 15: N/2,		ORRI	5.000000%	5.000000%	
	N/2SE/4, SE/4SE/4		Total	100.000000	100.000000	
			TRACT 5			
SF-079013	T-32-N, R-8-W	1,400.00	•	12.500000%	12.500000%	11.144651%
	Sec. 17: W/2		Working Interest			
	Sec. 20: W/2,		Northwest Pipeline Corp.	82.500000%	82.500000%	
	SW/4SE/4, N/2NE/4		ORRI	5.000000%	5.000000%	
	Sec. 29: All		Total	100.000000%	100.000000%	
			TRACT 6			
NM-33056	T-32-N, R-8-W	200.00	Royalty	12.500000%	0.000000%	0.000000%
	Sec. 20: S/2NE/4,		Working Interest			
	N/2SE/4, SE/4SE/4		Southland Royalty	85.000000%	0.000000%	
			ORRI	2.500000%	0.000000%	
			Total	100.000000%	0.000000%	

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 7			
SF-079029	T-31-N, R-8-W Sec. 3: Lots 1, 2,3,4, S/2SN/2, S/2 Sec. 4: Lots 1,2,	1,522.08	Royalty Working Interest Northwest Pipeline Corp. ORRI Total	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	12.116465%
	3,4, S/2N/2, SE/4, E/2SW/4, SW/4SW/4 Sec. 21: S/2N/2, S/2SW/4, SW/4SE/4					
			TRACT 8			
SF-079047	T-31-N, R-8-W Sec. 14: W/2	640.00	Royalty Working Interest	12.500000%	12.500000%	5.094697%
	Sec. 23: W/2		Northwest Pipeline Corp. ORRI Total	82.500000% 5.000000% 100.000000%	82.500000% 5.000000% 100.000000%	
			TRACT 11			
SF-079341-A	T-32-N, R-8-W Sec. 19: SW/4SE/4	680.00	Royalty Working Interest	12.500000%	12.500000%	5.413116%
	Sec. 28: W/2 Sec. 30: E/2		Northwest Pipeline Corp. ORRI Total	82.500000% 5.000000% 100.000000%	82.500000% 5.000000% 100.000000%	
			TRACT 13			
SF-079351	T-31-N, R-8-W Sec. 24: E/2,	400.00	Royalty Working Interest	12.500000%	12.500000%	3.184186%
	E/2NW/4		El Paso Natural Gas Co. ORRI Total	85.000000% 2.500000% 100.000000%	85.000000% 2.500000% 100.000000%	
			TRACT 14			
SF-079353	T-32-N, R-8-W Sec. 14: N/2	1,720.00	Working Interest	12.500000%	12.500000%	13.692000%
	Sec. 15: N/2, SW/4 Sec. 19: NE/4, N/2SE/4, SE/4SE/4 Sec. 28: E/2 Sec. 33: W/2		Northwest Pipeline Corp. ORRI Total	82.500000% 5.000000% 100.000000%	82.500000% 5.000000% 100.000000%	

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 15			
SF-079380	T-32-N, R-8-W Sec. 14: S/2	800.00	Royalty Working Interest	12.500000%	12.500000%	6.368372%
	Sec. 15: SE/4		El Paso Natural Gas Co.	82.500000%	82.500000%	
	Sec. 22: W/2		ORRI Total	5.000000%	5.000000%	
				********	22252222222	
			TRACT 16			
SF-079381	T-32-N, R-8-W	960.00	•	12.500000%	12.500000%	7.642046%
	Sec. 33: E/2 Sec. 34: W/2		Working Interest El Paso Natural Gas Co.	92 E00000°	92 5000009	
	Sec. 35: E/2		ORRI	82.500000% 5.000000%	82.500000% 5.000000%	
	000. 00. 2/2		Total	100.000000%	100.000000%	
			TRACT 17			
SF-079717	T-32-N, R-8-W	120.00	Royalty	12.500000%	12.500000%	0.955256%
	Sec. 27: W/2SW/4,		Working Interest			
	SE/4SW/4		Northwest Pipeline Corp.	82.500000%	82.500000%	
			ORRI Total	5.000000%	5.000000%	
			TOTAL	100.000000%	100.000000%	
			TRACT 18			
SF-080412-A	T-32-N, R-8-W	200.00	•	12.500000%	12.500000%	1.592093%
	Sec. 27: NW/4,		Working Interest			
	NE/4SW/4		El Paso Natural Gas Co. ORRI	85.000000%	85.000000%	
			Total	2.500000%	2.500000%	
			10041	******	**************************************	
			TRACT 19			
SF-080854	T-31-N, R-8-W	240.00	Royalty	12.500000%	12.500000%	1.910511%
	Sec. 24: W/2NW/4,		Working Interest			
	SW/4		Morthwest Pipeline Corp. ORRI	82.500000% 5.000000%	82.500000% 5.000000%	
			Total	100.000000%	100.00000%	
				200.000000		

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 20			
SF-081089	T-31-N, R-8-W Sec. 23: E/2	320.00	Royalty Working Interest	12.500000%	12.500000%	2.547349%
	060. 20. 2/2		Northwest Pipeline Corp.	82.500000%	82.500000%	
			ORRI	5.000000%	5.000000%	
			Total	100.000000%	100.000000%	•
			TRACT 21			
NM-03402	T-31-N, R-8-W	840.00	Royalty	12.500000%	12.500000%	6.686791%
	Sec. 15: SW/4,		Working Interest			
	SW/4SE/4		Northwest Pipeline Corp.	82.500000%	82.500000%	
	Sec. 22: All		ORRI	5.000000%	5.000000%	
			Total	100.000000%	100.000000%	
			TRACT 24			
E-1204-4	T-31-N, R-8-W	400.00	Royalty	12.500000%	12.500000%	3.184186%
	Sec. 16: NW/4NE/4,		Working Interest			
	SE/4NE/4, NW/4,		Northwest Pipeline Corp.	82.500000%	82.500000%	
	NE/4SW/4, SW/4SW/4, N/2SE/4	•	ORRI Total	5.000000%	5.000000%	
	N/2SE/4		10191	100.000000%	100.000000%	
			TRACT 26			
E-3704-3	T-31-N, R-8-W	40.00	Royalty	12.500000%	12.500000%	0.318419%
	Sec. 16: SW/4SE/4		Working Interest			
			Northwest Pipeline Corp.	82.500000%	82.500000%	
			ORRI	5.000000%	5.000000%	
			Total	100.000000%	100.000000%	
			TRACT 28			
E-3868-3	T-31-N, R-8-W	40.00	Royalty	12.500000%	12.500000%	0.318419%
	Sec. 16: SW/4NE/4		Working Interest			
			Northwest Pipeline Corp.	82.500000%	82.500000%	
			ORRI	5.000000%	5.000000%	
			Total	100.000000%	100.000000%	

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 31			
E-5113-70	T-31-N, R-8-W Sec. 16: NW/4SW/4	40.00	Royalty Working Interest	12.500000%	12.500000%	0.318419%
			Northwest Pipeline Corp. ORRI Total	81.500000% 6.000000% 100.000000%	81.500000% 6.000000% 100.000000%	
			TRACT 34	100.0000000	100.000000	
E-5382	T-31-N, R-8-W Sec. 16: NE/4NE/4	40.00	Royalty Working Interest	12.500000%	12.500000%	0.318419%
			Texaco, Inc. ORRI Total	87.500000% 0.000000% 100.000000%	87.500000% 0.000000% 100.000000%	
			TRACT 38	<b>在在产业业务量和</b> 教学系	表表示正言都是多差如称	
B-11240-71	T-31-N, R-8-W Sec. 16: SE/4SW/4	40.00	Royalty Working Interest	12.500000%	12.500000%	0.318419%
	200 201 22, 1011, 1		Northwest Pipeline Corp. ORRI Total	85.000000% 2.500000% 100.000000%	85.000000% 2.500000% 100.000000%	
			TRACT 38-A			
B-11240-70	T-31-N, R-8-W Sec. 16: SE/4SE/4	40.00	Royalty Working Interest	12.500000%	12.500000%	0.318419%
			Northwest Pipeline Corp. ORRI Total	82.500000% 5.000000% 100.000000%	82.500000% 5.000000% 100.000000%	

#### RECAPITULATION

#### Description of Lands in Participating Area:

Township 32 North, Range 8 West, N.M.P.M.
Sections 17, 22, 27, 34: W/2
Sections 19, 30, 35: E/2
Sections 14, 15, 20, 28, 29, 33: All

Township 31 North, Range 8 West, N.M.P.M.
Section 14: W/2
Sections 3, 9, 10, 15, 16, 21, 22, 23, 24: All
Section 4: N/2, SE/4, NE/4SW/4, S/2SW/4

Total Number of Acres in Participating Area: 12,762.08

Total Number of Acres Committed to Participating Area: 12,562.08

Total Number of Acres Not Committed to Participating Area: 200.00

## NORTHWEST PIPELINE CORPORATION GAS RESERVES DEPARTMENT ECONOMIC STUDY SJ 32-8 UNIT #50 MV

TUE MARCH 15, 1988 2:10:49 PM

WORKING INT. B/PAYOUT% WORKING INT. A/PAYOUT% INCOME TAX% UNIT OF PRODUCTION DEPRECIATION	100.0 36.0	ANNUAL COST INFLATION% 0.0 ANNUAL PRICE INFLATION% 0.0 NEG INC TAX OFFSET BY OTHER INCOME
AD VALOREM AND SEV TAXES% MONTH OF CAPITAL EXPENSE	12.5 10.4 1 277.5	OVERRIDING ROYALTY 0.0 OPERATING COSTS (\$/MO) 304.0 OPERATING COSTS (% OF PROD). 0.0 TANGIBLE \$ (% OF DRILLING \$) 36.1
INITIAL % MONTH MCF/D DECLINE		ENDING MONTH
8 350.0 83.2 10 260.0 95.7 11 200.0 93.1	200.0	10 11
12 160.0 61.5		

11 200.0 93.1 160.0 12 12 160.0 61.5 126.0 15 15 126.0 37.0 100.0 21 21 100.0 7.1 25.0 247 247 25.0 100.0 0.0 248

YEAR	BEG. YR \$/ MCF	AVG MCF/D	ANNUAL MCF	ROYALTY MCF	REVENUE AFTER ROYALTY \$1000
1987	2.22	106	38706.	4838.	75.
1988	2.22	114	41657.	5207.	81.
1989	2.22	94	34465.	4308.	67.
1990	2.22	88	32019.	4002.	62.
1991	2.22	81	29747.	3718.	58.
1992	2.22	76	27636.	3455.	54.
1993	2.22	70	25675.	3209.	50.
1994	2.22	65	23853.	2982.	46.
1995	2.22	61	22160.	2770.	43.
1996	2.22	56	20588.	2573.	40.
1997	2.22	52	19127.	2391.	37.
1998	2.22	49	17769.	2221.	35.
1999	2.22	45	16508.	2064.	32.
2000	2.22	42	15337.	1917.	30.
2001	2.22	39	14248.	1781.	28.
2002	2.22	36	13237.	1655.	26.
2003	2.22	34	12298.	1537.	24.
2004	2.22	31	11425.	1428.	22.
2005	2.22	29	10614.	1327.	21.
2006	2.22	27	9861.	1233.	19.
TOTAL	• • • • • • • •	• • • • •	436925.	54616.	849.

WC IN	ORKING 1	INT. B/PAINT. A/PAINT. A/PAINT	YOUT	% %	00.0 00.0 36.0	ANNUAL	PRICE :	VFLATION INFLATION FFSET BY		0.0 0.0 INCOME
**	**************************************		\$1000		* ***I	OUNTED PRINTER TAX 0.00	RATIO	FAX RATE	OF RETU	
	NCOME	**PROJEC	T EXPEN	NSES IN AD.V.	\$1000 <b>*</b>	****CASH	FLOW #		S IN \$10	***** 00***
	**NET*	CAPI-	****	SEV.	PROD.	BEFORE			INCOME	AFTER
YEAR *	****	*TAL*	DEPR.	TAXES	COSTS	*TAXES		INCOME	TAXES	TAXES
1987	75	277	9	8	2	-212	-212	-120	-43	- 168
1988	81	- 0	10	8	4	69	-143	59	21	47
1989	67	0	8	7	4	56	-86	48	17	39
1990	62	0	7	6	4	52	-34	45	16	36
1991	58	0	7	6	4	48	14	41	15	33
1992	54	0	6	6	4	44	58	38	14	31
1993	50	0	6	5 5	4	41	99	35	13	28
1994	46	0	5	5	4	38	137	32	12	26
1995	43	0	5	4	4	35	172	30	1.1	24
1996 1997	40 37	0	5 4	4 4	4 4	32	204	27	10	22
1998	37 35	0	4	4	4	30 27	234 261	25 23	9 8	21 19
1999	32	Ö	4		4	25	286	21	8	17
2000	30	Ŏ	4	3	4	23	309	20	7	16
2001	28	0	3	3	4	21	330	18	6	15
2002	26	0	3	3 3 3 2	4	19	350	16	6	13
2003	24	0	3 3 3	2	4	18	367	15	5	12
2004	22	0	3	2	4	16	384	14	5	11
2005	21	0	2	2	4	15	398	12	4	10
2006	19	0	2	2	4	13	412	11	4	9
TOTAL	849	278	100	89	71	412	0	412	148	263

PAYOUT DURING MONTH 9 OF YEAR 5

NORTHWEST PIPELINE RESERVOIR ENGINEERING SUMMARY @ 14.73 PSIA SJU 32-8 #50

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