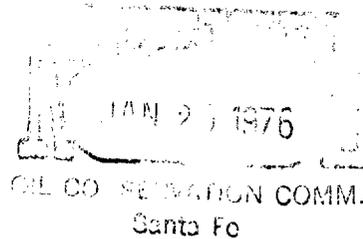


January 26, 1976

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 27-4 Unit #14-08-001-1054
Rio Arriba County, New Mexico
THIRTEENTH EXPANDED PARTICIPATING
AREA, Dakota Formation, Effective
January 1, 1975

Gentlemen:

We are enclosing for your approval six (6) copies of an application for approval of the Thirteenth Expanded Participating Area of the Dakota Formation for the referenced unit.

If this application meets with your approval, please execute all copies, retain one copy for your file and forward the remaining copies to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After this application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,

James R. Permenter
Manager, Land Contracts & Titles
Land Department
Energy Resource Development

JRP:DW:nm
Enclosures
SJ 27-4, 4.3

cc: Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



STATE GEOLOGIST
EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

January 8, 1976

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

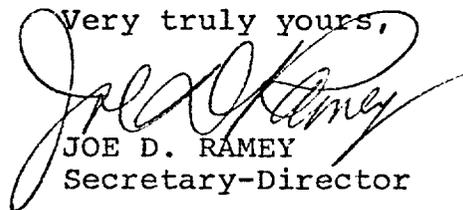
Attention: Mr. D. N. Canfield

Re: 1976 Drilling Program,
San Juan 27-4 Unit,
Rio Arriba County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1976, providing for the drilling of eleven wells for the San Juan 27-4 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

U. S. Geological Survey
Roswell, New Mexico

January 2, 1976

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 27-4 Unit #14-08-001-1054
Rio Arriba County, New Mexico
1976 DRILLING PROGRAM

Gentlemen:

By letter dated October 17, 1974, El Paso Natural Gas Company, as Unit Operator, filed a drilling program for the captioned unit for the year 1975, providing for the drilling of twenty-two (22) Pictured Cliffs wells, one (1) Mesaverde well, sixteen (16) Dakota wells and six (6) dual Pictured Cliffs/Mesaverde wells, during 1975 or prior to the end of 1974. Pictured Cliffs wells Nos. 78, 82 and 93 were drilled within the existing boundaries of the Pictured Cliffs Participating Area and did not cause an expansion of the Pictured Cliffs Participating Area. Well No. 79 caused the 11th Expansion, Well No. 81 caused the 12th Expansion, Wells Nos. 75, 76, 77 and 80 caused the 13th Expansion and Wells Nos. 72, 74 and 126 caused the 14th Expansion of the Pictured Cliffs Participating Area. Pictured Cliffs Wells Nos. 90, 110, 113, 114, 115, 116 and 119 will be included on our 1976 Drilling Program. Mesaverde Wells Nos. 121 and 126 were drilled within the boundaries of the Mesaverde Participating Area and did not cause an expansion of the Mesaverde Participating Area. Dual Pictured Cliffs/Mesaverde Wells Nos. 73, 105, 124 and 125 will be included in our 1976 Drilling Program. Dakota Well No. 94 was drilled outside of the Dakota Participating Area and will cause the 13th Expansion of the Dakota Participating Area. Dakota Well No. 98 was also drilled outside of the Dakota Participating Area, but was determined to be non-commercial and will not cause an expansion of the Dakota Participating Area.

Due to pipe shortages and unavailability of rigs during 1974 and 1975, drilling in the San Juan Basin was delayed. These delays and the increasing shortage of gas necessitated a reevaluation of our proposed drilling programs in the San Juan Basin so that the wells proposed for drilling would obtain the maximum increase in deliverability. In this vein, Pictured Cliffs wells Nos. 104, 106, 107, 108, 109, 111, 112, 117, 118, 120, Pictured Cliffs/Mesaverde well No. 123 and Dakota wells Nos. 95, 96, 97, 99, 100, 101, 102, 127, 128, 129, 130, 131, 132, and 133 were not drilled during 1975 and will not be drilled during 1976.

As of this date, the total number of wells in the San Juan 27-4 Unit is as follows:

Pictured Cliffs	34
Mesaverde	12
Dakota	31
Dakota, Non-commercial	1
Dakota/Gallup (OWWO)	1
Pictured Cliffs/Mesaverde	9
Mesaverde/Dakota	1
Mesaverde/Dakota, plugged back & completed in the Mesaverde only	2
Non-commercial Mesaverde	1
Plugged & Abandoned, Dakota	1
Plugged & Abandoned, Mesaverde/Dakota	1
Plugged & Abandoned, Mesaverde, Recompletion Dakota	1
	<u>95</u>

Pursuant to Section 10 of the San Juan 27-4 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1976 providing for the drilling of the following wells:

<u>Well No.</u>	<u>Formation</u>	<u>Drilling Block or Spacing Unit</u>
73	PC/Mesaverde	E/2 Section 17, T-27-N, R-4-W
90	Pictured Cliffs	E/2 Section 31, T-27-N, R-4-W
105	PC/Mesaverde	E/2 Section 19, T-27-N, R-4-W
110	Pictured Cliffs	W/2 Section 23, T-27-N, R-4-W
113	Pictured Cliffs	W/2 Section 29, T-27-N, R-4-W
114	Pictured Cliffs	E/2 Section 29, T-27-N, R-4-W
115	Pictured Cliffs	W/2 Section 32, T-27-N, R-4-W
116	Pictured Cliffs	E/2 Section 32, T-27-N, R-4-W
119	Pictured Cliffs	W/2 Section 34, T-27-N, R-4-W
124	PC/Mesaverde	W/2 Section 8, T-27-N, R-4-W
125	PC/Mesaverde	E/2 Section 8, T-27-N, R-4-W

Regional Oil & Gas Supervisor
Oil Conservation Commission
Page Three

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of utilized substances and any other wells deemed necessary or desirable by the Unit Operator and 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 El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



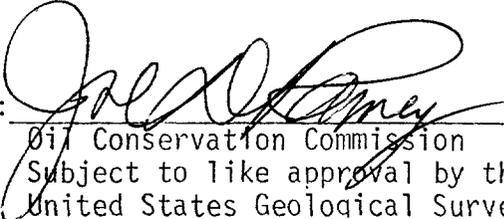
D. N. Canfield
Director of Land
Energy Resource Development

DNC:DW:nm
Attachments
SJ 27-4, 3.0

cc: Commissioner of Public Lands
(Information Only)

APPROVED: _____
Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Oil Conservation Commission

DATE: _____

APPROVED:  _____
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey

DATE: January 8, 1976

The foregoing approvals are for the 1976 Drilling Program for the San Juan 27-4 Unit #14-08-001-1054, Rio Arriba County, New Mexico.

SAN JUAN 27-4 UNIT
Working Interest Owners

Clifton Resources, Inc.

General American Oil Company of Texas

Thomas H. Harrington

PWG Partnership

Mr. M. A. Romero