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FEB 21 1981

Mailing Address

P. O. Box 5800, Terminal Annex
Denver, Colorado 80217

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

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

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

Gentlemen:

Re: San Juan 32-8 Unit No. 14-08-001-446
San Juan County, New Mexico
17TH EXPANDED PARTICIPATING AREA
MESAVERDE FORMATION
Effective January 1, 1980

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the date indicated below that the following well, which is capable of producing unitized substances in paying quantities from the Mesaverde formation, has been completed upon a drilling block committed to this Unit:

SEVENTEENTH EXPANDED PARTICIPATING AREA-----Effective January 1, 1980:

<u>Description of Lands</u>	<u>Acres</u>	<u>Well Name and No.</u>
<u>Township 32 North, Range 8 West</u> Section 33: W/2	320.00	San Juan 32-8 Unit No. 40
<u>Township 31 North, Range 8 West</u> Section 4: Lots 3,4, S/2NW/4, NE/4SW/4, S/2SW/4	280.57	Intervening Drilling Block

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San Juan 32-8 Unit
17th Expanded P/A
Mesaverde Formation
Eff. 1-1-80

The San Juan 32-8 Unit No. 40 Well is located 840 feet from the West Line and 960 feet from the South Line, Section 33, Township 32 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on November 27, 1979 and completed on December 27, 1979 in the Mesaverde formation at a plug back depth of 5,900 feet. The Mesaverde formation was perforated with one shot per foot at each of the following depths:

5470', 5482', 5486', 5524', 5536', 5540', 5585',
5592', 5596', 5600', 5762', 5770', 5774', 5777',
5780', 5788', 5792', 5796', 5800', 5804', 5808',
5816', 5830', 5834', and 5838'.

These perforations were treated with 500 gallons of 7½% HCl followed by a sand water fracturing. The well was shut-in December 17, 1979 for 10 days with an SIPC of 1050 psig and a SIPT of 1042 psig. On December 27, 1979 the well was tested and after flowing for three (3) hours through a 3/4-inch variable choke on the 2-3/8 inch tubing the well gauged 2649 MCFD with a calculated AOF of 3756 MCFD.

Attached is Schedule XVIII and ownership map showing the 17th Expanded Participating Area for the Mesaverde formation of the San Juan 32-8 Unit Area. The Schedule describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each tract. Inasmuch as this needs no official approval, in the absence of disapproval, the subject expansion is effective as of January 1, 1980.

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

Very truly yours,

Kathy Michael
Kathy Michael
Land Records Coordinator

KM:vh
Attachments

cc: Working Interest Owners

SAN JUAN 32-8 UNIT

Working Interest Owners

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

Phillips Petroleum Company
Attention: Mr. Derryl E. Millican
7800 East Dorado Place
Englewood, Colorado 80111

Getty Oil Company
Attention: Mr. J. E. Hofmann
Three Park Central, Suite 700
Denver, Colorado 80202

Sun Gas Company
Attention: Edgar Floyd
Joint Operations
Post Office Box 20
Dallas, Texas 75221

Texaco, Inc.
Box 2100
Denver, Colorado 80201

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

Phillips Petroleum Company
Attention: Mr. Gordon Buckman
7800 East Dorado Place
Englewood, Colorado 80111

UNIT AREA EXPANSION SCHEDULE

SCHEDULE XVIII

SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVARDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTIVE PARTICIPATION
<u>TRACT 3</u>							
NM 013364	T-31-N, R-8-W Sec. 21: N/2N/2, N/2S/2, SE/4SE/4	360.00	Royalty; Working Interest; Northwest Pipeline Corp. ORRI;		12.50%	82.50%	3.528692
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 4</u>							
SF 79004	T-31-N, R-8-W Sec. 9: All Sec. 10: All Sec. 15: N/2, N/2SE/4, SE/4SE/4	1,720.00	Royalty; Working Interest; Northwest Pipeline Corp. ORRI;		12.50%	82.50%	16.859307
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 5</u>							
SF 079013	T-32-N, R-8-W Sec. 17: W/2 Sec. 20: W/2 Sec. 29: W/2	960.00	Royalty; Working Interest; Northwest Pipeline Corp. ORRI;		12.50%	82.50%	9.409846
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 7</u>							
SF 079029	T-31-N, R-8-W Sec. 3: Lots 1,2,3,4, S/2N/2, S/2 Sec. 4: Lots 1,2,3,4, S/2N/2, SE/4, E/2SW/4, SW/4SW/4 Sec. 21: S/2NW/4, S/2SW/4, S/2N/2, S/2SW/4, SW/4SE/4	1,522.08	Royalty; Working Interest; Northwest Pipeline Corp. ORRI;		12.50%	82.50%	14.919310
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	

Effective January 1, 1980

UNIT AREA EXPANSION SCHEDULE

SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVARDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
<u>TRACT 8</u>							
SF 079047	T-31-N, R-8-W Sec. 14: W/2 Sec. 23: W/2	640.00	Royalty; Working Interest; Northwest Pipeline Corp; ORRI;		12.50%	12.50%	6.273231
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 11</u>							
SF 079341-A	T-32-N, R-8-W Sec. 19: SW/4SE/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp; ORRI;		12.50%	12.50%	.392077
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 13</u>							
SF 079351	T-31-N, R-8-W Sec. 24: E/2, E/2NW/4	400.00	Royalty; Working Interest; El Paso Natural Gas Co; ORRI;		12.50%	12.50%	3.920769
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 14</u>							
SF 079353	T-32-N, R-8-W Sec. 15: W/2 Sec. 19: NE/4, N/2SE/4 SE/4SE/4 Sec. 33: W/2	920.00	Royalty; Working Interest; Northwest Pipeline Corp; ORRI;		12.50%	12.50%	9.017769
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	

Effective January 1, 1980

UNIT AREA EXPANSION SCHEDULE

SCHEDULE XVIII

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SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVARDE FORMATION
SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
TRACT 15					
SF 079380	T-32-N, R-8-W Sec. 22: W/2	320.00	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.50% 82.50% 5.00%	3.136615
			TOTAL	100.00%	
TRACT 16					
SF 079381	T-32-N, R-8-W Sec. 33: E/2 Sec. 34: W/2 Sec. 35: E/2	960.00	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.50% 82.50% 5.00%	9.409846
			TOTAL	100.00%	
TRACT 17					
SF 079717	T-32-N, R-8-W Sec. 27: W/2SW/4 SE/4SW/4	120.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50% 82.50% 5.00%	1.176231
			TOTAL	100.00%	
TRACT 18					
SF 080412	T-32-N, R-8-W Sec. 27: NW/4, NE/4SW/4	200.00	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.50% 85.00% 2.50%	1.960385
			TOTAL	100.00%	

Effective January 1, 1980

SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVARDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUA PARTICIPATIO
			OWNERSHIP	PERCENTAGE		
<u>TRACT 19</u>						
SF 080854	<u>T-31-N, R-8-W</u> Sec. 24: W/2NW/4, SW/4	240.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	<u>2.352461</u>
<u>TRACT 20</u>						
SF 081089	<u>T-31-N, R-8-W</u> Sec. 23: E/2	320.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	<u>3.136615</u>
<u>TRACT 21</u>						
SF 03402	<u>T-31-N, R-8-W</u> Sec. 15: SW/4 SW/4SE/4 Sec. 22: All	840.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	<u>8.233615</u>
<u>TRACT 24</u>						
E-1204-2	<u>T-31-N, R-8-W</u> Sec. 16: NW/4, NE/4SW/4, SW/4SW/4, NW/4NE/4, SE/4NE/4, N/2SE/4	400.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	<u>3.920769</u>

Effective January 1, 1980

UNIT AREA EXPANSION SCHEDULE

SCHEDULE XVII

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SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
<u>TRACT 26</u>							
E-3704-2	T-31-N, R-8-W Sec. 16: SW/4SE/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50%	12.50%	82.50%	.392077
			TOTAL	100.00%	100.00%	5.00%	
<u>TRACT 28</u>							
E-3868-2	T-31-N, R-8-W Sec. 16: SW/4NE/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50%	12.50%	82.50%	.392077
			TOTAL	100.00%	100.00%	5.00%	
<u>TRACT 31</u>							
E-5113-21	T-31-N, R-8-W Sec. 16: NW/4SW/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;	12.50%	12.50%	81.50%	.392077
			TOTAL	100.00%	100.00%	6.00%	
<u>TRACT 34</u>							
E-5382	T-31-N, R-8-W Sec. 16: NE/4NE/4	40.00	Royalty; Working Interest; Texaco, Inc.; ORRI;	12.50%	12.50%	87.50%	.392077
			TOTAL	100.00%	100.00%	.00%	

Effective January 1, 1980

UNIT AREA EXPANSION SCHEDULE

SCHEDULE XVIII

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SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVARDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUA PARTICIPATIO
<u>TRACT 38-A</u>							
B-11240-64	T-31-N, R-8-W Sec. 16: SE/4SE/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;		12.50%	82.50%	.392077
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 38</u>							
B-11240-65	T-31-N, R-8-W Sec. 16: SE/4SW/4	40.00	Royalty; Working Interest; Northwest Pipeline Corp.; ORRI;		12.50%	85.00%	.392077
			TOTAL		<u>100.00%</u>	<u>100.00%</u>	

Effective January 1, 1980

UNIT AREA EXPANSION SCHEDULE

SCHEDULE XVIII

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SEVENTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
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R E C A P I T U L A T I O NDescription of Lands in Participating Area:

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

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: E/2

Total Number of Acres in Participating Area: 10,202.08

Total Number of Acres Committed to Participating Area: 10,202.08

EFFECTIVE: January 1, 1980