

NORTHWEST PIPELINE CORPORATION

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

November 26, 1979

446

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

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

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

Re: San Juan 32-8 Unit #14-08-001-446
San Juan County, New Mexico
SIXTEENTH EXPANDED PARTICIPATING AREA
MESAVERDE FORMATION
Effective February 1, 1979

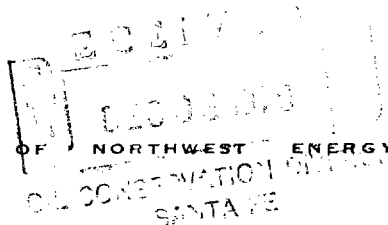
Gentlemen:

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:

NOTICE OF COMPLETION OF ADDITIONAL WELL AND SIXTEENTH EXPANDED PARTICIPATING AREA----Effective February 1, 1979:

The San Juan Unit No. 39 Well is located 1120 feet from the North Line and 860 feet from the East Line, Section 3, Township 31 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on 12-1-78 and completed on 1-2-79 in the Mesaverde Formation at a plug back depth of 6101 feet. The Mesaverde Formation was perforated with one hole at each of the following depths:

A SUBSIDIARY OF NORTHWEST ENERGY COMPANY



5704, 5708, 5712, 5716, 5720, 5724, 5728, 5769, 5800,
5804, 5808, 5811, 5814, 5818, 5980, 5984, 5988, 5992,
5994, 6028, 6031, 6035, 6038, 6059, 6063, 6067

These perforations were treated with 1000 gal. 7½% HCl followed by a sand-water fracturing. The well was shut-in 12-16-78 for 17 days with a SIPT of 510 psig and SIPC of 1140 psig. On 1-2-79, 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 2461 MCFD with a calculated AOF of 2933 MCFD.

Attached is Schedule XVII and ownership map showing the Sixteenth 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 February 1, 1979.

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

Sincerely,



Betty R. Burnett
Supervisor of Contracts & Units

BRB/KM/at

Enclosures

cc: Working Interest Owners

RECEIVED
NOV 27 1979
U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

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
7800 E. Dorado Place
Englewood, Colorado 80111

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

Sun Gas Company
P. O. Box 20
Dallas, Texas 75221
Attention: Manager, Unitization and Joint Operations

Texaco, Inc.
Box 2100
1570 Grant Street
Denver, Colorado 80201

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

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
TRACT 3						
NM 013364	T-31-N, R-8-W	360.00	Royalty;	12.50%	12.50%	<u>3.74941%</u>
	Sec. 21: N/2N/2, N/2S/2, SE/4SE/4		Working Interest:			
			Northwest Pipeline Corp.	82.50%	82.50%	
			ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 4						
SF 79004	T-31-N, R-8-W	1,720.00	Royalty;	12.50%	12.50%	<u>17.91385%</u>
	Sec. 9: All		Working Interest:			
	Sec. 10: All		Northwest Pipeline Corp.	82.50%	82.50%	
	Sec. 15: N/2, N/2SE/4, SE/4SE/4		ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 5						
SF 079013	T-32-N, R-8-W	960.00	Royalty;	12.50%	12.50%	<u>9.99843%</u>
	Sec. 17: W/2		Working Interest:			
	Sec. 20: W/2		Northwest Pipeline Corp.	82.50%	82.50%	
	Sec. 29: W/2		ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 7						
SF 079029	T-31-N, R-8-W	1,241.51	Royalty;	12.50%	12.50%	<u>12.93036%</u>
	Sec. 3: Lots 1,2,3,4, S/2N/2, S/2		Working Interest:			
	Sec. 4: Lots 1,2, S/2NE/4, SE/4		Northwest Pipeline Corp.	82.50%	82.50%	
	Sec. 21: S/2NW/4, S/2SW/4 S/2N/2, S/2SW/4, SW/4SE/4		ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
			OWNERSHIP	PERCENTAGE		
TRACT 8						
SF 079047	T-31-N, R-8-W	640.00	Royalty;	12.50%	12.50%	<u>6.66562%</u>
	Sec. 14: W/2		Working Interest:			
	Sec. 23: W/2		Northwest Pipeline Corp;	82.50%	82.50%	
	ORRI;		5.00%	5.00%		
	TOTAL		100.00%	100.00%		
TRACT 11						
SF 079341-A	T-32-N, R-8-W	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
	Sec. 19: SW/4SE/4		Working Interest:			
			Northwest Pipeline Corp;	82.50%	82.50%	
	ORRI;		5.00%	5.00%		
	TOTAL		100.00%	100.00%		
TRACT 13						
SF 079351	T-31-N, R-8-W	400.00	Royalty;	12.50%	12.50%	<u>4.16601%</u>
	Sec. 24: E/2,		Working Interest:			
	E/2NW/4		El Paso Natural Gas Co;	85.00%	85.00%	
	ORRI;		2.50%	2.50%		
	TOTAL		100.00%	100.00%		
TRACT 14						
SF 079353	T-32-N, R-8-W	600.00	Royalty;	12.50%	12.50%	<u>6.24902%</u>
	Sec. 15: W/2		Working Interest:			
	Sec. 19: NE/4, N/2SE/4		Northwest Pipeline Corp;	82.50%	82.50%	
	SE/4SE/4		ORRI;	5.00%	5.00%	
	TOTAL		100.00%	100.00%		

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATI
			OWNERSHIP	PERCENTAGE		
TRACT 15						
SF 079380	T-32-N, R-8-W	320.00	Royalty;	12.50%	12.50%	<u>3.33281%</u>
	Sec. 22: W/2		Working Interest:			
			El Paso Natural Gas Co.;	82.50%		
			ORRI;	5.00%		
			TOTAL	<u>100.00%</u>		
TRACT 16						
SF 079381	T-32-N, R-8-W	960.00	Royalty;	12.50%	12.50%	<u>9.99843%</u>
	Sec. 33: E/2		Working Interest:			
	Sec. 34: W/2		El Paso Natural Gas Co.;	82.50%		
	Sec. 35: E/2		ORRI;	5.00%		
			TOTAL	<u>100.00%</u>		
TRACT 17						
SF 079717	T-32-N, R-8-W	120.00	Royalty;	12.50%	12.50%	<u>1.24980%</u>
	Sec. 27: W/2SW/4		Working Interest:			
	SE/4SW/4		Northwest Pipeline Corp.;	82.50%		
			ORRI;	5.00%		
			TOTAL	<u>100.00%</u>		
TRACT 18						
SF 080412	T-32-N, R-8-W	200.00	Royalty;	12.50%	12.50%	<u>2.08301%</u>
	Sec. 27: NW/4,		Working Interest:			
	NE/4SW/4		El Paso Natural Gas Co.;	85.00%		
			ORRI;	2.50%		
			TOTAL	<u>100.00%</u>		

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACT PARTICIPAT
			OWNERSHIP	PERCENTAGE		
TRACT 19						
SF 080854	T-31-N, R-8-W	240.00	Royalty;	12.50%	12.50%	<u>2.49961%</u>
	Sec. 24: W/2NW/4, SW/4		Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 20						
SF 081089	T-31-N, R-8-W	320.00	Royalty;	12.50%	12.50%	<u>3.33281%</u>
	Sec. 23: E/2		Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 21						
SF 03402	T-31-N, R-8-W	840.00	Royalty;	12.50%	12.50%	<u>8.74862%</u>
	Sec. 15: SW/4 SW/4SE/4		Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
	Sec. 22: All		ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 24						
E-1204-2	T-31-N, R-8-W	400.00	Royalty;	12.50%	12.50%	<u>4.16601%</u>
	Sec. 16: NW/4, NE/4SW/4, SW/4SW/4, NW/4NE/4, SE/4NE/4, N/2SE/4		Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	5.00%	5.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACT PARTICIPAT
			OWNERSHIP	PERCENTAGE		
TRACT 26						
E-3704-2	T-31-N, R-8-W Sec. 16: SW/4SE/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	<u>5.00%</u>	<u>5.00%</u>	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 28						
E-3868-2	T-31-N, R-8-W Sec. 16: SW/4NE/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest:			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	<u>5.00%</u>	<u>5.00%</u>	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 31						
E-5113-21	T-31-N, R-8-W Sec. 16: NW/4SW/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest:			
			Northwest Pipeline Corp.;	81.50%	81.50%	
			ORRI;	<u>6.00%</u>	<u>6.00%</u>	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
TRACT 34						
E-5382	T-31-N, R-8-W Sec. 16: NE/4NE/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest:			
			Texaco, Inc.;	87.50%	87.50%	
			ORRI;	<u>.00%</u>	<u>.00%</u>	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
TRACT 38-A						
B-11240-64	T-31-N, R-8-W Sec. 16: SE/4SE/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest;			
			Northwest Pipeline Corp.;	82.50%	82.50%	
			ORRI;	5.00%	5.00%	
			TOTAL	100.00%	100.00%	
TRACT 38						
B-11240-65	T-31-N, R-8-W Sec. 16: SE/4SW/4	40.00	Royalty;	12.50%	12.50%	<u>.41660%</u>
			Working Interest;			
			Northwest Pipeline Corp.;	85.00%	85.00%	
			ORRI;	2.50%	2.50%	
			TOTAL	100.00%	100.00%	

Effective February 1, 1979

SIXTEENTH EXPANDED PARTICIPATING AREA, MESAVERDE FORMATION

SAN JUAN 32-8 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTI PARTICIPAT.
			OWNERSHIP	PERCENTAGE		

RECAPITULATION

Description 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: 9,601.51

Percentage of Working interest Committed: 100.00%

Percentage of Basic Royalty Interest Committed: 100.00%

Percentage of O.R.R.I. Committed: 100.00%

Effective February 1, 1979

NORTHWEST PIPELINE CORPORATION

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

July 25, 1979

Mr. James A. Gillham
U.S. Geological Survey
P.O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Attn: Ray D. Graham
P.O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Attn: Mr. Joe Ramey
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 32-8 Unit
San Juan County, New Mexico
1979 Drilling Program

Gentlemen:

On March 13, 1979, we filed a drilling program for the captioned unit for the calendar year 1979 providing for the drilling of one well.

<u>Well No.</u>	<u>Drilling Block</u>	<u>Formation</u>
40	W/2 Sec. 33-32N-8W	Mesaverde

We received approval for the 1979 drilling program as follows:

United States Department of the Interior	- Approved July 10, 1979
Commissioner of Public Lands	- Approved March 22, 1979
Oil Conservation Commission	- Approved March 26, 1979

Very truly yours,



Betty R. Burnett
Supervisor of Contracts and Units

BRB/RS/meq

cc: Working Interest Owners

A SUBSIDIARY OF NORTHWEST ENERGY COMPANY

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
7800 E. Dorado Pl.
Englewood, Colorado 80111

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

Sun Oil Company (Delaware)
12850 Hillcrest Road
Dallas, Texas 75230
Attention: Unitization & Joint Operations

Texaco, Inc.
Box 2100
1570 Grant Street
Denver, Colorado 80201

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



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

JUL 10 1979

446

Northwest Pipeline Corporation
Attention: Ms. Betty R. Burnett
One Park Central, Suite 1487
Denver, Colorado 80202

Gentlemen:

On this date, your 1979 plan of development and operation for the San Juan 32-8 unit area, San Juan County, New Mexico, wherein you propose to drill well No. 40 in the ~~W~~ sec. 33, T. 32 N., R. 8 W., N.M.P.M., and affirm to drill any well that may be required to prevent drainage of unitized substances, was approved. Such approval is subject to like approval by the appropriate State officials and one approved copy is enclosed.

Sincerely yours,

for Oil and Gas Supervisor, SRMA

Enclosure

cc:
NMOCD, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 26, 1979

Northwest Pipeline Corporation
One Park Central, Suite 1487
Denver, Colorado 80202

Attention: Betty R. Burnett

Re: Case No. 446
San Juan 32-8 Unit
1979 Drilling Program

Gentlemen:

We hereby approve the 1979 Drilling Program for the San Juan 32-8 Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Drilling Program are returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C
O
P
Y

State of New Mexico



Commissioner of Public Lands

March 22, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Northwest Pipeline Corporation
One Park Central, Suite 1487
Denver, Colorado 80202

446

Re: San Juan 32-8 Unit
San Juan County, New Mexico
1979 Drilling Program

ATTENTION: Ms. Betty R. Burnett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Drilling Program for the San Juan 32-8 Unit, San Juan County, New Mexico. Such plan proposes the drilling of one Mesaverde well during 1979. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Your Three (\$3.00) Dollar filing fee has been received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

NORTHWEST PIPELINE CORPORATION

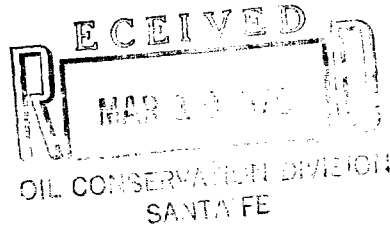
ONE PARK CENTRAL, SUITE 1487
DENVER, COLORADO 80202
(303) 623-9303

March 13, 1979

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

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

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



Gentlemen:

Re: San Juan 32-8 Unit #14-08-001-446
San Juan County, New Mexico
1979 Drilling Program

By letter dated March 6, 1978, Northwest Pipeline Corporation, Unit Operator, filed a drilling program for the captioned unit for the calendar year 1978 providing for the drilling of one (1) Mesaverde well.

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, Commerciality not determined	1
Mesaverde, Commercial	27
Mesaverde, Commerciality not determined	1
Mesaverde, Non-commercial	1
Mesaverde, Plugged & abandoned	2
Total	34

Northwest Pipeline Corporation, as Unit Operator, has contracted all of the working interest owners and has received the necessary concurrence to propose the drilling of the following well during the calendar year 1979:

U. S. Geological Survey
Commissioner of Public Lands
Oil Conservation Commission
March 13, 1979
page 2


<u>Well No.</u>	<u>Drilling Block</u>	<u>Formation</u>
40	W/2 Section 33-32N-8W	Mesaverde

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.

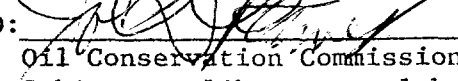
Sincerely,


Betty R. Burnett
Supervisor of Contracts and Units

BRB:fk
Enclosures
cc: Working Interest Owners

APPROVED: _____ DATE: _____
Area Oil and Gas Supervisor
United States Geological Survey
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
United States Geological Survey
and the Oil Conservation Commission

APPROVED:  DATE: 3/26/79
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

The foregoing approvals are for the San Juan 32-8 Unit #14-08-001-446,
San Juan County, New Mexico, 1979 Drilling Program.

San Juan 32-8 Unit
Working Interest Owners

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

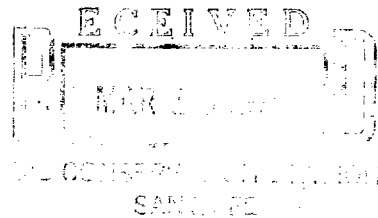
Phillips Petroleum Company
Attention: Mr. N. N. Beckner
1000 Security Life Building
Denver, Colorado 80202

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

Sun Oil Company (Delaware)
12850 Hillcrest Road
Dallas, Texas 75230
Attention: Unitization & Joint Operations

Texaco, Inc.
Box 2100
1570 Grant Street
Denver, Colorado 80201

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



NORTHWEST PIPELINE CORPORATION

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

October 4, 1978

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

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

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

NO. 446

Re: San Juan 32-8
Unit No. 14-08-001-446
San Juan County, New Mexico
FIRST EXPANSION OF THE
PARTICIPATING AREA FRUITLAND
FORMATION - Effective
November 1, 1977

Gentlemen:

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 San Juan 32-8 Unit Well No. 37 was capable of producing unitized substances in paying quantities from the Fruitland formation and was completed on a drilling block committed to this Unit which should create the First Expansion of the Participating Area for the Fruitland as follows:

First Expansion Participating Area - Effective November 1, 1977.

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name & Number</u>
E/2 Section 23-32N-8W	320.00	San Juan 32-8 No. 37

Pertinent well data is as follows:

The San Juan Unit No. 37 well is located
1645 feet from the South Line and 975

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feet from the East Line, Section 23,
Township 32 North, Range 8 West, N.M.P.M.,
San Juan County, New Mexico. This well
was spudded on October 10, 1976 and com-
pleted on October 14, 1977 in the Fruitland
formation at a plug-back depth of 3670'.
The Fruitland formation was perforated
with one hole at each of the following
depths:

3591 3625 3620'-3640' - 20 holes w/lspf
3596 3630 3610'-3614' - 4 holes w/lspf
3606 3636 3588'-3596' - 8 holes w/lspf
3611 3642 Total - 41 holes 0.32"
3616

These perforations were treated with
200 gal 15% HCl followed by a sand-water
fracturing. The well was shut-in October
4, 1977 for 10 days. On October 14,
1977, the well was tested and after flowing
for three (3) hours through a 0.750 inch
variable choke on the 2" tubing, the
well gauged 853 MCFD with a calculated
AOF of 856 MCFD.

Attached are Schedule II and ownership map showing the
First Expansion of the Participating Area for the Fruitland
formation of the San Juan 32-8 Unit. The Schedule describes
the First Expansion of the Participating Area and shows
the percentage of unitized substances allocated to the drilling
block tract. Inasmuch as this needs no official approval,
no provision is made therefor and in the absence of disapproval
the captioned First Expansion of the Participating Area will
become effective November 1, 1977.

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

Very truly yours,


Betty R. Burnett
Supervisor of Contracts and Units

BRB: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. N. N. Beckner
1000 Security Life Building
Denver, Colorado 80202

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

Sun Oil Company (Delaware)
Attention: Unitization & Joint Operations
P. O. Box 30
Dallas, Texas 75221

Texaco, Inc.
Box 2100
1570 Grant Street
Denver, Colorado 80201

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

UNIT AREA EXPANSION SCHEDULE

SCHEDULE II
FIRST EXPANSION PARTICIPATING AREA FOR THE FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		

TRACT 15

SF 079380	T-32-N, R-8-W Section 23: E/2	320.00	Royalty: Working Interest: El Paso Natural Gas Company: ORRI:	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	50.00%
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TRACT 16

SF 079381	T-32-N, R-8-W Section 25: E/2	320.00	Royalty: Working Interest: El Paso Natural Gas Company: ORRI:	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	50.00%
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Total number of acres in Participating Area - 640
Percentage of Interest Committed to Participating Area - 100%