

April 24, 1953

Mr. Ben R. Howell  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas

Re: Proposed San Juan 27-5 Unit  
Agreement, Rio Arriba County,  
New Mexico

Dear Sir:

We are in receipt of your proposed San Juan 27-5 Unit Agreement in Rio Arriba County. It appears that this proposed form is substantially the form of agreement heretofore approved by us for others.

This office is withholding formal approval of the Unit Agreement pending a hearing before the New Mexico Oil Conservation Commission.

Yours very truly,

E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Oil Conservation Commission

JONES, HARDIE, GRAMBLING & HOWELL

CYRUS H. JONES 1868-1952

THORNTON HARDIE  
ALLEN R. GRAMBLING  
BEN R. HOWELL  
HAROLD L. SIMS  
WILLIAM B. HARDIE  
JOHN A. GRAMBLING  
R. H. FEUILLE

ATTORNEYS AND COUNSELORS AT LAW

SEVENTH FLOOR BASSETT TOWER

EL PASO, TEXAS

April 20, 1953

*Case 540*

R. R. Spurrier, Secretary  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Dick:

Pursuant to telephone conversation of today, we are enclosing application for approval of El Paso's proposed San Juan 27-5 Unit Agreement.

Any missing exhibits will be furnished within the next day or two.

Yours very truly,



Ben R. Howell

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
Washington 25, D. C.

November 20, 1952

El Paso Natural Gas Company  
Tenth Floor Bassett Tower  
El Paso, Texas

Gentlemen:

Reference is to your application dated October 30, 1952, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requesting designation of 23,044 acres, more or less, in Rio Arriba County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to regulations of December 22, 1950, 30 C. F. R., section 226.3, the following land is designated as a logical unit area, to be known as San Juan 27-5 Unit area:

T. 27 N., R. 5 W., N. M. P. M., New Mexico

Sections 1 thru 36, all

Any unit agreement submitted for the area described above should conform with section 226.12 of the above-cited regulations, and provide for the drilling of five wells drilled to a depth sufficient to test the Mesaverde formation at locations in the approved unit area, so spaced as to reasonably establish the reserves underlying the unit area. In addition to the Mesaverde testing program, a plan of development for the established Dakota production in the unit area should be submitted.

The form of unit agreement heretofore given preliminary approval for use on Phillips Petroleum Company's San Juan units, with appropriate modifications to take care of differences in area and test program will be acceptable for the San Juan 27-5 unit area, provided subsection 18(h) is not employed.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all Federal acreage showing the current record owner of all issued leases and the current status of all lease applications, if any. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in my opinion does not have the full commitment of sufficient lands to afford effective control of unit operations.

Very truly yours,

/s/ Thomas B. Nolan

Acting Director

BEFORE THE OIL CONSERVATION COMMISSION FOR THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
EL PASO NATURAL GAS COMPANY, A DELAWARE  
CORPORATION, FOR APPROVAL OF THE SAN JUAN  
27-5 UNIT AGREEMENT EMBRACING 23,043.99  
ACRES OF LAND, MORE OR LESS, IN TOWNSHIP  
27 NORTH, RANGE 5 WEST, SAN JUAN COUNTY,  
NEW MEXICO

} Case  
NO. 540

Rio ARRIBA

EL PASO NATURAL GAS COMPANY, a Delaware corporation, would show the Commission as follows:

1. That the Oil Conservation Commission of the State of New Mexico is authorized by an Act of Legislature of the State of New Mexico (Chapter 72, Laws of 1935 as amended) to approve the operation and development of lands lying within the State of New Mexico in accordance with a unit plan of development and operation;

2. That the unit area, approval of which is here sought, comprises the following land situated in San Juan County, New Mexico, to wit:

New Mexico Principal Meridian

Township 27 North, Range 5 West  
Sections 1 through 36, All

containing 23,043.99 acres, more or less;

3. That a preliminary approval of the proposed Unit Agreement, a copy of which is attached hereto and made a part of this application for all purposes, and approval of the unit area and of the drilling program contained therein, has been given by the United States Geological Survey of the United States Department of the Interior;

4. That Applicant is the owner and holder of a substantial portion of the working interest in and under the lands sought to be embraced by the proposed Unit Agreement and is the operator named in the Unit Agreement;

5. That the proposed unit plan will, in principle, tend to promote the conservation of oil and gas and the prevention of waste.

Premises considered, Applicant requests that notice issue in compliance with the rules of the Commission and that this Petition

be set down for hearing and approval at the convenience of the  
Commission.

EL PASO NATURAL GAS COMPANY  
By     *B. S. Howell*      
Its Attorney

Dated: April 20, 1953