

L-125-5

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

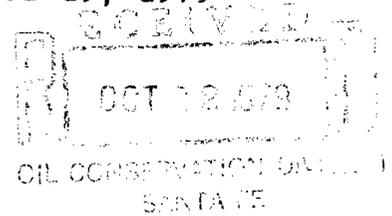
Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

Telephone 982-4285
Area Code 505

October 19, 1979



Mr. Oscar Jordan
State Land Office
P. O. Box 1188
Santa Fe, New Mexico 87501

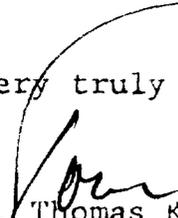
Mr. Ernest Padilla
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Tenneco v. Oil Conser-
vation Division;
Santa Fe County Cause
No. 78-2268

Gentlemen:

Please find enclosed your conformed copy of the Stipulated Dismissal in this case.

Very truly yours,


W. Thomas Kellahin

cc: Mr. Millard Carr
encl.
WTK:mf

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

TENNECO OIL COMPANY, a Delaware Corporation and CONTINENTAL OIL COMPANY, a Delaware Corporation,

Petitioners,

-vs-

No. SF-78-2268
DIV II

OIL CONSERVATION DIVISION OF THE NEW MEXICO ENERGY AND MINERALS DEPARTMENT, PHIL R. LUCERO, COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO.

Respondents.

STIPULATION OF DISMISSAL

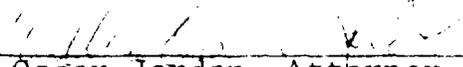
COMES NOW THE Petitioners, by and through their attorneys, Kellahin & Kellahin, and pursuant to Rule 41 (a) of the New Mexico Rules of Civil Procedures dismisses this Cause of Action with the consent of all parties.

KELLAHIN & KELLAHIN

By 
W. Thomas Kellahin

Consent:

Commissioner of Public Lands of the State of New Mexico

by 
Oscar Jordan, Attorney

Oil Conservation Division of the New Mexico Energy and Mineral Dept.

by 
Ernest Padilla

KUTAK ROCK & HUIE

1330 COLORADO NATIONAL BUILDING

DENVER, COLORADO 80202

(303) 534-1330

November 3, 1978

EUGENE A. REIDY
JAMES D. VOORHEES
JOHN R. MORAN, JR.
WILLIAM T. CANIGLIA
JAMES B. DEAN
J. MICHAEL BELANGER
WILLIAM C. GORHAM
JOHN W. COUGHLIN
GREGORY V. JOHNSON
JAMES E. THOMPSON
BLUETTE N. BLINOFF
THOMAS E. KELLEY
JANICE R. TANQUARY

SUCCESSOR TO
MORAN, REIDY & VOORHEES

ATLANTA OFFICE

1200 STANDARD FEDERAL
SAVINGS BUILDING
ATLANTA, GEORGIA 30303
(404) 522-8700

OMAHA OFFICE

THE OMAHA BUILDING
1650 FARNAM STREET
OMAHA, NEBRASKA 68102
(402) 346-6000

WASHINGTON OFFICE

1101 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 785-8010

The Director
U. S. Geological Survey
Reston, Virginia 22092

Dear Sir:

Enclosed please find Statement of Reasons in support of the Notice of Appeal filed by Continental Oil Company and Tenneco Oil Company against the Decision of James W. Sutherland, Oil and Gas Supervisor, Southern Rocky Mountain Area, approving the Third Revision of the Dakota Participating Area in the San Juan 29-7 Unit.

Very truly yours,



James D. Voorhees

JDV:dsn

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

TO THE DIRECTOR OF THE) OIL AND GAS NO. 98
UNITED STATES GEOLOGICAL)
SURVEY) APPEAL FROM THE LETTER DECISION
) OF THE OIL AND GAS SUPERVISOR
RESTON, VIRGINIA 22092) APPROVING THE APPLICATION OF
) EL PASO NATURAL GAS FOR THE THIRD
) REVISION OF THE DAKOTA PARTICIPATING
) AREA FOR THE SAN JUAN 29-7 UNIT

STATEMENT OF REASONS

INTRODUCTION

Continental Oil Company and Tenneco Oil Company (hereinafter "Appellants" or "Continental" or "Tenneco"), as parties adversely affected, have filed a Notice of Appeal from the Letter Decision dated September 1, 1978, of James W. Sutherland, Oil and Gas Supervisor, approving the Application of El Paso Natural Gas for the Third Revision of the Dakota Participating Area for the San Juan 29-7 Unit, herein the Decision (Exhibit "A"). In the Notice of Appeal, Appellants requested an extension of time within which to submit their Statement of Reasons. By letter dated October 2, 1978, the Acting Director of the Geological Survey granted the extension of time to submit the Statement of Reasons up to and including November 6, 1978. Pursuant to the extension, Appellants hereby submit this Statement of Reasons in support of their position that the Decision is incorrect and should be reversed.

STATEMENT OF FACTS

1. By Unit Agreement dated as of December 7, 1953, (Exhibit "B") Township 29 North, Range 7 West, Rio Arriba County, New Mexico, was unitized for the development of oil and gas as to all depths. El Paso Natural Gas Company (El Paso) is the Unit Operator. Section 11(b) of the Unit

Agreement prescribes the method for determining the unitized lands entitled to participate in unitized production from formations below the Mesaverde formation, as follows (the Dakota formation lies below the Mesaverde formation):

"(b) From Formations below the Mesaverde:

Upon completion of a well capable of producing unitized substances from formations lying below the base of the Mesaverde in paying quantities, or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission, a schedule based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production on or after the effective date of this Unit Agreement. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective.

A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so combined upon approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this Subsection (b) that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well, for the purposes of settlement among all parties other than working interest owners, shall be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the Unit Operating Agreement."

2. The initial 29-7 Unit Dakota participating area, was approved effective January 1, 1967, consisting of the following lands:

Township 29 North, Range 7 West

Section 6: W/2
Section 7: NW/4;

the First Revision of the Dakota participating area was approved effective January 1, 1968, and added the following lands:

Township 29 North, Range 7 West

Section 6: E/2
Section 7: E/2;

and the Second Revision of the Dakota participating area was approved effective August 1, 1973, and added the following lands:

Township 29 North, Range 7 West

Section 36: All

3. Thereafter, Continental and Tenneco paid for the drilling and the completion for production of the San Juan 29-7 Unit No. 109 Well in the NE/4 of Section 30, the No. 110 Well in the NE/4 of Section 31 and the No. 112 Well in the SW/4 of Section 29, Township 29 North, Range 7 West. Based upon these wells, by its letter dated November 4, 1977, (Exhibit "C") El Paso, as unit operator, proposed to Appellants that approval of a Third Revision of the Dakota participating area be requested to add the following lands (herein Conoco-Tenneco lands):

Township 29 North, Range 7 West

Section 29: W/2
Section 30: All
Section 31: All
Section 32: W/2

4. Continental and Tenneco protested to El Paso the proposed Third Revision, asserting that the Conoco-Tenneco lands should be established as a separate Dakota participating area (Exhibits "D" and "E"). El Paso disregarded the Continental and Tenneco protests and applied to the U. S. Geological Survey and to applicable State agencies for approval of its proposed Third Enlargement (Exhibit "F"). Continental and Tenneco protested the El Paso application (Exhibit "G" and "H").

5. Responsive to the Tenneco and Continental protests, an informal meeting was held August 3, 1978, in the Albuquerque, New Mexico, office of the U. S. Geological Survey, before the Area Oil and Gas Supervisor, James W. Sutherland. All interested parties were present. A summary of the meeting is attached to the Decision (Exhibit "A").

6. Continental and Tenneco hold no working interest in the lands within the initial Dakota participating area nor in the lands in the First and Second Revision and accordingly did not participate in production from the San Juan 29-7 Unit allocated to any such lands. Continental and Tenneco own substantially all of the working interest in the Conoco-Tenneco lands and accordingly the extent of Continental and Tenneco's participation in unit production will depend upon the method adopted for allocating production from the Conoco-Tenneco lands. There is a substantial economic detriment to Continental and Tenneco if the Conoco-Tenneco lands are added to the existing Dakota participating area and a comparable benefit if a separate Dakota participating area is established, as follows:

(Figures are approximate and relate to share of production of gas only)

	<u>Separate Dakota "A" Participating Area</u>	<u>Third Enlargement</u>
Conoco-Tenneco combined participation:	64.28781	33.8083417
El Paso participation:	10.144693	21.3942144

(It is true that under a Third Revision Continental and Tenneco would share in production from more wells; however, the wells drilled prior to Unit Wells Nos. 109, 110 and 112 have been substantially depleted and the effect of the approval of a Third Revision, instead of a separate Dakota "A" participating area, is to permit El Paso, which has already enjoyed flush production from previous wells to enjoy a disproportionate share of production from the Conoco-Tenneco lands. (It should be noted that the interests of the United States are identical under either alternative).

ARGUMENT

The Decision of September 1, 1978, Adding The Conoco-Tenneco Lands To The Existing Dakota Participating Area, Distorts The Clear Intent Of The San Juan 29-7 Unit Agreement With Respect To The Establishment Of Participating Areas For Production From Below The Mesaverde Formation.

1. The plain language of Section 11(b) of the Unit Agreement is unambiguous. Participating areas are established upon completion of a well and consist of the lands proved productive by that well. Separate participating areas are established for separate pools or deposits and may be combined only with the approval of all working interest owners in the participating areas being combined.

2. It is undisputed that the wells drilled on the Conoco-Tenneco land (Unit Wells Nos. 109, 110 and 112) are remote from wells on the existing participating area. To justify a revision of the existing participating area to include the Conoco-Tenneco lands requires a finding that the Conoco-Tenneco lands overlies the same pool as the lands within the existing participating area. No such finding has yet been made and no such finding can be implied in the face of differing geologic submittals and the absence of testimony as to evidence of interconnection between the Dakota zones producing from Wells Nos. 109, 110 and 112 and wells in the existing participating area.

3. A pool has been defined as:

"An underground accumulation of petroleum in a single and separate natural reservoir characterized by a single pressure system so that production of petroleum from one part of the pool affects the reservoir pressure throughout its extent. A pool is so bound by geological barriers that it is effectively separated from other pools that may be present." - Williams and Meyers: Oil and Gas Law, p. 437, definitions.

Approval of the proposed Third Revision of the Dakota participating area to include the Conoco-Tenneco lands requires, as a necessary preliminary thereto, under the plain language

of Section 11(b) of the Unit Agreement, an express finding that the Conoco-Tenneco lands and lands in the existing participating area overlie a common pool and that the resulting participating area represents all of the lands overlying such common pool which are deemed productive. No such finding was made and a glance at a plat showing the location of the lands which would form the Dakota participating area if the Decision is not reversed indicates the impossibility of such a finding.

The participating area consists of three tracts of land each remote from the other, located in three of the four corners of Township 29 North, Range 7 West.

To say that the Conoco-Tenneco lands overlie the same Dakota pool or deposit as the lands in Section 36 or the lands in the northwest corner of the township which were included in the initial and first revision of the Dakota participating area, without as well finding that all of the lands between the Conoco-Tenneco lands and the lands within the existing participating area are also to be included within it, is to ignore the plain meaning of the word "pool".

Until drilling and/or production history demonstrates an interconnection between the Dakota zones underlying the Conoco-Tenneco lands and the Dakota zones underlying Section 36 and the lands in the initial participating area in the northwest corner of Township 29 North, Range 7 West, what does exist is three separate pools or deposits of gas, each of which should be a separate participating area. (The fact that the Second Revision of the Dakota participating area added Section 36 which itself is remote from lands in the initial participating area and the First Revision thereof is irrelevant. Such revision could have been attacked upon the grounds which Continental and Tenneco are asserting here, but because El Paso was the primary interested party and its

interests were not affected, no question was raised).

4. If in the future it is demonstrated by further drilling and /or production history that the Conoco-Tenneco lands do overlie a portion of the same Dakota deposit being drained by wells in Section 36 and wells in the northwest corner of the township, at that point it would be appropriate to consider combining the separate participating areas, assuming that the consent of all working interest owners can be obtained. Until evidence of interconnection is available, however, it is improper and not within the contemplation of Section 11(b) to establish widely separated expansions of participating areas, separated by lands which are unproven.

5. Section 11(a) of the Unit Agreement specifically addresses the problem of participating area expansion with respect to formations above the base of the Mesaverde formation and in terms prohibits the expansion of an existing participating area, where an intervening drilling and spacing unit of 320 acres would not be included within the expanded or revised participating area. This is a square indication of the intent of the parties to the Unit Agreement to limit expansion of existing participating areas to contiguous lands. The reason why the same specific acreage provisions were not used in prescribing methods for revisions of participating areas in formations below the base of the Mesaverde in Section 11(a), is apparent from the history of the township type unit of which the 29-7 unit is an example. These units were formed at a time when the principal objective formations were above the base of the Mesaverde formation and the drilling and spacing units for wells to such formations were well established. Accordingly, the treatment of participating area enlargements could be specific with respect to such upper formations. There is nothing to imply that expansion of existing participating areas in subsequently

established and developed deeper formations should not also be limited to contiguous lands.

6. There is specific authority supporting the position of Conoco and Tenneco. The San Juan 29-6 Unit in Rio Arriba County, New Mexico, is identical to the San Juan 29-7 Unit involved in this appeal. In 1976 Northwest Pipeline Corporation, as unit operator of the 29-6 Unit, proposed a separate participating area "A" for unitized lands outside the existing participating area (Exhibit " I "). El Paso, as a working interest owner, countered with a proposal that the existing participating area be expanded. (Exhibit " J "). The two proposals were presented to an informal meeting of the U. S. Geological Survey and appropriate state officials (the minutes of this meeting are attached as Exhibit " K ") and by Letter Decision dated June 11, 1976, (Exhibit " L ") the U.S. Geological Survey approved the establishment of a separate participating area, on the ground that the lands included within that separate participating area were the lands proved productive by the well upon which the request for enlargement or a separate participating area was based and that a common pool or deposit had not been demonstrated. It is submitted that the U. S. Geological Survey should adopt consistent positions.

WHEREFORE, Continental and Tenneco request that:

The Decision of September 1, 1978, approving the Third Revision to the Dakota participating area in the San Juan 29-7 Unit be reversed and the Area Supervisor be directed either: (a) to approve, contingent upon required State approvals, the establishment of a separate Dakota "A" participating area consisting of the lands herein described as the Conoco-Tenneco lands; or (b) to hold a hearing, receive evidence and testimony reduced to a record, and make specific findings, based upon the evidence submitted, including

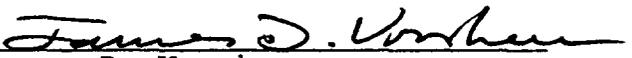
specific findings with respect to any conflicting evidence submitted, and thereafter approve the requested Third Revision only if such findings are that the lands within the Dakota participating area resulting from the Third Revision do, in fact, overlie an interconnected pool or deposit of Dakota formation gas with a common pressure system.

Continental and Tenneco request oral argument and the opportunity to present evidence in support of this appeal.

Respectfully submitted,

CONTINENTAL OIL COMPANY AND
TENNECO OIL COMPANY

By KUTAK, ROCK & HUIE, their
attorneys

By 
James D. Voorhees

By 
John W. Coughlin

1330 Colorado National Bldg.
950 17th Street
Denver, Colorado 80202

Address of Appellants:

Continental Oil Company
Anaconda Tower Building
555 17th Street
Denver, Colorado 80202

Tenneco Oil Company
The Galleria-Penthouse
720 S. Colorado Boulevard
Denver, Colorado 80222

SERVICE OF PROCESS

Service of the foregoing Statement of Reasons was had upon the following by mailing a true copy thereof, including all exhibits thereto, on November 3, 1978:

The Director,
United States Geological Survey
U. S. Department of the Interior
Reston, Virginia 22092

James W. Sutherland
Oil and Gas Supervisor, SRMA
U. S. Department of the Interior
Geological Survey
P. O. Box 26124
Albuquerque, New Mexico 87125

American Petrofina Company of Texas
P. O. Box 2159
Dallas, Texas 75221

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Mr. Jerome P. McHugh
600 S. Cherry Street, Suite 1225
Denver, Colorado 80222

Mr. Vincent F. Shryack
934 South High Street
Denver, Colorado 80209

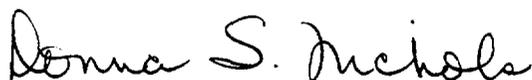
Supron Energy Corporation
Suite 1700, Campbell Center
8350 N. Central Expressway
Dallas, Texas 75206

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

Oil Conservation Division
Attention: Mr. Joe D. Ramey
P. O. Box 2088
Santa Fe, New Mexico 87501

Continental Oil Company
Anaconda Tower Bldg.
555 17th Street
Denver, Colorado 80202

Tenneco Oil Company
The Galleria-Penthouse
720 S. Colorado Blvd.
Denver, Colorado 80222


Donna S. Nichols



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

SEP 5 '78

SEP 01 1978

El Paso Natural Gas Company
Attention: Mr. D. A. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.94 acres described as the $W\frac{1}{2}$ sec. 29, all secs. 30, 31 and $W\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,280.75 acres. This revision is based on the information contributed by the three wells in the following tabulation.

Well No.	Location (T. 29 N., R. 7 W.)	Completion		Production	
		Date	Interval, Ft.	Days	MCF
109	NE $\frac{1}{4}$ sec. 30	9-26-77	7,390-7,600	158	80,221
110	NE $\frac{1}{4}$ sec. 31	9-26-77	7,595-7,306	159	70,896
112	SE $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Exhibit "A"

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company ← This Copy for
Attention: Mr. Millard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

MINUTES FOR
SAN JUAN 29-7 UNIT MEETING

Cause for Meeting

El Paso Natural Gas Company, unit operator of the San Juan 29-7 unit, filed an application dated March 14, 1978, requesting approval of the third revision of the Dakota participating area. Continental Oil Company and Tenneco Oil Company, unit working interest owners, objected to this application and counter proposed that the lands included in El Paso's application for the third revision should constitute an initial Dakota 'A' participating area.

The meeting was called to order on August 3, 1978 in the Albuquerque office of the U. S. Geological Survey at 1:15 p.m. by Wallace Sutherland, Area Oil and Gas Supervisor. Those in attendance are shown in the attached list.

Jim Permenter stated that the application for the third revision filed by El Paso Natural Gas Company conformed with long standing established policy where non-contiguous Dakota participating areas are not known to be geologically separated by well control data. Chuck Crowley presented El Paso's geological interpretations in support of their application. This included (1) an isopachous map showing the Dakota reservoir sands of the unit and adjacent area indicating reservoir continuity between the existing participating areas and the lands in the proposed third revision, (2) a cross-section of the Dakota producing interval from the existing participating areas through the wells in the proposed third revision and (3) a plat of the Dakota reservoir in the San Juan Basin showing the Dakota wells and the various unit outlines. Also, made available were copies of various unit maps in the San Juan Basin which had similar non-contiguous Dakota participating areas.

Millard Carr discussed Tenneco's interpretation of that portion of Section 11 which deals with the establishment of separate participating areas. Particular reference was made as to legal interpretation under intent of the agreement of the phrase "separate pool or deposit." Tenneco's geological interpretations were presented by R. H. Castle. These included (1) an isopachous map of the Dakota 'A' net sand covering the existing Dakota participating areas and the lands proposed for the initial or third revision and adjacent lands and (2) a map of the San Juan 29-7 unit and adjacent areas showing 1976 7-day shut-in well pressures for adjacent wells compared to the initial shut-in pressures for the three wells involved in this controversy.

L. P. Thompson stated that Continental Oil Company concurred with Tenneco's exhibits and position.

At this point, Chuck Crowley discussed the initial shut-in pressures for wells in the existing Dakota participating area with adjacent wells and the three wells in the proposed expansion. All initial shut-in pressures were comparable. A map showing these pressures was presented for reference.

Wallace Sutherland advised that a decision would be forthcoming following consideration of all information and data. The meeting was adjourned at approximately 3:30 p.m.

Oil and Gas Supervisor, SRMA

SAN JUAN 29-7 UNIT
THIRD DAKOTA PARTICIPATION AREA REVISION
AUGUST 3, 1978

<u>NAME</u>	<u>COMPANY</u>	<u>LOCATION</u>
Wallace Sutherland	USGS	Albuquerque, NM
Jim Gillham	USGS	Roswell, NM
Carl Traywick	USGS	Roswell, NM
Jack Willock	USGS	Albuquerque, NM
Millard F. Carr	Tenneco	Denver, CO
R. H. Castle	Tenneco	Denver, CO
Hugh Ingram	Conoco	Hobbs, NM
Paul Thompson	Conoco	Hobbs, NM
Ronald McWilliams	Conoco	Hobbs, NM
Dayne E. Adams	El Paso Natural Gas	El Paso, TX
Chuck Crowley	El Paso Natural Gas	El Paso, TX
Jim Permenter	El Paso Natural Gas	El Paso, TX
W. E. Williams	Shenandoah Oil Corp.	Ft. Worth, TX
Lynn Teschendorf	NMOCD	Santa Fe, NM
Joe Ramey	NMOCD	Santa Fe, NM
Ray Graham	State Land Office	Santa Fe, NM

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE SAN JUAN 29-7 UNIT AREA
COUNTY OF RIO ARriba,
STATE OF NEW MEXICO

14-08-001-1650

RECEIVED

AUG 5 1954

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

This agreement entered into as of the 7th day of December,
1953, by and between the parties subscribing, ratifying, or consenting hereto,
and herein referred to as the "parties hereto",

WITNESSETH: Whereas the parties hereto are the owners of working, royalty,
or other oil and gas interests in the unit area subject to this agreement; and

Whereas the Act of February 25, 1920, 41 Stat. 437, as amended by the
Act of August 8, 1946, 60 Stat. 950, 30 U. S. C. Secs. 181 et seq., authorizes
Federal lessees and their representatives to unite with each other, or jointly
or separately with others, in collectively adopting and operating a cooperative
or unit plan of development or operation of any oil or gas pool, field, or like
area, or any part thereof, for the purpose of more properly conserving the
natural resources thereof whenever determined and certified by the Secretary of
the Interior to be necessary or advisable in the public interest; and

Whereas the Commissioner of Public Lands of the State of New Mexico is
authorized by an act of the Legislature (Chapter 88, Laws 1943, New Mexico Statutes
1941 Annotated, Sections 8-1138 to 8-1141) to consent to and approve the develop-
ment or operation of lands of the State of New Mexico under this agreement; and

Whereas the Oil Conservation Commission of the State of New Mexico is
authorized by an act of the Legislature (Chapter 72, Laws 1935, New Mexico Statutes
1941 Annotated, Sections 69-201 et seq.) to approve this agreement and the con-
servation provisions hereof; and

Whereas the parties hereto hold sufficient interests in the San Juan
29-7 Unit Area covering the land hereinafter described to give reasonably effective
control of operations therein; and

Whereas it is the purpose of the parties hereto to conserve natural re-
sources, prevent waste, and secure other benefits obtainable through development
and operation of the area subject to this agreement under the terms, conditions,
and limitations herein set forth;

Now, therefore, in consideration of the premises and the promises herein
contained, the parties hereto commit to this agreement their respective interests
in the below-defined unit area, and agree severally among themselves, as follows:

EXHIBIT "B"
RECORDED 11-7-54
Vol 27 Page 417 B

1. Enabling act and regulations.

The act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of New Mexico are hereby accepted and made a part of this agreement.

2. Unit Area

The following-described land is hereby designated and recognized as constituting the unit area:

New Mexico Principal Meridian

Township 29 North, Range 7 West
Sections 1 through 36, All

Containing 22,500.14 acres, more or less

Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit B attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner", and not less than six copies of the revised exhibits shall be filed with the Supervisor and copies thereof shall be filed with the Commissioner and the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission".

The above-described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable

for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner;

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner and/or the Commission, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Supervisor and Commissioner and/or the Commission, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, Commissioner and the Commission evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director, Commissioner and the Commission, become effective as of the date described in the notice thereof.

(e) Notwithstanding any other provisions of this agreement, any lease, no portion of which is included within a participating area within 5 years after the first sale of unitized substances from any lands subject to this agreement, shall be automatically eliminated from this agreement and said lease, and the lands covered thereby shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless at the expiration of said 5 year period drilling operations are in progress on such lease, in which event the lands covered by such lease shall remain subject hereto and within said unit area for so long as such drilling operations are continued diligently and, so long thereafter as such lands or any portion thereof may be included in a participating area hereunder. Inasmuch as any elimination under this section is automatic, the Unit Operator shall, within 90 days after any such elimination hereunder, describe the area so eliminated, and promptly notify all parties in interest.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

3. Unitized substances.

All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. Unit Operator.

El Paso Natural Gas Company, a Delaware corporation with offices at El Paso, Texas, is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. Resignation or removal of unit operator.

Unit Operator shall have the right to resign at anytime prior to the establishment of a participating area or areas hereunder, such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners and the Director, Commissioner and the Commission, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor as to Federal lands and by the Commission as to other lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but provided, however, until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation becomes effective appoint a common

agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Director and Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

6. Successor unit operator.

Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator; Provided, that, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit

agreement terminated.

7. Accounting provisions and unit operating agreement.

Costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements, entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the supervisor.

8. Rights and obligations of Unit Operator.

Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. Discovery Well.

Inasmuch as several wells capable of producing unitized substances

in paying quantities from the Mesaverde formation have already been drilled, tested, and completed on committed lands and several other wells within the unit area are in various stages of drilling, no initial test well for discovery shall be required under the terms of this unit agreement.

10. Plan for Further Development and Operation.

Within 30 days after the effective date hereof, the unit operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission an acceptable plan of development and operation for the unitized lands which, when approved by the Supervisor, the Commissioner, and Commission, shall constitute the further drilling and operating obligations of the unit operator under this agreement for the period specified therein. Within 60 days after the effective date hereof, Unit Operator shall commence drilling one well in the SW/4 of Section 13 at a location approved by the Supervisor. Within 30 days after completion or plugging and abandonment of said well in Section 13, Unit Operator shall commence drilling a second well to be located in the NE/4 of Section 35 at a location approved by the Supervisor. Unit Operator shall continue drilling diligently on each of the above wells so commenced until such wells have reached the Mesaverde formation or until, at a lesser depth, unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) or the unit operator shall at any time establish to the satisfaction of the Supervisor if on Federal lands, the Commissioner if on State land, or the Commission if on patented land that further drilling of such wells or any of them would be unwarranted or impracticable. Unit operator shall not in any event be required to drill any well in the initial plan of development to a depth in excess of development to a depth in excess of 6100 feet. Thereafter, from time to time before the expiration of any existing plan, the unit operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner, and the Commission may determine to be necessary for timely development and proper conservation

of the oil and gas resources of the unitized area and shall (a) specify the number and location of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner, and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. No wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor, the Commissioner, and Commission shall be drilled except in accordance with a plan of development approved as herein provided.

(11. Participation after discovery.

(a) Mesaverde and Shallower Formations:

That portion of the unit area lying above the base of the Mesaverde formation is hereby divided into Drilling Blocks containing 320 acres each, more or less, which Drilling Blocks shall constitute one-half sections, by government survey, the sections being divided by a line running north and south in such manner that each Drilling Block shall be either the East Half (E/2) or the West Half (W/2) of each given section; provided, however, that in any instances of irregular surveys that portion of a section which most nearly constitutes either the East Half (E/2) or the West Half (W/2) shall constitute a Drilling Block even though its acreage may be irregular, and provided further that any irregular strips or small tracts shall attach to the adjacent Drilling Block to which they most logically attach within the limitations for Drilling Blocks as herein set forth, and provided further that in the event any portion of the area subject to this agreement is not surveyed, Unit Operator shall project the survey from the nearest established government survey points for the purposes of this agreement.

Upon completion of a well capable of producing unitized substances from the Mesaverde or shallower formation or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall determine whether said well is capable of producing unitized substances in paying quantities and shall advise the Supervisor, the Commissioner, the Commission and the working interest owners of its conclusion in that regard, giving the data upon which its conclusion is based and identifying the Drilling Block upon which said well is located. Protests against

said conclusion may be filed with the Director, the Commissioner and the Commission within 15 days thereafter, but unless the Director, the Commissioner or the Commission shall, within 30 days after the filing of the original statement of conclusion by Unit Operator, disapprove of such conclusion, the decision of the Unit Operator shall thereafter be binding upon the parties hereto. If any such well is determined to be capable of producing unitized substances in paying quantities, all of the land in the Drilling Block shall constitute the participating area for the formation from which the well is producing, effective as of the date of first production on or after the effective date of this unit agreement. Unit Operator shall prepare a schedule setting forth the percentage of unitized substances to be allocated, as herein provided, to each unitized tract in the participating area so established, and upon approval thereof by the Director, the Commissioner and the Commission, said schedule shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof producing as a single pool or zone, and all of the provisions of this section of this agreement shall be considered as applicable separately for each such participating area. It is hereby agreed for the purposes of this agreement that all wells completed for production in the Fruitland formation shall be regarded as producing from a single zone or pool and all wells completed for production in the Pictured Cliffs formation shall be regarded as producing from a single zone or pool, and all wells completed for production in the Mesaverde group shall be regarded as producing from a single zone or pool. Additional Drilling Blocks, subject to any limitations elsewhere set out in this agreement, shall be admitted to the participating area on the first day of the month following the month in which it has been established that a well capable of production of unitized substances in paying quantities has been drilled on any such Drilling Block, and the percentage of allocation shall be revised accordingly, in which event all of the production prior to the effective date of admission of such drilling block to the participating area shall be credited solely to the account of that particular block. For the purposes hereof, it shall be deemed that the capability of a well to produce unitized substances in paying quantities has been established when so determined by the Unit Operator and when notice of such determination shall have been delivered to the Supervisor, the Commissioner, the Commission and the working interest owners, which

notice includes the data upon which the determination is based and identifies the Drilling Block upon which the well is located, subject to the right of any interested party to protest in writing against said determination to the Unit Operator, the Director, the Commissioner and the Commission within 15 days thereafter, however, in any event, such determination shall become effective within 30 days from the date thereof unless disapproved within said 30-day period by the Director, Commissioner, or Commission. In the event such determination is not upheld and changed conditions subsequently warrant, a new determination based on new showings and a new effective date may be submitted and processed in the same manner as aforesaid. No land shall be excluded from a participating area on account of depletion of the unitized substances.

In the event that any drilling block is admitted to a participating area as hereinabove provided when it lies directly north, south, east or west of any Drilling Block already included in said participating area, and where there is one, but only one intervening Drilling Block on which no well has then been drilled, said intervening Drilling Block shall also be admitted to said participating area at the same time, in the same manner and subject to the same conditions as the Drilling Block which is then admitted to such participating area by reason of the completion of a well thereon capable of producing unitized substances in paying quantities. In such event, the drilling of a well on such undrilled intervening Drilling Block shall be commenced within one year from the effective date of said Drilling Block's inclusion in the participating area, unless said time be extended by the Director, Commissioner, and Commission, and shall be continued with due diligence to a depth necessary to test the horizon from which production is secured in said participating area.

If the initial well on any Drilling Block is not capable of production in paying quantities and at a later date a well is drilled on such Drilling Block which is capable of production of unitized substances in paying quantities, then that portion of the Drilling Block considered to be capable of production in paying quantities by reasonable geologic inference shall be admitted to the participating area upon recommendation of the Unit Operator and approval of the Director, the Commissioner and the Commission. If geological inference is not applicable, the forty-acre tract by government survey, existing or projected, on which the producible well is drilled and all other untested forty-acre tracts or lots approximating 40 acres lying within the Drilling Block shall be admitted to the participating area.

Regardless of any revision of the participating area, and except as herein elsewhere specifically provided, there shall be no retroactive adjustment for production obtained prior to the effective date of any such revision of the participating area.

Whenever it is determined, in the manner provided in this agreement, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the Drilling Block on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among royalty interest owners, be allocated to the Drilling Block on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

(b) From Formations below the Mesaverde:

Upon completion of a well capable of producing unitized substances from formations lying below the base of the Mesaverde in paying quantities, or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission, a schedule based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production on or after the effective date of this unit agreement. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective.

A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined upon approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears

proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this Subsection (b) that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State Royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well, for the purposes of settlement among all parties other than working interest owners, shall be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the Unit Operating Agreement.

12. Allocation of production.

All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor and Commissioner, or unavoidably lost, shall be deemed to be produced equally on the acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area, except that allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, shall be on the basis prescribed in the unit operating agreement whether in conformity with the basis of allocation herein set forth or otherwise. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. Development or operation of non-participating land of formations and drilling of wells not mutually agreed upon.

Any party or parties hereto owning or controlling the working interests or a majority of the working interests in any unitized land having thereon a regular well location may, with the approval of the Supervisor as to Federal land, the Commissioner as to State land and the Commission as to privately owned land, and subject to the provisions of the Unit Operating Agreement, at such party's sole risk, cost and expense drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has

been established if such location is not within said participating area, or drill any well not mutually agreed to by all interested parties, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement, and the party or parties paying the cost of drilling such well shall be reimbursed as provided in the unit operating agreement for the cost of drilling such well, and the well shall thereafter be operated by Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the inclusion in a participating area of the land upon which such well is situated, such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. Royalty Settlement.

The United States and the State of New Mexico and all royalty owners who, under existing contracts, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws, and regulations, on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced

into any participating area of the lands being operated hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor and Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with due allowance for loss or depletion from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the plan of operations or as may otherwise be consented to by the Supervisor as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Royalty due on account of State and privately owned lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. Rental Settlement.

Rental or minimum royalties due on leases committed hereto shall be paid by working interest owners responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced or suspended upon the order of the Commissioner pursuant to applicable laws and regulations.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations were within the time therein specified commenced upon the land covered thereby or rentals paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby or some portion of such land is included within a participating area.

16. Conservation.

Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

17. Drainage.

The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, including wells on adjacent unit areas, or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Federal lands or as approved by the Commissioner for State lands.

18. Leases and contracts conformed and extended.

The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary as to Federal leases and the Commissioner as to State leases shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development

and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary (or his duly authorized representative) and the Commissioner or with the approval of the Commission shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States, committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as such land remains committed hereto, provided unitized substances are discovered in paying quantities within the unit area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such is herein extended.

(g) Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lease provides for a lump sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

19. Covenants run with land.

The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance, of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. Effective date and term.

This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall remain in effect so long as unitized substances can be produced in paying quantities, i.e., in this particular instance in quantities sufficient to pay for the costs of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as unitized substances so discovered can be produced as aforesaid, or it is terminated as heretofore provided in this agreement.

This agreement may be terminated at any time by not less than 75 per centum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and Commissioner; notice of any such approval to be given by the Unit Operator to all parties hereto.

21. Rate of prospecting, development, and production.

All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Commission to

alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. Conflict of supervision.

Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

23. Appearances.

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior and the Commission and to appeal from orders issued under the regulations of said Department and/or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

24. Notices.

All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

25. No waiver of certain rights.

Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

26. Unavoidable delay.

All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator despite the exercise of due care and diligence is prevented from complying with obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

27. Fair employment.

The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin, and an identical provision shall be incorporated in all subcontracts.

28. Loss of title.

In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of

future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that as to Federal land and State land or leases, no payments of funds due the United States or the State of New Mexico should be withheld, but such funds of the United States shall be deposited as directed by the Supervisor, and such funds of the State shall be deposited as directed by the Commissioner, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

29. Non-Joiner and subsequent joiner.

If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director, the Commissioner and the Unit Operator prior to the approval of this agreement by the Director. Any such tract not so withdrawn shall be considered as unitized, and any necessary adjustments of royalty occasioned by failure of the royalty and record owner to join will be for the account of the corresponding working interest owner. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joiner, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joiner, as may be provided for in the unit operating agreement. After final approval hereof, joiner by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Prior to final approval hereof, joiner by any owner of a non-working interest must be accompanied by appropriate joiner by the owner of the corresponding working interest in order for

ively committed hereto. Except as may otherwise
ers to this agreement shall be effective as of the
e filing with the Supervisor and Commissioner of duly
papers necessary to establish effective commitment of
objection to such joinder is duly made within 60 days

e executed in any number of counterparts, no one of
l parties or may be ratified or consented to by
specifically referring hereto and shall be binding
e executed such a counterpart, ratification, or consent
effect as if all such parties had signed the same
ether or not it is executed by all other parties owning
e lands within the above-described unit area.

agreement shall prohibit the exercise by any working interest
nder vested in such party in any lease, sub-lease, or
all or any part of the lands covered thereby, provided that
ht acquire such working interest by such surrender or by
et forth, is bound by the terms of this agreement.

t of any such surrender, the working interest rights as to
in any party other than the fee owner of the unitized substances,
such rights and no further benefits from operations hereunder
ue to such party, unless within ninety (90) days thereafter
this agreement and the unit operating agreement as to the
through such surrender, effective as though such land had
ect to this agreement and the unit operating agreement. And
ts are not so executed, the party next in the chain of title
ner of such working interest at the end of such ninety (90)
force and effect as though such working interest had been

It of any such surrender or forfeiture the working interest
come vested in the fee owner of the unitized substances, such

(1) Execute this agreement and the unit operating agreement as a working interest owner, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(2) Again lease such lands but only under the condition that the holder of such lease shall within thirty (30) days after such lands are so leased execute this agreement and the unit operating agreement as to each participating area theretofore established hereunder, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(3) Operate or provide for the operation of such land independently of this agreement as to any part thereof or any oil or gas deposits therein not then included within a participating area.

If the fee owner of the unitized substances does not execute this agreement and the unit operating agreement as a working interest owner or again lease such lands as above provided with respect to each existing participating area, within six (6) months after any such surrender or forfeiture, such fee owner shall be deemed to have waived the right to execute the unit operating agreement or lease such lands as to each such participating area, and to have agreed, in consideration for the compensation hereinafter provided, that operations hereunder as to any such participating area or areas shall not be affected by such surrender.

For any period the working interest in any lands are not expressly committed to the unit operating agreement as the result of any such surrender or forfeiture, the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interests in accordance with their respective participating working interest ownerships in any such participating area or areas, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized, as to such participating area or areas.

Upon commitment of a working interest to this agreement and the unit operating agreement as provided in this section, an appropriate accounting and settlement shall be made, to reflect the retroactive effect of the commitment, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered working interest during the period between the date of surrender and the date of recommitment, and payment of any moneys found to be owing by such an accounting

shall be made as between the parties then signatory to the unit operating agreement and this agreement within thirty (30) days after the recommitment. The right to become a party to this agreement and the unit operating agreement as a working interest owner by reason of a surrender or forfeiture as provided in this section shall not be defeated by the non-existence of a unit operating agreement and in the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor and Commissioner may prescribe such reasonable and equitable agreement as they deem warranted under the circumstances.

Nothing in this section shall be deemed to limit the right of joinder or subsequent joinder to this agreement as provided elsewhere in this agreement. The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

UNIT OPERATOR AND WORKING INTERST OWNER

Date: 12-7-53

EL PASO NATURAL GAS COMPANY

By: [Signature]
Vice President

Attest:

[Signature]
Assistant Secretary

Address: P.O. Box 1492, El Paso, Texas

WORKING INTEREST OWNERS

ATTEST:

[Signature]
Assistant Secretary R. E. ARNOLD
Bartlesville, Oklahoma MAR 10 1954

PHILLIPS PETROLEUM COMPANY

By: [Signature]
H. E. KOOPMAN Vice President

SKELLY OIL COMPANY

By: [Signature]
Vice President

ATTEST:

[Signature]
Assistant Secretary
Tulsa, Oklahoma MAR 9 1954

STANOLIND OIL AND GAS COMPANY

By: [Signature]
Vice President

ATTEST:

[Signature]
Assistant Secretary
Stanolind Building MAY 6 1954
Tulsa, Oklahoma

228
90W

NOV - 6 1977
CONCESSION CO
Santa Fe

November 4, 1977

TO ALL WORKING INTEREST OWNERS
OF THE DAKOTA PARTICIPATING AREA

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
APPLICATION FOR THE THIRD EXPANSION
OF THE PARTICIPATING AREA FOR THE
DAKOTA FORMATION, Effective:
September 1, 1977

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the San Juan 29-7 Unit, has determined that the following wells are capable of producing unitized substances in paying quantities from the Dakota Formation:

<u>Well Name</u>	<u>Location</u>	<u>Test Date</u>	<u>Initial Potential</u>
San Juan 29-7 Unit #109	NE/4 Sec. 30, T-29-N, R-7-W	9/26/77	1445 MCF/D
San Juan 29-7 Unit #110	NE/4 Sec. 31, T-29-N, R-7-W	9/26/77	1481 MCF/D
San Juan 29-7 Unit #112	SW/4 Sec. 29, T-29-N, R-7-W	9/29/77	215 MCF/D

Based on the results of the above referenced tests and related geological data, El Paso Natural Gas Company, as Unit Operator, recommends that application be made to the regulatory bodies for approval of the third expansion of the Dakota Participating Area, as follows:

Third Expansion Effective September 1, 1977, covering:

Township 29 North, Range 7 West, N.M.P.M.

Section 29: W/2 Section 30: All
Section 31: All Section 32: W/2
Containing 1,778.04 acres.

If you, as a working interest owner, agree with the acreage to be included within the third expansion of the Dakota Participating Area as set out

EXHIBIT: "C"

herein, please indicate such approval by returning one signed copy of this letter to the undersigned.

Very truly yours,



R. H. Nordhausen
Senior Landman
Land Department
Energy Resource Development

RHN:sas
SJ 29-7 Unit, 4.3
NM-6828

ACCEPTED AND APPROVED
this _____ day of
_____, 1977

By: _____

SAN JUAN 29-7 UNIT
DAKOTA WORKING INTEREST OWNERS

American Petrofina Company of Texas

Continental Oil Company

Mr. Jerome P. McHugh

Mr. Vincent F. Shryack

Southern Union Production Company

Tenneco Oil Company

Tenneco Oil Company

A Tenneco Company

The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222
(303) 758-7130



NOV - 30 1977

November 30, 1977

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

Attention: Mr. R.H. Nordhausen

Re: Application for Third Expansion
of Dakota Participating Area
San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
PA-70-C

Gentlemen:

We have received your Notice of November 4, 1977 recommending that application be made to the appropriate regulatory bodies for approval of a third expansion of the existing Dakota Participating Area brought on by the completion of the Unit wells #109, #110 and #112. El Paso proposed the third expansion to include the following acreage as proven productive by completion of these Dakota wells:

Township 29 North, Range 7 West, N.M.P.M.

Section 29: W/2
Section 30: All
Section 31: All
Section 32: W/2

containing 1,778.04 acres.

Tenneco Oil Company, as a Dakota working interest owner in this acreage, approves such 1,778.04 acre tract as reasonably proven by wells #109, #110 and #112 to be productive of unitized substances in paying quantities and as constituting a separate pool or deposit of unitized substances in the Dakota formation. However, Tenneco does not approve the combination of such a 1,778.04 acre participating area with the present Dakota participating area as a third expansion thereto.

EXHIBIT: "D"

El Paso Natural Gas Company

November 30, 1977

Section 11(b) of the Unit Agreement authorizes establishment of a participating area "for each separate pool or deposit" and the 1,778.04 acre tract must be considered "separate" from the existing Dakota participating tracts two miles to the north and 4½ miles to the East. Section 11(b) goes on to state that "two or more participating areas ... may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined ...". As an affected working interest owner, Tenneco Oil Company expressly refuses to consent to your proposed combination of such separate Dakota participating areas.

Yours very truly,

TENNECO OIL COMPANY

By: *L.L. Parish*
L.L. Parish
Division General Manager *LLP*

LLP/MFC/ps

CERTIFIED MAIL

cc: Unit Dakota Working Interest Owners
U.S. Geological Survey

Tim

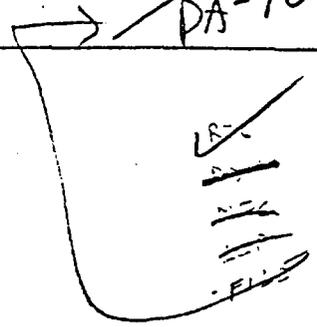
IN 10115 off



MDB
PA-70

Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141



December 6, 1977

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

Attention Mr. R. H. Nordhausen

Gentlemen:

Application for Third Expansion of Dakota Participating Area, San Juan 29-7 Unit, Rio Arriba County, New Mexico

Your letter of November 4, 1977 recommended an expansion of the existing Dakota Participating Area as a result of Unit Wells 109, 110 and 112. The area proposed to be included in the enlargement was the W/2 Section 29, Sections 30 and 31, and W/2 Section 32 containing 1,778.04 acres. Continental Oil Company considers the proposed area to be reasonable for a participating area, but we do not agree that information to date shows connection of this area with the two existing areas which are located at the Northwest and South-east extremities of the unit area. We believe that existing data indicates this to be a separate pool or deposit and recommend that it be established as a separate participating area in conformance with Section 11(b) of the Unit Agreement.

Continental Oil Company declines consent to the proposed expansion of the existing Dakota Participating Area, and requests that you create a new participating area for the lands which are described above.

Yours very truly,

D. A. Sowers
D. A. Sowers
Production Superintendent

VTL/jj

CC: Tenneco Oil Company, 720 South Colorado Blvd., Denver, CO 80222
C. F. Ellis, Houston

EXHIBIT "E"

March 14, 1978

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, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRD EXPANDED PARTICIPATING AREA,
DAKOTA FORMATION
Effective September 1, 1977

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 29-7 Unit Agreement #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, submits for your approval the Third Expanded Participating Area of the Dakota Formation, which includes, in addition to the lands previously admitted to the Dakota Participating Area, the following lands:

THIRD EXPANDED PARTICIPATING AREA - EFFECTIVE SEPTEMBER 1, 1977

Township 29 North, Range 7 West, N.M.P.M.
Section 29: W/2 Section 30: A11
Section 31: A11 Section 32: W/2
Containing 1,778.04 Acres.

This proposed Third Expansion of the Dakota Participating Area is based upon the completions of the San Juan 29-7 Unit No. 109, 110 and 112 wells by El Paso Natural Gas Company, the Unit Operator. These wells are

EXHIBIT "F"

located, respectively, 1190 feet from the north line and 790 feet from the east line, Section 30; 1840 feet from the north line and 1830 feet from the east line, Section 31; 1150 feet from the south line and 800 feet from the west line, Section 29, all in T-29-N, R-7-W, Rio Arriba County, New Mexico.

On September 26, 1977 the San Juan 29-7 Unit No. 109 well, on after frac gauge for sizing equipment only, flowed at the rate of 1445 Mcf/D. Shut-in pressures were 2552 psia casing and 2552 psia tubing.

On September 26, 1977 the San Juan Unit No. 110 well, on after frac gauge for sizing equipment only, flowed at the rate of 1841 Mcf/D. Shut-in pressures were 2557 psia casing and 1542 psia tubing.

On September 29, 1977 the San Juan Unit No. 112 well, on after frac gauge for sizing equipment only, flowed at the rate of 215 Mcf/D. Shut-in pressures were 2587 psia casing and 1477 psia tubing.

Tenneco Oil Company and Continental Oil Company have indicated their disagreement with El Paso's proposed enlargement of the existing Dakota participating area, suggesting that a new (second) participating area be established. Copies of most of the correspondence between El Paso and Tenneco-Conoco have been furnished to you.

After carefully reviewing the Tenneco-Conoco position, El Paso is still of the view that an expansion of the existing participating area is appropriate and accordingly, as Unit Operator, has submitted the attached Exhibits in support of this view:

EXHIBIT "A"

Ownership map reflecting the boundaries of the Unit and the proposed Third Expansion of the Dakota Participating Area.

EXHIBIT "B"

Geological report on the Third Expansion of the Dakota Participating Area within the San Juan 29-7 Unit.

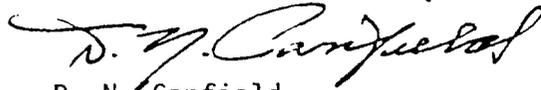
Attached is Schedule IV which shows the proposed Third Expanded Participating Area for the Dakota Formation in the San Juan 29-7 Unit Area. This schedule describes the Expanded Participating Area, shows the percentages of unitized substances allocated to each unitized tract, and the percentages of ownership in each tract.

If this Third Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

United States Geological Survey
Commissioner of Public Lands
Oil Conservation Commission
Page Three

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

Yours very truly,



D. N. Canfield
Director of Land
Energy Resource Development

JRP:RN:ag
Enclosures

S.J. 29-7, 4.3

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

SCHEDULE IV
THIRD EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION
SAN JUAN 29-7 UNIT AREA

TRIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
F 078503	T-29-N, R-7-W Sec. 29: W/2 Sec. 30: E/2 Sec. 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A111)	1,211.16			
			TRACT 9		
			Royalty	12.50%	12.50%
			Working Interest:		
			Tenneco Oil Co.	42.25%	42.25%
			Continental Oil Co.	42.25%	42.25%
			ORRI	3.00%	3.00%
			TOTAL	100.00%	100.00%
					35.825187%
SF 078503-A	T-29-N, R-7-W Sec. 30: Lots 5, 6, 7, 8, E/2 W/2	246.88			
			TRACT 10-A		
			Royalty	12.50%	12.50%
			Working Interest in Gas Rights:		
			EPNG Co.	73.0625%	73.0625%
			Continental Oil Co.	10.4375%	10.4375%
			Working Interest in Oil Rights:		
			EPNG Co.	62.6250%	62.6250%
			Continental Oil Co.	20.8750%	20.8750%
			ORRI in gas and oil rights	4.0000%	4.0000%
			TOTAL	100.0000%	100.0000%
					7.302522%
SF 078943	T-29-N, R-7-W Sec. 6: Lots 8,9,10, 11,12,13,14, SE/4 NW/4, E/2 SW/4, S/2 NE/4, SE/4 (A111)	530.15			
			TRACT 12		
			Royalty	12.50%	12.50%
			Working Interest:		
			Shenandoah Oil Corp.	61.25%	61.25%
			Jerome P. McHugh	7.00%	7.00%
			Vincent E. Shryack	1.75%	1.75%
			ORRI	17.50% *	17.50% *
			TOTAL	100.00%	100.00%
					15.681432%

* Overriding royalty interest will increase to 25% after payout and working interest will be proportionately reduced.

Effective: September 1, 1977

SCHEDULE IV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
F 070943-A	T-29-N, R-7-W Sec. 7: Lots 5, 6, E/2 NW/4, E/2	432.56				
			TRACT 12-A			
	Royalty			12.50%	12.50%	12.794794%
	Working Interest:					
	Shenandoah Oil Corp.			61.25%	61.25%	
	Jerome P. McHugh			7.00%	7.00%	
	Vincent E. Shryack			1.75%	1.75%	
	ORRI			17.50%	17.50%	*
	TOTAL			100.00%	100.00%	*
			TRACT 20			
3642-14	T-29-N, R-7-W Sec. 32: NW/4 SW/4	40.00				
			TRACT 20			
	Royalty			12.50%	12.50%	1.183169%
	Working Interest:					
	American Petrofina Company of Texas			84.50%	84.50%	
	ORRI			3.00%	3.00%	
	TOTAL			100.00%	100.00%	
			TRACT 21			
5111-4	T-29-N, R-7-W Sec. 36: A1T	640.00				
			TRACT 21			
	Royalty			12.50%	12.50%	18.930711%
	Working Interest:					
	E1 Paso Natural Gas Co.			80.00%	80.00%	
	ORRI			7.50%	7.50%	
	TOTAL			100.00%	100.00%	

Effective: September 1, 1977

Overriding royalty interest will increase to 25% after payout and working interest will be proportionately reduced.

SCHEDULE IV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTING PARTICIPATION
			OWNERSHIP	PERCENTAGE		
3 10037-74	T-29-N, R-7-W Sec. 32: S/2 NW/4	80.00				
			<u>TRACT 24</u>			
			Royalty	12.50%	12.50%	<u>2.366339</u>
			Working Interest:			
			Southern Union-Production Co. ORRI	80.00% <u>7.50%</u> <u>100.00%</u>	80.00% <u>7.50%</u> <u>100.00%</u>	
			TOTAL			
B 10037-69	T-29-N, R-7-W Sec. 32: NE/4 NW/4	40.00				
			<u>TRACT 25</u>			
			Royalty	12.50%	12.50%	<u>1.183169</u>
			Working Interest:			
			Southern Union Production Co. ORRI	80.00% <u>7.50%</u> <u>100.00%</u>	80.00% <u>7.50%</u> <u>100.00%</u>	
			TOTAL			
B 10037-71	T-29-N, R-7-W Sec. 32: S/2 NW/4	80.00				
			<u>TRACT 27</u>			
			Royalty	12.50%	12.50%	<u>2.366339</u>
			Working Interest:			
			Southern Union Production Co. ORRI	80.00% <u>7.50%</u> <u>100.00%</u>	80.00% <u>7.50%</u> <u>100.00%</u>	
			TOTAL			
B 10037-73	T-29-N, R-7-W Sec. 32: NE/4 SW/4	40.00				
			<u>TRACT 28</u>			
			Royalty	12.50%	12.50%	<u>1.183169</u>
			Working Interest:			
			Southern Union Production Co. ORRI	80.00% <u>7.50%</u> <u>100.00%</u>	80.00% <u>7.50%</u> <u>100.00%</u>	
			TOTAL			

Effective: September 1, 1977

SCHEDULE IV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT AC- PARTICIPAT
			OWNERSHIP	PERCENTAGE		
B 10037-48	T-29-N, R-7-W Sec. 32: NW/4 NW/4	40.00				
			<u>TRACT 31</u>			
	Royalty			12.50%	12.50%	1.183166
	Working Interest:			82.50%	82.50%	
	EPNG Co.			5.00%	5.00%	
	ORRI			100.00%	100.00%	
	TOTAL					

Effective: September 1, 1977

SCHEDULE IV

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

RECAPITULATION

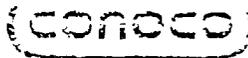
Description of Lands in Participating Area:

Township 29 North, Range 7 West, N.M.P.M.
 Section 6: Lots 8, 9, 10, 11, 12, 13, 14, SE/4 NW/4, E/2 SW/4, S/2 NE/4, SE/4 (A11)
 Section 7: Lots 5, 6, E/2 NW/4, E/2
 Section 29: W/2
 Section 30: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
 Section 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
 Section 32: W/2
 Section 36: A11

Total Number of Proven Acres: 3,380.75
 Total Number of Committed Acres in Participating Area: 3,380.75

Percent of Basic Royalty Interest Committed: 100.00%
 Percent of Working Interest Committed: 100.00%
 Percent of O.R.R.I. Committed: 100.00%

Effective: September 1, 1977



L. P. Thompson
Division Manager

E. L. Oshio
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

March 28, 1978

NOV - 8 1978

Santa Fe

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

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

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

Gentlemen:

San Juan 29-7 Unit #14-08-001-1650, Rio Arriba County, New Mexico - Application for Approval of the Third Expanded Participating Area, Dakota Formation, Effective September 1, 1977

Continental Oil Company has received a copy of El Paso Natural Gas Company's application dated March 14, 1978 on the above subject. Continental has informed El Paso that we believe the area proposed is a logical participating area for the wells which have been drilled in the southwest corner of this unit. We have requested, however, that they establish this as a separate participating area until the intervening acreage is proven by drilling to be commercially productive in the Dakota formation. This position was made clear to El Paso in our letter dated February 14, 1978, copy of which was sent to you and, according to El Paso's application, was also forwarded to you as an attachment to their application.

As we pointed out in our February 14 letter, Tenneco and Conoco were not parties to the initial participating area nor to the first expansion. Tenneco and Conoco, however, did finance the drilling of the three wells which proved the area which is now proposed as an expansion of the participating area. The most recent development in the southwest portion of the unit is separated from the other two producing areas by more than three miles of undeveloped acreage.

EXHIBIT "G"

United States Geological Survey,
Commissioner of Public Lands, and
New Mexico Oil Conservation Commission
March 28, 1978
Page Two

As is their custom, El Paso failed to provide us any of the geologic and engineering attachments to their application; and therefore we have not had the opportunity to examine the supporting evidence to their application. It is Continental's position that the intervening area is unproven, and that there is no reason to combine the most recently developed area with those areas which were developed earlier. We would also point out there has been a considerable change in the gas marketing conditions, as well as the economics of drilling since the initial, first, and second expanded participating areas were formed.

Continental Oil Company protests the inclusion of the most recently developed Dakota acreage in this unit with the participating areas of the older development. We request that the area proposed by El Paso be considered a separate participating area until such time as the intervening acreage is proven commercially productive by drilling. In the alternative, we would request that the entire intervening acreage be included in the expansion of the participating area. Stated another way, we believe the southwest developed area should be established as a separate participating area; or it should be connected by continuous and contiguous acreage to the other producing areas. We consider the first alternative as being more consistent with the previous actions of El Paso Natural Gas in operating other units in the San Juan Basin.

We should appreciate your serious consideration of our protest in this matter.

Yours very truly,



VTL/jj

CC:

El Paso Natural Gas Company, Box 1492, El Paso, Texas 79978

✓ Tenneco Oil Company, 720 S. Colorado Blvd., Denver, Colorado 80222

C. F. Ellis, Houston

D. M. Goodfellow, Midland

Tenneco Oil Company

A Tenneco Company

The Galleria-Penthouse
720 South Colorado Blvd
Denver, Colorado 80222
(303) 758-7130



May 19, 1978

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRD EXPANDED PARTICIPATING AREA,
DAKOTA FORMATION
Effective September 1, 1977

Gentlemen:

Confirming our previous letters on this matter, Tenneco Oil Company strongly objects to the captioned Third Expanded Participating Area as formally requested by El Paso Natural Gas Company on March 14, 1978.

Our letter of February 21, 1978 and prior correspondence pointed out that the combination of three non-contiguous tracts without consent of all affected working interest owners is clearly in violation of the pertinent provisions of the San Juan 29-7 Unit Agreement.

Earlier this month we finally obtained, with the assistance of Continental Oil Company, copies of the exhibits submitted by El Paso Natural Gas Company with their March 14, 1978 application. While we still believe that El Paso's request cannot be justified only by geological interpretations, we also feel that their submitted geological conclusions are incorrect and Tenneco is prepared to submit contrary geological data and interpretations.

In their letter of February 6, 1978, El Paso Natural Gas Company suggested a meeting with the regulatory agencies. As we previously stated, Tenneco is willing to attend such a meeting and would appreciate your setting a meeting date and place in the near future.

Yours very truly,

TENNECO OIL COMPANY

MFC/ps

cc: Continental Oil Company
Jerome P. McHugh
Vincent F. Shryack
Southern Union Production Company
American Petrofina Co. of Texas

By: _____
Millard F. Carr
Division Attorney

EXHIBIT "H"



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

February 6, 1976

To All Working Interest Owners:

Re: San Juan 29-6 Unit
Rio Arriba County, New Mexico
PROPOSED APPLICATION FOR
THE INITIAL DAKOTA PARTICIPATING
AREA "A" Effective December 31, 1974

Northwest Pipeline Corporation, as Unit Operator of the San Juan 29-6 Unit, has determined that the following Dakota well drilled and completed outside the limits of the existing Dakota Participating Area is capable of producing unitized substances in paying quantities from the Dakota Formation:

<u>Well Name</u>	<u>Location</u>	<u>Test Date</u>	<u>Potential</u>
San Juan 29-6 Unit #106	S/2 Sec. 31-29N-6W	12-31-74	3,817 MCF/D AOF

This well is located 2-1/4 miles West of the boundary of the present Dakota Participating Area and 3-3/4 miles West of the nearest commercial Dakota completion, Well No. 87 in the NE/4 Section 33. Based on the results of the above test and related geological data it appears the San Juan 29-6 Unit Well No. 106 should have producing characteristics similar to the West and South offset wells in the San Juan 29-7 Unit and San Juan 29-8 Unit.

Northwest Pipeline Corporation, as Unit Operator, therefore recommends that application be made to the proper regulatory agencies for approval of the Initial Dakota Participating Area "A" as follows:

Initial Dakota Participating Area "A" -- Effective
December 31, 1974

Township 29 North, Range 6 West, N. M. P. N.
Section 31: S/2, NW/4

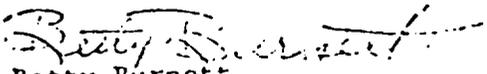
Containing 480 acres, more or less.

EXHIBIT "I"

To All Working Interest Owners
February 6, 1976
Page 2

If this proposed Initial Dakota Participating Area "A" of the San Juan 29-6 Unit meets with your approval, please so indicate by executing and returning one (1) copy to this office.

Very truly yours,


Betty Burnett
Supervisor of Contracts and Units

BRB:sjm
enclosure

INITIAL DAKOTA PARTICIPATING
AREA "A" FOR THE SAN JUAN
29-6 UNIT APPROVED THIS _____
DAY OF _____, 1976

BY: _____

March 5, 1976

MAR 8 1976

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

Re: San Juan 29-6 Unit
Proposed Initial Dakota "A"
Participating Area, Effective
December 31, 1974

Gentlemen:

Please refer to your letter of February 6, 1976 regarding the referenced proposed expansion.

El Paso Natural Gas Company does not approve of the establishment of the "A" Participating Area for the Dakota Formation, as the Unit Agreement does not provide for this. Section 11 b of the Unit Agreement provides that a separate participating area be established for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone. Since the Dakota pool in the San Juan 29-6 Unit has an existing participating area, from which production is obtained, the completion of the #106 well should cause the Eleventh Dakota Expansion, effective December 1, 1974.

Yours very truly,



D. N. Canfield
Director of Land
Energy Resource Development

DNC:nm
SJ 29-6, 4.3, 5.0

cc: San Juan 29-6 Unit Working Interest Owners
United States Geological Survey - Roswell
Mr. John Ahlm

EXHIBIT "J"

San Juan 29-6 Unit Meeting Minutes
June 8, 1976

The meeting was called to order at 1:30 p.m. by Joe D. Ramey, Secretary-Director of the Oil Conservation Commission. Those in attendance were:

Joe D. Ramey - Oil Conservation Commission
William F. Carr - Oil Conservation Commission
J. E. Kapteina - Oil Conservation Commission
Betty Burnett - Northwest Pipeline
Mel S. Martin - Northwest Pipeline
Don W. Mitchell - Northwest Pipeline
Charles J. Crowley - El Paso Natural Gas Co.
Jim Permenter - El Paso Natural Gas Co.
Richard H. McPike - Southern Union Production Co.
Tom Blume - Phillips Petroleum Corporation
Joe Henderson - Phillips Petroleum Corporation
Don W. Burlow - Phillips Petroleum Corporation
Neel N. Bechner - Phillips Petroleum Corporation
D. M. Van Sickle - United States Geological Survey
Jim Gillham - United States Geological Survey
Carl Traywick - United States Geological Survey
Jerry Long - United States Geological Survey
William Oscar Jordan - New Mexico State Land Office
Ernest Valdez - New Mexico State Land Office

Mel Martin, Senior Attorney for Northwest Pipeline, presented a brief review of the history of San Juan 29-6 Unit Well No. 106 for which they are requesting a separate participating area in said unit. Well No. 106 was tested and ready to be put on production on December 31, 1974.

Jim Permenter stated El Paso's position. El Paso believes that this area should come in as an expansion to the existing participating area because El Paso believes that according to the terms of the unit agreement new participating areas are allowed only if a new pool is discovered. It is El Paso's contention that a new pool has not been discovered and they presented cross sections in support of this argument.

Phillips Petroleum Corporation's position was summarized by Tom Blume, Regional Chief Attorney. He believes that the prime question to be considered is the commerciality of the wells involved. He stated that there are four non-commercial wells separating the existing participating area and the proposed

San Juan 29-6 Unit Meeting Minutes

participating area. A line of impermeability, therefore, separates the two areas. It is Phillips' contention that the limits of a participating area are determined by the commerciality of the wells involved and the area of non-commerciality between the two commercial areas dictates there should be two participating areas in the unit. Joe Henderson presented geologic testimony to support Phillips' contention.

Southern Union Production Company concurred with Phillips and Northwest Pipeline.

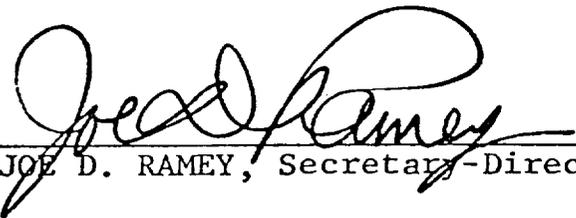
The meeting was recessed to give the Commission staff, U.S.G.S. representatives, and members of the Land Office staff an opportunity to review the arguments.

When the meeting reconvened, Mr. Ramey announced that the Oil Conservation Commission reaffirmed its approval of a separate participating area in the San Juan 29-6 Unit for the Unit Well No. 106.

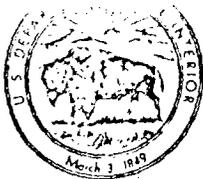
The U.S.G.S. staff indicated that they would approve a separate participating area.

Oscar Jordan, attorney for the New Mexico State Land Office, stated that the Land Commissioner would announce his decision in a few days.

The meeting was adjourned at 3:20 p.m.


JOE D. RAMEY, Secretary-Director

June 21, 1976



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

June 11, 1976

419

NEW 29-6

Santa Fe

Northwest Pipeline Corporation
Attention: Mr. John W. Shepardson
One Park Central, Suite 1487
Denver, Colorado 80202

Gentlemen:

The initial Dakota "A" participating area for the San Juan 29-6 unit agreement, Rio Arriba County, New Mexico, was approved on June 11, 1976, by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of December 31, 1974.

The initial Dakota "A" participating area embraces 480 acres described as the NW $\frac{1}{4}$ and S $\frac{1}{2}$ of sec. 31, T. 29 N., R. 6 W., N.M.P.M., and is based on the information obtained by the December 31, 1974 completion of unit well No. 106 in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of sec. 31 as a well capable of producing unitized substances in paying quantities from the Dakota.

Copies of the approved application are being distributed to the appropriate Federal offices and one approved copy is returned herewith. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:

Durango (w/cy appln.)

BLM, Santa Fe (ltr. only)

Com. of Pub. Lands (ltr. only) ← This Copy for

Area Geologist, Roswell (ltr. only)

NMOCC, SANTA FE, (LTR. ONLY) ←

JAGillham:dlk

EXHIBIT "L"

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN
KAREN AUBREY

KELLAHIN and FOX
ATTORNEYS AT LAW
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501
December 22, 1978

TELEPHONE 982-4315
AREA CODE 505

Honorable Edwin L. Felter
District Judge
P. O. Box 2268
Santa Fe, New Mexico 87501

RECEIVED
DEC 27 1978

Oil Conservation Commission

Re: Tenneco Oil Company and Continental Oil
-vs- Oil Conservation Division and
Commissioner of Public Lands, SF-78-2268

Dear Judge Felter:

On December 13, 1978 at my request you entered an Order to Show Cause now set for hearing on March 22, 1978 for this case.

I wish to inform you that a hearing is no longer required. All parties have stipulated that Defendants will stay any further action in this matter pending further order of the Court. The original stipulation has been filed and a copy enclosed.

For your information, Plaintiffs are pursuing their administrative remedies in this matter within the Department of Interior. I do not anticipate further action in this case until such time as all administrative remedies have been exhausted.

Very truly yours,

W. Thomas Kellahin

CC: Mr. Oscar Jordan, Land Office
Ms. Lynn Teschendorf, Oil Conservation Division
Mr. Millard Carr, Tenneco
Mr. Fred Hull, Continental
Mr. John Coughlin

WIK:kfm

ORIGINAL PLEADING
FILED ON 12-26-78

S.F. COUNTY

DISTRICT COURT CLERK'S OFFICE

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

TENNECO OIL COMPANY, a Delaware
corporation, and CONTINENTAL OIL
COMPANY, a Delaware corporation,

Petitioners,

vs.

No. SF-28-2268
Div. II

OIL CONSERVATION DIVISION OF THE
NEW MEXICO ENERGY AND MINERALS
DEPARTMENT, PHIL R. LUCERO,
COMMISSIONER OF PUBLIC LANDS OF
THE STATE OF NEW MEXICO,

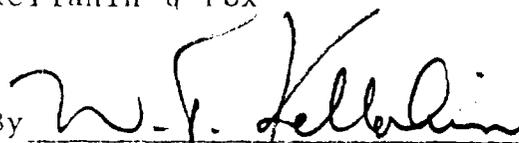
Respondents.

S T I P U L A T I O N

IT IS HEREBY STIPULATED AND AGREED between the parties
that the Oil Conservation Division of the New Mexico Energy
and Minerals Department and the Commissioner of Public Lands
of the State of New Mexico will stay any further action in
this matter pending the outcome of a Hearing on an Order to
Show Cause which is set for the 22nd day of March, 1979 before
the Honorable Edwin L. Felter, Judge of the First Judicial
District, State of New Mexico.

Kellahin & Fox

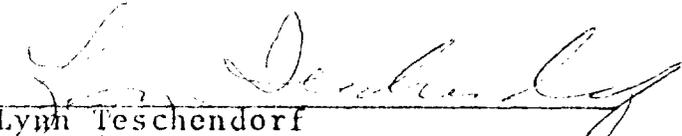
By



Attorneys for Petitioner

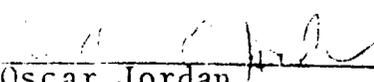
Oil Conservation Division of the New
Mexico Energy and Minerals Department

By



Lynn Teschendorf

Commissioner of Public Lands of
the State of New Mexico

By 
Oscar Jordan

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

TENNECO OIL COMPANY, a Delaware corporation, and CONTINENTAL OIL COMPANY, a Delaware corporation,

Petitioners,

vs.

No. SF-28-2268
Div. II

OIL CONSERVATION DIVISION OF THE NEW MEXICO ENERGY AND MINERALS DEPARTMENT, PHIL R. LUCERO, COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO,

Respondents.

S T I P U L A T I O N

IT IS HEREBY STIPULATED AND AGREED between the parties that the Oil Conservation Division of the New Mexico Energy and Minerals Department and the Commissioner of Public Lands of the State of New Mexico will stay any further action in this matter pending the outcome of a Hearing on an Order to Show Cause which is set for the 22nd day of March, 1979 before the Honorable Edwin L. Felter, Judge of the First Judicial District, State of New Mexico.

Kellahin & Fox

By _____

Attorneys for Petitioner

Oil Conservation Division of the New Mexico Energy and Minerals Department

By _____
Lynn Teschendorf

Commissioner of Public Lands of
the State of New Mexico

By _____
Oscar Jordan

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

TENNECO OIL COMPANY, a Delaware
corporation, and CONTINENTAL OIL
COMPANY, a Delaware corporation,

Petitioners,

vs.

No. SF-78-2268
Div. II

OIL CONSERVATION DIVISION OF THE
NEW MEXICO ENERGY AND MINERALS
DEPARTMENT, PHIL R. LUCERO,
COMMISSIONER OF PUBLIC LANDS OF
THE STATE OF NEW MEXICO,

Respondents.

ACCEPTANCE OF SERVICE

Lynn Teschendorf, Counsel for the Oil Conservation
Division of the New Mexico Energy and Minerals Department
hereby accepts service of the Petition and Order to Show
Cause in the above entitled matter.

Oil Conservation Division

By _____
Lynn Teschendorf

Dec. 15, 1978

ORIGINAL PLEADING
FILED ON 10/30/78
SF
DISTRICT COURT OF SANTA FE

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

TENNECO OIL COMPANY, a Delaware
corporation, and CONTINENTAL OIL
COMPANY, a Delaware corporation,

Petitioners,

vs.

No. SF-78-2268

Div II

OIL CONSERVATION DIVISION OF THE
NEW MEXICO ENERGY AND MINERALS
DEPARTMENT, PHIL R. LUCERO,
COMMISSIONER OF PUBLIC LANDS OF
THE STATE OF NEW MEXICO,

Respondents.

P E T I T I O N

COME NOW TENNECO OIL COMPANY and CONTINENTAL OIL COMPANY,
hereinafter called Petitioners and state:

COUNT I

For their cause of action against the Commissioner of
Public Lands, state:

1. Petitioners are corporations duly organized under the
laws of the State of Delaware doing business within the State
of New Mexico.

2. The Respondent Oil Conservation Division of the New
Mexico Energy and Minerals Department is a statutory body
created and existing under the provisions of the laws of the
State of New Mexico.

3. The Respondent Phil R. Lucero is the duly elected
Commissioner of Public Lands of the State of New Mexico a
constitutional office created and existing under the provisions
of the laws of the State of New Mexico.

4. Petitioners are working interest owners in an oil and gas unit designated as "San Juan 29-7 Unit, Rio Arriba County, New Mexico.

5. That El Paso Natural Gas Company as Unit Operator has sought and obtained approval dated September 1, 1978 from the Oil and Gas Supervisor, Geological Survey, United States Department of Interior for the Third Expansion of the Participating Area for the Dakota Formation.

6. That the Decision of the Oil and Gas Supervisor was subject to the approval of the New Mexico Conservation Division and the New Mexico Commissioner of Public Lands, and both have approved said action.

7. That Petitioners have filed a timely administrative appeal from the Decision of the Oil and Gas Supervisor a true and correct copy of which is attached hereto as Exhibit "A" and incorporated by reference.

8. That Pursuant to Section 7-11-17 New Mexico Statutes Annotated (1953 Comp. as amended) Petitioners are aggrieved by the ruling of the Commissioner of Public Lands in this matter and seek an Order of this Court directed to the Commissioner of Public Lands of New Mexico to show cause why the decision of the said Commissioner should not be canceled or set aside.

WHEREFORE Petitioners pray for the issuance of an Order to Show Cause directed to Phil R. Lucero, the Commissioner of Public Lands of the State of New Mexico requiring him to show cause why his decision in this matter should not be cancelled or set aside.

COUNT II

For their Cause of Action against the Oil Conservation Division, state:

1. Paragraphs 1, 2, 3, 4, 5, 6 and 7 of Count I are incorporated herein as if fully set forth.

2. That Petitioners have exhausted their administrative remedy before the Oil Conservation Division as shown more fully on Exhibit B attached hereto and incorporated by reference herein.

3. That pursuant to Section 65-3-23, NMSA (1953 Comp.)
Petitioners seek a formal stay of the order and decision of the Oil Conservation Division in this matter pending final action on Petitioners appeal to the United States Geological Survey.

WHEREFORE Petitioners pray for the issuance of an Order to Show directed to the Oil Conservation Division of the State of New Mexico requiring it to show cause why its decision in this matter should not be stayed pending further order of this court.

Respectfully submitted:

KELLAHIN & FOX

By

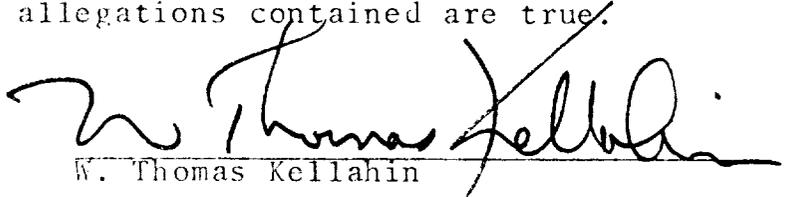
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico

Mr. John W. Coughlin
Moran Reidy & Voorhees
Denver, Colorado

ATTORNEYS FOR PETITIONERS

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn upon his oath, deposes and says that he is an attorney for the Petitioners herein, that he has read and understands the contents of the foregoing Petition and that on information and belief the statements made and the allegations contained are true.


W. Thomas Kellahin

Subscribed and sworn to before me this 27th day of October, 1978.

My Commission Expires: February 2, 1980

Notary Public

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

TO: THE DIRECTOR)
UNITED STATES GEOLOGICAL SURVEY,)
RESTON, VIRGINIA 22092)

) APPEAL FROM THE LETTER
) DECISION FROM THE OIL AND
) GAS SUPERVISOR APPROVING
THE APPLICATION OF EL PASO
NATURAL GAS FOR THE THIRD
REVISION OF THE DAKOTA
PARTICIPATING AREA FOR THE
SAN JUAN 29-7 UNIT.

NOTICE OF APPEAL

Under 30 C.F.R. Part 290, Tenneco Oil Company and Continental Oil Company [hereinafter "Appellants"], by their attorneys, file this Notice of Appeal from the Letter Decision of James W. Sutherland, Oil and Gas Supervisor, approving the Application of El Paso Natural Gas for the third revision of the Dakota Participating Area for the San Juan 29-7 Unit. The Letter Decision which was dated September 1, 1978 was received by Appellants on September 5, 1978. A copy of the Decision appealed from is attached hereto as Exhibit "A".

REQUEST FOR ADDITIONAL TIME TO SUBMIT
STATEMENT OF REASONS

Pursuant to 30 C.F.R. 290.5 Appellants hereby request the time to submit their Statement of Reasons be extended until November 6, 1978 and in support of the request state the following:

1. The Decision of the Oil and Gas Supervisor was subject to the approval of the New Mexico Conservation Division and the New Mexico Commissioner of State Lands. It is counsel's understanding that such approval has been obtained but a copy of the State Officials' Decisions has not yet been received by Appellants.

2. In support of the Appellants' position counsel feels it will be necessary to examine the records of the New Mexico Oil Conservation Division as to the extension of Dakota Participating Areas in units similar to San Juan

29-7.

3. No previous extension of time has been requested.

WHEREFORE, Appellants request that the time for the submission of the Statement of Reasons be extended until and including November 6, 1978.

Respectfully submitted,

MORAN, REIDY & VOORHEES

By 
John W. Coughlin
2220 Western Federal Savings Bldg.
718 Seventeenth Street
Denver, Colorado 80202
Telephone: 534-4333
Attorneys for Appellants

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this, the 22nd day of September, 1978 all interested parties were served a copy of the within and foregoing NOTICE OF APPEAL AND REQUEST FOR EXTENSION OF TIME TO SUBMIT STATEMENT OF REASONS by depositing the same in the United States mails, postage prepaid, addressed to the following:

The Director,
United States Geological Survey
U. S. Department of the Interior
Reston, Virginia 22092

(Certified, Return Receipt Requested)

James W. Sutherland,
Oil and Gas Supervisor, SRMA
U. S. Department of the Interior
Geological Survey
P. O. Box 26124
Albuquerque, N. M. 87125

(Certified, Return Receipt Requested)

American Petrofina Company of Texas
P. O. Box 2159
Dallas, Texas 75221

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Mr. Jerome P. McHugh
600 S. Cherry Street, Suite 1225
Denver, CO 80222

Mr. Vincent F. Shryack
934 S. High Street
Denver, CO 80209

Supron Energy Corporation
Suite 1700, Campbell Center
8350 N. Central Expressway
Dallas, Texas 75206

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

Oil Conservation Division
Attention: Mr. Joe D. Ramey
P. O. Box 2088
Santa Fe, New Mexico 87501





United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

SEP 5 '78

SEP 01 1978

El Paso Natural Gas Company
Attention: Mr. D. A. Canfield
P. O. Box 1402
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.04 acres described as the $W\frac{1}{2}$ sec. 29, all secs. 30, 31 and $W\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,000.75 acres. This revision is based on the information contributed by the three wells in the following tabulation.

Well No.	Location (T. 29 N., R. 7 W.)	Completion		Production	
		Date	Interval, Ft.	Days	MCF
109	NE $\frac{1}{4}$ sec. 30	9-26-77	7,390-7,600	158	80,221
110	NE $\frac{1}{4}$ sec. 31	9-26-77	7,595-7,306	159	70,836
112	SW $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Exhibit "A"

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company  This Copy for
Attention: Mr. Hillard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

MINUTES FOR
SAN JUAN 29-7 UNIT MEETING

Cause for Meeting

El Paso Natural Gas Company, unit operator of the San Juan 29-7 unit, filed an application dated March 14, 1978, requesting approval of the third revision of the Dakota participating area. Continental Oil Company and Tenneco Oil Company, unit working interest owners, objected to this application and counter proposed that the lands included in El Paso's application for the third revision should constitute an initial Dakota 'A' participating area.

The meeting was called to order on August 3, 1978 in the Albuquerque office of the U. S. Geological Survey at 1:15 p.m. by Wallace Sutherland, Area Oil and Gas Supervisor. Those in attendance are shown in the attached list.

Jim Permenter stated that the application for the third revision filed by El Paso Natural Gas Company conformed with long standing established policy where non-contiguous Dakota participating areas are not known to be geologically separated by well control data. Chuck Crowley presented El Paso's geological interpretations in support of their application. This included (1) an isopachous map showing the Dakota reservoir sands of the unit and adjacent area indicating reservoir continuity between the existing participating areas and the lands in the proposed third revision, (2) a cross-section of the Dakota producing interval from the existing participating areas through the wells in the proposed third revision and (3) a plat of the Dakota reservoir in the San Juan Basin showing the Dakota wells and the various unit outlines. Also, made available were copies of various unit maps in the San Juan Basin which had similar non-contiguous Dakota participating areas.

Millard Carr discussed Tenneco's interpretation of that portion of Section 11 which deals with the establishment of separate participating areas. Particular reference was made as to legal interpretation under intent of the agreement of the phrase "separate pool or deposit." Tenneco's geological interpretations were presented by R. H. Castle. These included (1) an isopachous map of the Dakota 'A' net sand covering the existing Dakota participating areas and the lands proposed for the initial or third revision and adjacent lands and (2) a map of the San Juan 29-7 unit and adjacent areas showing 1976 7-day shut-in well pressures for adjacent wells compared to the initial shut-in pressures for the three wells involved in this controversy.

L. P. Thompson stated that Continental Oil Company concurred with Tenneco's exhibits and position.

At this point, Chuck Crowley discussed the initial shut-in pressures for wells in the existing Dakota participating area with adjacent wells and the three wells in the proposed expansion. All initial shut-in pressures were comparable. A map showing these pressures was presented for reference.

Wallace Sutherland advised that a decision would be forthcoming following consideration of all information and data. The meeting was adjourned at approximately 3:30 p.m.

Oil and Gas Supervisor, SRMA

SAN JUAN 29-7 UNIT
THIRD DAKOTA PARTICIPATION AREA REVISION
AUGUST 3, 1978

<u>NAME</u>	<u>COMPANY</u>	<u>LOCATION</u>
Wallace Sutherland	USGS	Albuquerque, NM
Jim Gillham	USGS	Roswell, NM
Carl Traywick	USGS	Roswell, NM
Jack Willock	USGS	Albuquerque, NM
Millard F. Carr	Tenneco	Denver, CO
R. H. Castle	Tenneco	Denver, CO
Hugh Ingram	Conoco	Hobbs, NM
Paul Thompson	Conoco	Hobbs, NM
Ronald McWilliams	Conoco	Hobbs, NM
Dayne E. Adams	El Paso Natural Gas	El Paso, TX
Chuck Crowley	El Paso Natural Gas	El Paso, TX
Jim Permenter	El Paso Natural Gas	El Paso, TX
W. E. Williams	Shenandoah Oil Corp.	Ft. Worth, TX
Lynn Teschendorf	NMOCD	Santa Fe, NM
Joe Ramey	NMOCD	Santa Fe, NM
Ray Graham	State Land Office	Santa Fe, NM



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

October 5, 1978

Mr. John W. Coughlin
Moran, Reidy & Voorhees
2220 Western Federal Savings Building
718 Seventeenth St.
Denver, Colorado 80202

Re: Case No. 674
San Juan 29-7 Unit
Third Expanded Parti-
cipating Area, Dakota
Formation

Dear Mr. Coughlin:

Having examined our statutes and regulations carefully, I have determined that there is no administrative appeal from a decision by the Director of the Division. Therefore, you have no administrative remedy to seek in relation to the Division's approval of the expansion of the participating area referenced above.

As I told you last week on the phone, our statutes generally provide that the pendency of review proceedings do not stay a Division ruling, but the district court has discretion to do so. Section 65-3-22(c), N.M.S.A. 1953. Unless there is a formal stay, we hold our orders and decisions as remaining in full force and effect. However, with that in mind the Division anticipates taking no action concerning the expansion until your U.S.G.S. appeal has been finalized.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd

cc: Joe D. Ramey
Oscar Jordan
James Sutherland

Exhibit B

SANTA FE COUNTY

STATE OF NEW MEXICO

COUNTY OF SANTA FE

IN THE DISTRICT COURT

FILED IN CLERK'S OFFICE
OF DISTRICT COURT
SANTA FE, NEW MEXICO

TENNECO OIL COMPANY, a Delaware corporation, and CONTINENTAL OIL COMPANY, a Delaware corporation,

Petitioners,

- vs -

No. SF-78-2268

OIL CONSERVATION DIVISION OF THE NEW MEXICO ENERGY AND MINERALS DEPARTMENT, PHIL R. LUCERO, COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO.

Respondents.

ORDER TO SHOW CAUSE

This matter coming before the Court upon the verified Petition of the Petitioners and good cause appearing therefore.

That Phil R. Lucero, the COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO, pursuant to Section 7-11-17 NMSA, is hereby ordered to appear at 9:30 A.M. on the 23rd day of March, 1978 in Division II of the First Judicial District, Santa Fe County Courthouse, Santa Fe, New Mexico and show cause why his decision in approving the Third Expanded Participating Area, Dakota Formation, San Juan 29-7 Unit should not be canceled or set aside.

THE OIL CONSERVATION DIVISION, ENERGY AND MINERALS DEPARTMENT OF THE STATE OF NEW MEXICO, is hereby ordered to appear at 9:30 A.M. on the 23rd day of March, 1978 in Division II of the First Judicial District, Santa Fe County Courthouse, Santa Fe, New Mexico and show Cause why its decision in approving the Third Expanded Participating

Area, Dakota Formation, San Juan 29-7 Unit should not be stayed pending final adjudication of the Petitioner's administrative appeal of the decision of the United States Geological Survey in this same matter.

[Signature]
DISTRICT JUDGE

SUBMITTED:

[Signature]

A TRUE COPY OF
ORIGINAL *Order In Show Cause*
ENTERED *November 13* 19 *78*
DOLORES LUJAN

CLERK

[Signature]
By *[Signature]* District Deputy



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

October 5, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. John W. Coughlin
Moran, Reidy & Voorhees
2220 Western Federal Savings Building
718 Seventeenth St.
Denver, Colorado 80202

Re: Case No. 674
San Juan 29-7 Unit
Third Expanded Parti-
cipating Area, Dakota
Formation

Dear Mr. Coughlin:

Having examined our statutes and regulations carefully, I have determined that there is no administrative appeal from a decision by the Director of the Division. Therefore, you have no administrative remedy to seek in relation to the Division's approval of the expansion of the participating area referenced above.

As I told you last week on the phone, our statutes generally provide that the pendency of review proceedings do not stay a Division ruling, but the district court has discretion to do so. Section 65-3-22(c), N.M.S.A. 1953. Unless there is a formal stay, we hold our orders and decisions as remaining in full force and effect. However, with that in mind the Division anticipates taking no action concerning the expansion until your U.S.G.S. appeal has been finalized.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd

cc: Joe D. Ramey
Oscar Jordan
James Sutherland

LAW OFFICES
MORAN, REIDY & VOORHEES

2220 WESTERN FEDERAL SAVINGS BUILDING

718 SEVENTEENTH STREET

DENVER, COLORADO 80202

EUGENE A. REIDY
JAMES D. VOORHEES
JOHN R. MORAN, JR.

JOHN R. MORAN
1904-1976

JOHN W. COUGHLIN

October 3, 1978

303/534-4333

Certified Mail, Return
Receipt Requested

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Joe D. Ramey,
Director

Re: Case No. 674
San Juan 29-7 Unit
Third Expanded Participating
Area, Dakota Formation

Gentlemen:

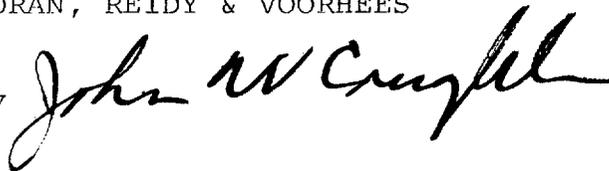
This letter is to inform you that we are, on behalf of Continental Oil Company and Tenneco Oil Company, appealing the September 1, 1978 Decision of the Geological Survey Oil and Gas Supervisor approving the Third Expanded Participating Area for the San Juan 29-7 Unit, Dakota formation. We previously mailed a copy of our Notice of Appeal to you but enclose for your files an additional copy.

We request you withhold further action in this matter pending the final outcome of our appeal of the Area Oil and Gas Supervisor's Decision. If further documentation or formal application or petition is necessary we would appreciate it if you would immediately so advise by a collect phone call to the undersigned.

Yours very truly,

MORAN, REIDY & VOORHEES

By



JWC:kq
enclosure

scc: El Paso Natural Gas,
Attention: D. N. Canfield

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

TO: THE DIRECTOR) APPEAL FROM THE LETTER
UNITED STATES GEOLOGICAL SURVEY,) DECISION FROM THE OIL AND
RESTON, VIRGINIA 22092) GAS SUPERVISOR APPROVING
THE APPLICATION OF EL PASO
NATURAL GAS FOR THE THIRD
REVISION OF THE DAKOTA
PARTICIPATING AREA FOR THE
SAN JUAN 29-7 UNIT.

NOTICE OF APPEAL

Under 30 C.F.R. Part 290, Tenneco Oil Company and Continental Oil Company [hereinafter "Appellants"], by their attorneys, file this Notice of Appeal from the Letter Decision of James W. Sutherland, Oil and Gas Supervisor, approving the Application of El Paso Natural Gas for the third revision of the Dakota Participating Area for the San Juan 29-7 Unit. The Letter Decision which was dated September 1, 1978 was received by Appellants on September 5, 1978. A copy of the Decision appealed from is attached hereto as Exhibit "A".

REQUEST FOR ADDITIONAL TIME TO SUBMIT
STATEMENT OF REASONS

Pursuant to 30 C.F.R. 290.5 Appellants hereby request the time to submit their Statement of Reasons be extended until November 6, 1978 and in support of the request state the following:

1. The Decision of the Oil and Gas Supervisor was subject to the approval of the New Mexico Conservation Division and the New Mexico Commissioner of State Lands. It is counsel's understanding that such approval has been obtained but a copy of the State Officials' Decisions has not yet been received by Appellants.

2. In support of the Appellants' position counsel feels it will be necessary to examine the records of the New Mexico Oil Conservation Division as to the extension of Dakota Participating Areas in units similar to San Juan

29-7.

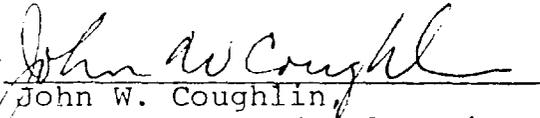
3. No previous extension of time has been requested.

WHEREFORE, Appellants request that the time for the submission of the Statement of Reasons be extended until and including November 6, 1978.

Respectfully submitted,

MORAN, REIDY & VOORHEES

By



John W. Coughlin
2220 Western Federal Savings Bldg.
718 Seventeenth Street
Denver, Colorado 80202
Telephone: 534-4333

Attorneys for Appellants

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this, the 22nd day of September, 1978 all interested parties were served a copy of the within and foregoing NOTICE OF APPEAL AND REQUEST FOR EXTENSION OF TIME TO SUBMIT STATEMENT OF REASONS by depositing the same in the United States mails, postage prepaid, addressed to the following:

The Director,
United States Geological Survey
U. S. Department of the Interior
Reston, Virginia 22092

(Certified, Return Receipt Requested)

James W. Sutherland,
Oil and Gas Supervisor, SRMA
U. S. Department of the Interior
Geological Survey
P. O. Box 26124
Albuquerque, N. M. 87125

(Certified, Return Receipt Requested)

American Petrofina Company of Texas
P. O. Box 2159
Dallas, Texas 75221

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Mr. Jerome P. McHugh
600 S. Cherry Street, Suite 1225
Denver, CO 80222

Mr. Vincent F. Shryack
934 S. High Street
Denver, CO 80209

Supron Energy Corporation
Suite 1700, Campbell Center
8350 N. Central Expressway
Dallas, Texas 75206

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

Oil Conservation Division
Attention: Mr. Joe D. Ramey
P. O. Box 2088
Santa Fe, New Mexico 87501





United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

SEP 5 '78

SEP 01 1978

El Paso Natural Gas Company
Attention: Mr. D. H. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.94 acres described as the $W\frac{1}{2}$ sec. 29, all secs. 30, 31 and $W\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,280.75 acres. This revision is based on the information contributed by the three wells in the following tabulation.

Well No.	Location (T. 29 N., R. 7 W.)	Completion		Production	
		Date	Interval, Ft.	Days	MCF
109	NE $\frac{1}{4}$ sec. 30	9-26-77	7,390-7,600	158	80,221
110	NE $\frac{1}{4}$ sec. 31	9-26-77	7,595-7,306	159	70,836
112	SW $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Exhibit "A"

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company ← This Copy for
Attention: Mr. Hillard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

MINUTES FOR
SAN JUAN 29-7 UNIT MEETING

Cause for Meeting

El Paso Natural Gas Company, unit operator of the San Juan 29-7 unit, filed an application dated March 14, 1978, requesting approval of the third revision of the Dakota participating area. Continental Oil Company and Tenneco Oil Company, unit working interest owners, objected to this application and counter proposed that the lands included in El Paso's application for the third revision should constitute an initial Dakota 'A' participating area.

The meeting was called to order on August 3, 1978 in the Albuquerque office of the U. S. Geological Survey at 1:15 p.m. by Wallace Sutherland, Area Oil and Gas Supervisor. Those in attendance are shown in the attached list.

Jim Permenter stated that the application for the third revision filed by El Paso Natural Gas Company conformed with long standing established policy where non-contiguous Dakota participating areas are not known to be geologically separated by well control data. Chuck Crowley presented El Paso's geological interpretations in support of their application. This included (1) an isopachous map showing the Dakota reservoir sands of the unit and adjacent area indicating reservoir continuity between the existing participating areas and the lands in the proposed third revision, (2) a cross-section of the Dakota producing interval from the existing participating areas through the wells in the proposed third revision and (3) a plat of the Dakota reservoir in the San Juan Basin showing the Dakota wells and the various unit outlines. Also, made available were copies of various unit maps in the San Juan Basin which had similar non-contiguous Dakota participating areas.

Millard Carr discussed Tenneco's interpretation of that portion of Section 11 which deals with the establishment of separate participating areas. Particular reference was made as to legal interpretation under intent of the agreement of the phrase "separate pool or deposit." Tenneco's geological interpretations were presented by R. H. Castle. These included (1) an isopachous map of the Dakota 'A' net sand covering the existing Dakota participating areas and the lands proposed for the initial or third revision and adjacent lands and (2) a map of the San Juan 29-7 unit and adjacent areas showing 1976 7-day shut-in well pressures for adjacent wells compared to the initial shut-in pressures for the three wells involved in this controversy.

L. P. Thompson stated that Continental Oil Company concurred with Tenneco's exhibits and position.

At this point, Chuck Crowley discussed the initial shut-in pressures for wells in the existing Dakota participating area with adjacent wells and the three wells in the proposed expansion. All initial shut-in pressures were comparable. A map showing these pressures was presented for reference.

Wallace Sutherland advised that a decision would be forthcoming following consideration of all information and data. The meeting was adjourned at approximately 3:30 p.m.

Oil and Gas Supervisor, SRMA

SAN JUAN 29-7 UNIT
THIRD DAKOTA PARTICIPATION AREA REVISION
AUGUST 3, 1978

<u>NAME</u>	<u>COMPANY</u>	<u>LOCATION</u>
Wallace Sutherland	USGS	Albuquerque, NM
Jim Gillham	USGS	Roswell, NM
Carl Traywick	USGS	Roswell, NM
Jack Willock	USGS	Albuquerque, NM
Millard F. Carr	Tenneco	Denver, CO
R. H. Castle	Tenneco	Denver, CO
Hugh Ingram	Conoco	Hobbs, NM
Paul Thompson	Conoco	Hobbs, NM
Ronald McWilliams	Conoco	Hobbs, NM
Dayne E. Adams	El Paso Natural Gas	El Paso, TX
Chuck Crowley	El Paso Natural Gas	El Paso, TX
Jim Permenter	El Paso Natural Gas	El Paso, TX
W. E. Williams	Shenandoah Oil Corp.	Ft. Worth, TX
Lynn Teschendorf	NMOCD	Santa Fe, NM
Joe Ramey	NMOCD	Santa Fe, NM
Ray Graham	State Land Office	Santa Fe, NM

Memo

From

R. L. STAMETS
TECHNICAL
SUPPORT CHIEF

Lyan

To
John Coughlin

Atty representing
Innesco +
Conoco.

San Juan 29-7

Unit extension of
participating
3rd Dakota

Tenneco - Conoco

OBJECTS

303 534 4333

9-26-78
An appealing USGS decision.

September 15, 1978

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

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Oil Conservation Division
Energy and Mineral Department
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
APPROVAL OF THE THIRD REVISION
OF THE PARTICIPATING AREA FOR THE
DAKOTA FORMATION

Gentlemen:

This is to advise that the captioned Expansion for the San Juan 29-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	September 1, 1978
Commission of Public Lands	September 6, 1978
Oil Conservation Division	September 7, 1978

Copies of this letter are being sent to the working interest owners of the San Juan 29-7 Unit.

Yours very truly,

RH Nordhausen

R. H. Nordhausen
Senior Landman
Land Department
Energy Resource Development

RHN:paw
S.J. 29-7 Unit 4.3

cc: Mr. Antonio Martinez
New Mexico Oil & Gas
Accounting Commission

SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (3)

Mr. Tom Bolack

Mr. D. H. Bolin

Continental Oil Company

Getty Oil Company

Mrs. Catherine B. McElvain

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce

Mr. James R. Raymond

Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

[Handwritten mark]

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

September 7, 1978

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

Attention: D. N. Canfield



Re: Case No. 674
San Juan 29-7 Unit
Third Expanded Participating
Area, Dakota Formation

Gentlemen:

We hereby approve the Third Expanded Participating Area for the Dakota Formation for the San Juan 29-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Expanded Participating Area is returned herewith.

Very truly yours,

[Handwritten signature of Joe D. Ramey]

JOE D. RAMEY
Director

JDR/LT/fd
enc.

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

[Handwritten initials]

JP



State of New Mexico



Commissioner of Public Lands

September 6, 1978

PHIL R. LUCERO
COMMISSIONER

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

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

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRD EXPANDED PARTICIPATING AREA,
DAKOTA FORMATION
Effective September 1, 1977

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved the Third Expanded Participating Area, Dakota Formation for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. The USGS approved the application September 1, 1978. Such Expanded Participating Area is effective September 1, 1977.

This approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

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

PRL/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

SAN JUAN 29-7 UNIT
DAKOTA WORKING INTEREST OWNERS

American Petrofina Company of Texas

Continental Oil Company

Mr. Jerome P. McHugh

Mr. Vincent F. Shryack

Southern Union Production Company

Tenneco Oil Company

J.P



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125



SEP 0 1 1978

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

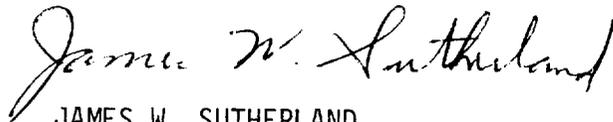
This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.04 acres described as the W $\frac{1}{2}$ sec. 29, all secs. 30, 31 and W $\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,380.75 acres. This revision is based on the information contributed by the three wells in the following tabulation:

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112	SW $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,



JAMES W. SUTHERLAND
Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company
Attention: Mr. Millard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

September 15, 1978

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

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Oil Conservation Division
Energy and Mineral Department
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
APPROVAL OF THE THIRD REVISION
OF THE PARTICIPATING AREA FOR THE
DAKOTA FORMATION

Gentlemen:

This is to advise that the captioned Expansion for the San Juan 29-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	September 1, 1978
Commission of Public Lands	September 6, 1978
Oil Conservation Division	September 7, 1978

Copies of this letter are being sent to the working interest owners of the San Juan 29-7 Unit.

Yours very truly,



R. H. Nordhausen
Senior Landman
Land Department
Energy Resource Development

RHN:paw
S.J. 29-7 Unit 4.3

cc: Mr. Antonio Martinez
New Mexico Oil & Gas
Accounting Commission

SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (3)

Mr. Tom Bolack

Mr. D. H. Bolin

Continental Oil Company

Getty Oil Company

Mrs. Catherine B. McElvain

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce

Mr. James R. Raymond

Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

JERRY APODACA
 GOVERNOR

NICK FRANKLIN
 SECRETARY

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-2434

September 7, 1978

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

Attention: D. N. Canfield



Re: Case No. 674
 San Juan 29-7 Unit
 Third Expanded Participating
 Area, Dakota Formation

Gentlemen:

We hereby approve the Third Expanded Participating Area for the Dakota Formation for the San Juan 29-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Expanded Participating Area is returned herewith.

Very truly yours,

Joe D. Ramey
 JOE D. RAMEY
 Director

JDR/LT/fd
 enc.

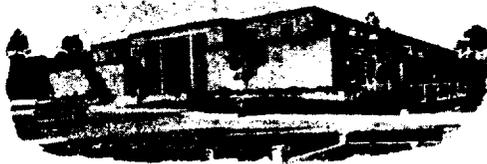
cc: U.S.G.S. - Roswell
 Commissioner of Public Lands

me

JP



State of New Mexico



Commissioner of Public Lands

September 6, 1978

PHIL R. LUCERO
COMMISSIONER

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

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

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRD EXPANDED PARTICIPATING AREA,
DAKOTA FORMATION
Effective September 1, 1977

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved the Third Expanded Participating Area, Dakota Formation for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. The USGS approved the application September 1, 1978. Such Expanded Participating Area is effective September 1, 1977.

This approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

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

PRL/RDG/s
encls.
cc:

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

SAN JUAN 29-7 UNIT
DAKOTA WORKING INTEREST OWNERS

American Petrofina Company of Texas

Continental Oil Company

Mr. Jerome P. McHugh

Mr. Vincent F. Shryack

Southern Union Production Company

Tenneco Oil Company

J.P



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125



SEP 0 1 1978

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

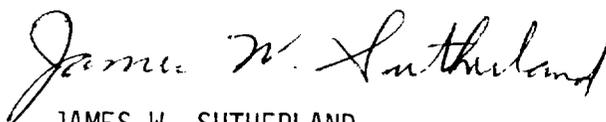
This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.04 acres described as the W $\frac{1}{2}$ sec. 29, all secs. 30, 31 and W $\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,380.75 acres. This revision is based on the information contributed by the three wells in the following tabulation:

Well No.	Location (T. 29 N., R. 7 W.)	Completion		Production	
		Date	Interval, Ft.	Days	MCF
109	NE $\frac{1}{4}$ sec. 30	9-26-77	7,390-7,600	158	80,221
110	NE $\frac{1}{4}$ sec. 31	9-26-77	7,595-7,806	159	70,886
112	SW $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,



JAMES W. SUTHERLAND
Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company
Attention: Mr. Millard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

SEP 11 1978

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

TO: THE DIRECTOR) APPEAL FROM THE LETTER
UNITED STATES GEOLOGICAL SURVEY,) DECISION FROM THE OIL AND
RESTON, VIRGINIA 22092) GAS SUPERVISOR APPROVING
THE APPLICATION OF EL PASO
NATURAL GAS FOR THE THIRD
REVISION OF THE DAKOTA
PARTICIPATING AREA FOR THE
SAN JUAN 29-7 UNIT.

NOTICE OF APPEAL

Under 30 C.F.R. Part 290, Tenneco Oil Company and Continental Oil Company [hereinafter "Appellants"], by their attorneys, file this Notice of Appeal from the Letter Decision of James W. Sutherland, Oil and Gas Supervisor, approving the Application of El Paso Natural Gas for the third revision of the Dakota Participating Area for the San Juan 29-7 Unit. The Letter Decision which was dated September 1, 1978 was received by Appellants on September 5, 1978. A copy of the Decision appealed from is attached hereto as Exhibit "A".

REQUEST FOR ADDITIONAL TIME TO SUBMIT
STATEMENT OF REASONS

Pursuant to 30 C.F.R. 290.5 Appellants hereby request the time to submit their Statement of Reasons be extended until November 6, 1978 and in support of the request state the following:

1. The Decision of the Oil and Gas Supervisor was subject to the approval of the New Mexico Conservation Division and the New Mexico Commissioner of State Lands. It is counsel's understanding that such approval has been obtained but a copy of the State Officials' Decisions has not yet been received by Appellants.

2. In support of the Appellants' position counsel feels it will be necessary to examine the records of the New Mexico Oil Conservation Division as to the extension of Dakota Participating Areas in units similar to San Juan

29-7.

3. No previous extension of time has been requested.

WHEREFORE, Appellants request that the time for the submission of the Statement of Reasons be extended until and including November 6, 1978.

Respectfully submitted,

MORAN, REIDY & VOORHEES

By



John W. Coughlin,
2220 Western Federal Savings Bldg.
718 Seventeenth Street
Denver, Colorado 80202
Telephone: 534-4333

Attorneys for Appellants

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this, the 22nd day of September, 1978 all interested parties were served a copy of the within and foregoing NOTICE OF APPEAL AND REQUEST FOR EXTENSION OF TIME TO SUBMIT STATEMENT OF REASONS by depositing the same in the United States mails, postage prepaid, addressed to the following:

The Director,
United States Geological Survey
U. S. Department of the Interior
Reston, Virginia 22092

(Certified, Return Receipt Requested)

James W. Sutherland,
Oil and Gas Supervisor, SRMA
U. S. Department of the Interior
Geological Survey
P. O. Box 26124
Albuquerque, N. M. 87125

(Certified, Return Receipt Requested)

American Petrofina Company of Texas
P. O. Box 2159
Dallas, Texas 75221

El Paso Natural Gas Company
Attention: Mr. D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Mr. Jerome P. McHugh
600 S. Cherry Street, Suite 1225
Denver, CO 80222

Mr. Vincent F. Shryack
934 S. High Street
Denver, CO 80209

Supron Energy Corporation
Suite 1700, Campbell Center
8350 N. Central Expressway
Dallas, Texas 75206

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

Oil Conservation Division
Attention: Mr. Joe D. Ramey
P. O. Box 2088
Santa Fe, New Mexico 87501

William L. Quinn



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

SEP 5 '78

SEP 01 1978

El Paso Natural Gas Company
Attention: Mr. D. A. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Your application for the third revision of the Dakota participating area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, was received by this office on March 17, 1978. Two objections were filed in opposition to your application. Tenneco Oil Company and Continental Oil Company proposed that those lands requested for the third revision be established as the initial Dakota 'A' participating area. On August 3, 1978, all interested parties met in this office to consider this controversy.

This office has considered all data and statements presented at this meeting by your company, Tenneco Oil Company and Continental Oil Company. We find the application for the third revision of the Dakota participating area to be a proper application in conformance with the terms of the unit agreement. Accordingly, your application for the third revision of the Dakota participating area is hereby approved on this date effective as of September 1, 1977, subject to like approval by the appropriate State officials.

The third revision adds 1,778.04 acres described as the $W\frac{1}{2}$ sec. 29, all secs. 30, 31 and $W\frac{1}{2}$ sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,030.75 acres. This revision is based on the information contributed by the three wells in the following tabulation.

Well No.	Location (T. 29 N., R. 7 W.)	Completion		Production	
		Date	Interval, Ft.	Days	MCF
109	NE $\frac{1}{4}$ sec. 30	9-26-77	7,390-7,600	158	80,221
110	NE $\frac{1}{4}$ sec. 31	9-26-77	7,595-7,306	159	70,836
112	SW $\frac{1}{4}$ sec. 29	9-29-77	7,310-7,506	158	135,643

Exhibit "A"

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the New Mexico Commissioner of Public Lands, the Oil Conservation Division and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosures (2)

cc: (letter only)
Mr. W. E. Williams
Shenandoah Oil Corporation
1500 Commerce Building
Fort Worth, Texas 76102

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Tenneco Oil Company ← This Copy for
Attention: Mr. Millard F. Carr
The Galleria-Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222

MINUTES FOR
SAN JUAN 29-7 UNIT MEETING

Cause for Meeting

El Paso Natural Gas Company, unit operator of the San Juan 29-7 unit, filed an application dated March 14, 1978, requesting approval of the third revision of the Dakota participating area. Continental Oil Company and Tenneco Oil Company, unit working interest owners, objected to this application and counter proposed that the lands included in El Paso's application for the third revision should constitute an initial Dakota 'A' participating area.

The meeting was called to order on August 3, 1978 in the Albuquerque office of the U. S. Geological Survey at 1:15 p.m. by Wallace Sutherland, Area Oil and Gas Supervisor. Those in attendance are shown in the attached list.

Jim Permenter stated that the application for the third revision filed by El Paso Natural Gas Company conformed with long standing established policy where non-contiguous Dakota participating areas are not known to be geologically separated by well control data. Chuck Crowley presented El Paso's geological interpretations in support of their application. This included (1) an isopachous map showing the Dakota reservoir sands of the unit and adjacent area indicating reservoir continuity between the existing participating areas and the lands in the proposed third revision, (2) a cross-section of the Dakota producing interval from the existing participating areas through the wells in the proposed third revision and (3) a plat of the Dakota reservoir in the San Juan Basin showing the Dakota wells and the various unit outlines. Also, made available were copies of various unit maps in the San Juan Basin which had similar non-contiguous Dakota participating areas.

Millard Carr discussed Tenneco's interpretation of that portion of Section 11 which deals with the establishment of separate participating areas. Particular reference was made as to legal interpretation under intent of the agreement of the phrase "separate pool or deposit." Tenneco's geological interpretations were presented by R. H. Castle. These included (1) an isopachous map of the Dakota 'A' net sand covering the existing Dakota participating areas and the lands proposed for the initial or third revision and adjacent lands and (2) a map of the San Juan 29-7 unit and adjacent areas showing 1976 7-day shut-in well pressures for adjacent wells compared to the initial shut-in pressures for the three wells involved in this controversy.

L. P. Thompson stated that Continental Oil Company concurred with Tenneco's exhibits and position.

At this point, Chuck Crowley discussed the initial shut-in pressures for wells in the existing Dakota participating area with adjacent wells and the three wells in the proposed expansion. All initial shut-in pressures were comparable. A map showing these pressures was presented for reference.

Wallace Sutherland advised that a decision would be forthcoming following consideration of all information and data. The meeting was adjourned at approximately 3:30 p.m.

Oil and Gas Supervisor, SRMA

SAN JUAN 29-7 UNIT
THIRD DAKOTA PARTICIPATION AREA REVISION
AUGUST 3, 1978

<u>NAME</u>	<u>COMPANY</u>	<u>LOCATION</u>
Wallace Sutherland	USGS	Albuquerque, NM
Jim Gillham	USGS	Roswell, NM
Carl Traywick	USGS	Roswell, NM
Jack Willock	USGS	Albuquerque, NM
Millard F. Carr	Tenneco	Denver, CO
R. H. Castle	Tenneco	Denver, CO
Hugh Ingram	Conoco	Hobbs, NM
Paul Thompson	Conoco	Hobbs, NM
Ronald McWilliams	Conoco	Hobbs, NM
Dayne E. Adams	El Paso Natural Gas	El Paso, TX
Chuck Crowley	El Paso Natural Gas	El Paso, TX
Jim Permenter	El Paso Natural Gas	El Paso, TX
W. E. Williams	Shenandoah Oil Corp.	Ft. Worth, TX
Lynn Teschendorf	NMOCD	Santa Fe, NM
Joe Ramey	NMOCD	Santa Fe, NM
Ray Graham	State Land Office	Santa Fe, NM

Regardless of any revision of the participating area, and except as herein elsewhere specifically provided, there shall be no retroactive adjustment for production obtained prior to the effective date of any such revision of the participating area.

Whenever it is determined, in the manner provided in this agreement, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the Drilling Block on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among royalty interest owners, be allocated to the Drilling Block on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

(b) From Formations below the Mesaverde:

Upon completion of a well capable of producing unitized substances from formations lying below the base of the Mesaverde in paying quantities, or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission, a schedule based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production on or after the effective date of this unit agreement. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective.

A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined upon approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears

proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this Subsection (b) that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State Royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well, for the purposes of settlement among all parties other than working interest owners, shall be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the Unit Operating Agreement.

674

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED
MAR 10 1992

March 2, 1992

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

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

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe., NM 87501-2088

**RE: SAN JUAN 29-7 UNIT, #14-08-001-1650
Rio Arriba County, New Mexico
1992 Plan of Development**

Gentlemen:

By letters dated February 27, 1991 and September 30, 1991, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit, filed the original Plan of Development and First Amendment for the calendar year 1991. The Plans of Development provided for the drilling of eight (8) Fruitland Coal wells. A total of six (6) wells were drilled during 1991. The following well was not drilled and should be cancelled from the Plans of Development:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Formation</u>
San Juan 29-7 Unit #568	W/2 28-29N-7W	Fruitland Coal

Regulatory Agencies
March 2, 1992
Page Two

As of this date, the total number of wells in the San Juan 29-7 Unit is as follows:

Fruitland, Being Evaluated	43
Pictured Cliffs, Non-Commercial	2
Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged & Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	<u>30</u>
	199

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, Meridian Oil Inc, as Unit Operator, hereby submits a Plan of Development providing for the drilling of the following wells in 1992:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Formation</u>
San Juan 29-7 Unit #555*	E/2 15-29N-7W	Fruitland Coal/PC Comingle
San Juan 29-7 Unit #508	W/2 15-29J-7W	Fruitland Coal/PC Comingle
San Juan 29-7 Unit #552	W/2 12-29N-7W	Fruitland Coal
San Juan 29-7 Unit #566	E/2 27-29N-7W	Fruitland Coal
San Juan 29-7 Unit #527	E/2 21-29N-7W	Fruitland Coal

* Well carried over from 1991 Plan of Development

All working interest owners have been contacted regarding this Plan of Development. Meridian Oil Inc. and the working interest owners believe that all current obligations have been satisfied.

Meridian Oil Inc, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

Regulatory Agencies
March 2, 1992
Page Three

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 the attention of the undersigned at the letterhead address.

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

Very truly yours,


Kent Beers
Attorney-in-Fact 

KB:LD/lr
IDreg/20-23
Enclosures

San Juan 29-7 Unit, 3.0

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

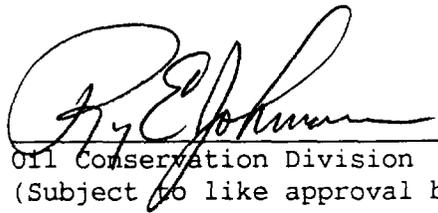
Amoco Production Company	Mr. James M. Raymond, Individually & as Trustee for Corinne Miller Gay & Maydell Miller Mast Trusts
Arco Oil & Gas Company	
Bolack Minerals Company	Lance B. Reemtsma
Mr. C.W. Bolin	Mr. Vincent E. Shryack
Mr. Dan H. Bolin	Southland Royalty Company
Mr. Pat S. Bolin	Texaco Producing Inc.
Mr. R.L. Bolin, Individually, and as Attorney-in-Fact for Dolores P. Bolin	Williams Production Company
Conoco Inc.	
Citadel Energy Inc.	
El Paso Production Company	
Fina Oil & Chemical Company	
First Interstate Bank, Agent for David A. Pierce	
First Interstate Bank, Agent for Dirk V. Reemtsma	
T. H. McElvain Oil & Gas Properties on behalf of: Catherine M. Harvey Catherine B. McElvain T. H. McElvain, Jr.	
Mr. Jerome P. McHugh	
Meridian Oil Production Inc.	
Mr. Morris Mizel	
Lee Wayne Moore & Jo Ann Moore Trust	
Phillips Petroleum Company	

APPROVED: _____
Bureau of Land Management
(Subject to like approval by
the Oil Conservation Division &
Commissioner of Public Lands)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management &
the Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management &
the Commissioner of Public Lands)

DATED: 3-6-92

The foregoing approvals for the 1992 Plan of Development for the San Juan
29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

MERIDIAN OIL

September 30, 1991

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

New Mexico Oil Conservation Division
Energy & Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87504

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

**RE: SAN JUAN 29-7 UNIT, #14-08-001-1650
FIRST AMENDMENT TO 1991 PLAN OF DEVELOPMENT
Rio Arriba County, New Mexico**

Gentlemen:

By letter dated February 27, 1991 the 1991 Plan of Development was filed for the referenced unit.

The following wells have recently been proposed for inclusion to the 1991 Plan of Development:

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #543	W/2 3-29N-7W	Fruitland Coal
San Juan 29-7 Unit #546	W/2 4-29N-7W	Fruitland Coal
San Juan 29-7 Unit #568	W/2 28-29N-7W	Fruitland Coal

The working interest owners have all been contacted and the necessary concurrence has been received to propose the wells for 1991.

If the First Amendment to the 1991 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. A copy should be returned to the attention of the undersigned.

Copies of this letter are being furnished to the unit owners on the attached sheet.

Yours very truly,


Kent Beers
Regional Land Manager

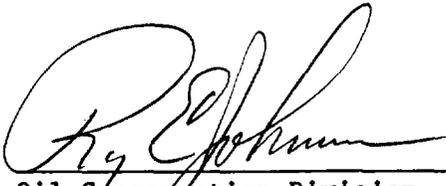
KB:LD/lr
ID#265/86-87
SJ 29-7, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by
the Oil Conservation Division &
Commissioner of Public Lands)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management &
the Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management &
the Commissioner of Public Lands)

DATED: 10-8-91

The forgoing approvals for the 1991 First Amendment to the Plan of Development for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco Inc.

Citadel Energy Inc.

El Paso Production Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Meridian Oil Production Inc.

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Moore Trust

Williams Production Company

Phillips Petroleum Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Texaco Producing Inc.

#674

RESIGNATION OF UNIT OPERATOR AND
DESIGNATION OF SUCCESSOR UNIT OPERATOR

San Juan 29-7 Unit Area
County of Rio Arriba, State of New Mexico
No. 14-08-001-1650

THIS INDENTURE, dated as of the 29th day of April, 1991, by and between El Paso Natural Gas Company, operator and owner of unitized working interest, (hereinafter called "EPNG") and Meridian Oil Inc., successor operator and owner of unitized working interest, (hereinafter called "Meridian").

W I T N E S S E T H:

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 3rd day of September, 1954, approved the Unit Agreement for the Development and Operation of the San Juan 29-7 Unit Area, wherein EPNG 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. 29, Article 10, §§ 45, 46 and 47 New Mexico Statutes Annotated 1978 Com.) the Commissioner of Public Lands on the 29th day of March, 1954, approved a Unit Agreement for the Development and Operation of the San Juan 29-7 Unit Area, wherein EPNG is designated as Unit Operator; and

WHEREAS, EPNG has resigned as Unit 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 Unit Agreement for the Development and Operation of the San Juan 29-7 Unit Area, EPNG has procured the necessary consent from working interest owners and regulatory agencies, and Meridian has procured the necessary consent from said owners to replace EPNG as Operator of the San Juan 29-7 Unit.

NOW, THEREFORE, effective May 1, 1991, EPNG hereby resigns as Unit Operator under the Unit Agreement for the Development and Operation of the San Juan 29-7 Unit Area and Meridian 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 29-7 Unit Area, and EPNG covenants and agrees that, upon approval of this indenture by the Authorized Officer in the proper BLM office and the Commissioner of Public Lands, Meridian shall be granted the exclusive right

and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; and said Unit Agreement being hereby incorporated 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.

Unit Operator and Working Interest Owner
El Paso Natural Gas Company

By:  _____
Kent Beers
Attorney-in-fact

Successor Unit Operator and Working
Interest Owner, Meridian Oil Inc.

By:  _____
Kent Beers
Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 29th day of April, 1991, by Kent Beers, as Attorney-in-fact on behalf of El Paso Natural Gas Company.

Laura Larson
Notary Public

My commission expires:

January 8, 1995

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 29th day of April, 1991, by Kent Beers, as Attorney-in-fact on behalf of Meridian Oil Inc.

Laura Larson
Notary Public

My commission expires:

January 8, 1995

RESIGNATION OF UNIT OPERATOR AND DESIGNATION OF SUCCESSOR UNIT OPERATOR
SAN JUAN 29-7 UNIT AREA.



JIM BACA
COMMISSIONER

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

El Paso Natural Gas Company
P.O. Box 4289
Farmington, NM 87499

Attn: Mr. Kent Beers

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1991 Plan of Development Approval

Dear Mr. Beers:

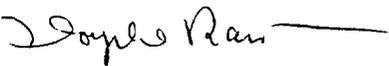
The Commissioner of Public Lands has this date approved the 1991 Plan of Development for the San Juan 29-7 Unit. Our approval is subject to like approval by all other appropriate agencies.

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

JB/FOP/DM/dm

cc: OCD
Unit POD File
Unit Correspondence File

El Paso
Natural Gas Company

OIL CONSERVATION DIVISION
RECEIVED

1991 FEB 29 AM 9:00
February 27, 1991

P.O. Box 4289
Farmington, New Mexico 87499-4289
Phone 505-326-9700

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

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

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87501-2088

RE: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1991 Plan of Development

Gentlemen:

By letters dated February 28, 1990 and April 9, 1990, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit filed the Plan of Development & First Amendment concerning the captioned Unit for the calendar year 1990 providing for the drilling of sixty-three (63) wells. A Total of twenty-seven (27) Fruitland Coal wells were drilled in 1990. The following wells will not be drilled at this time and should be cancelled from the Plan of Development:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Formation</u>
San Juan 29-7 Unit #144	W/2 09-29N-7W	Dakota
San Juan 29-7 Unit #145	E/2 23-29N-7W	Dakota
San Juan 29-7 Unit #146	W/2 24-29N-7W	Dakota
San Juan 29-7 Unit #506	W/2 05-29N-7W	Fruitland Coal
San Juan 29-7 Unit #508	W/2 15-29N-7W	Fruitland Coal
San Juan 29-7 Unit #510	W/2 16-29N-7W	Fruitland Coal
San Juan 29-7 Unit #519	E/2 08-29N-7W	Fruitland Coal
San Juan 29-7 Unit #520	W/2 08-29N-7W	Fruitland Coal
San Juan 29-7 Unit #522	W/2 17-29N-7W	Fruitland Coal
San Juan 29-7 Unit #523	E/2 17-29N-7W	Fruitland Coal
San Juan 29-7 Unit #524	W/2 20-29N-7W	Fruitland Coal
San Juan 29-7 Unit #527	E/2 21-29N-7W	Fruitland Coal
San Juan 29-7 Unit #534	E/2 09-29N-7W	Fruitland Coal
San Juan 29-7 Unit #535	W/2 10-29N-7W	Fruitland Coal
San Juan 29-7 Unit #536	E/2 18-29N-7W	Fruitland Coal
San Juan 29-7 Unit #538	E/2 26-29N-7W	Fruitland Coal
San Juan 29-7 Unit #543	W/2 03-29N-7W	Fruitland Coal
San Juan 29-7 Unit #546	W/2 04-29N-7W	Fruitland Coal
San Juan 29-7 Unit #549	W/2 09-29N-7W	Fruitland Coal

San Juan 29-7 Unit #552	W/2 12-29N-7W	Fruitland Coal
San Juan 29-7 Unit #557	W/2 19-29N-7W	Fruitland Coal
San Juan 29-7 Unit #561	W/2 23-29N-7W	Fruitland Coal
San Juan 29-7 Unit #566	E/2 27-29N-7W	Fruitland Coal
San Juan 29-7 Unit #567	E/2 28-29N-7W	Fruitland Coal
San Juan 29-7 Unit #568	W/2 28-29N-7W	Fruitland Coal
San Juan 29-7 Unit #570	W/2 29-29N-7W	Fruitland Coal
San Juan 29-7 Unit #571	E/2 30-29N-7W	Fruitland Coal
San Juan 29-7 Unit #572	E/2 31-29N-7W	Fruitland Coal
San Juan 29-7 Unit #573	W/2 31-29N-7W	Fruitland Coal
San Juan 29-7 Unit #574	E/2 32-29N-7W	Fruitland Coal
San Juan 29-7 Unit #576	W/2 33-29N-7W	Fruitland Coal

As of this date, the total number of active wells within the San Juan 29-7 Unit is as follows:

Fruitland, Being Evaluated	38
Pictured Cliffs, submitted non-commercial 9-12-90	2
Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged & Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	<u>30</u>
	194

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits a Plan of Development providing for the drilling of the following wells in 1991:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Formation</u>
San Juan 29-7 Unit #547*	E/2 07-29N-07W	Fruitland Coal
San Juan 29-7 Unit #548*	W/2 07-29N-07W	Fruitland Coal
San Juan 29-7 Unit #555*	E/2 15-29N-07W	Fruitland Coal
San Juan 29-7 Unit #559*	W/2 22-29N-07W	Fruitland Coal
San Juan 29-7 Unit #562*	E/2 24-29N-07W	Fruitland Coal

* Wells carried over from 1990 Drilling Program

All working interest owners have been contacted regarding this Plan of Development. El Paso Natural Gas Company 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 unitized substances and any other wells deemed necessary or desirable by the Unit Operator and working interest owners.

Regulatory Agencies
February 27, 1991
Page Three

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 the undersigned.

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

Yours very truly,

A handwritten signature in black ink, appearing to be 'KB' with a flourish extending to the right.

Kent Beers
Attorney-in-Fact

KB/LD/sf
ID.#243+15
Enclosures
San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by
the Oil Conservation Division &
Commissioner of Public Lands)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management &
the Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management &
the Commissioner of Public
Lands)

DATED: 3-6-91

The foregoing approvals for the 1991 Plan of Development for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Mr. James M. Raymond, Individually
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Arco Oil & Gas Company

Bolack Minerals Company

Citadel Energy Inc.

Mr. C.W. Bolin

Mr. Vincent E. Shryack

Mr. Dan H. Bolin

Texaco Producing Inc.

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco Inc.

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

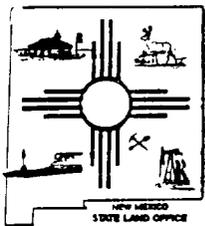
Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Petroleum Company

First Interstate Bank, Agent
for Dirk V. Reemtsma & David A. Pierce

Lance B. Reemtsma



State of New Mexico
Commissioner of Public Lands

W. R. Humphries
COMMISSIONER

Advisory Board December 27, 1990

George Clark
Chairman

Meridian Oil, Incorporated

Kristin Conniff
Vice Chairman

3535 East 30th Street

Melvin Cordova

P.O. Box 4289
Farmington, NM 87499-4289

Joe Kelly

Attn: Ms. Donahue

Robert Portillos

Nancy Lynch Vigil

Re: San Juan 29-7 Unit

Rex Wilson

San Juan County, New Mexico

Ninth Dakota Participating Area Expansion

Well Nos. 138, 139, 140, & 141

Commercial Determination

Dear Ms. Donahue:

We received your letter dated December 20, 1990 wherein you request the Commercial Determination of the subject wells and the subsequent approval of the Ninth Dakota Participating Area Expansion. This addition of Sections 8 and 25 adds 1280 acres to the subject unit. Section 8 is dedicated to well nos., 140 and 141 and Section 25 is dedicated to well nos., 138 and 139. We concur with the Bureau of Land Management as to the commerciality of the subject wells and the approval of the Ninth Dakota Participating Area Expansion.

Please be advised that the Commissioner of Public Lands hereby approves the Commercial Determination of well nos., 138, 139, 140, 141 and the Ninth Dakota Participating Area Expansion to be effective October 1, 1987.

If you have any questions please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

By:


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

WRH/FOP/CL/dm

cc: TRD - Oil & Gas Accounting Divison
OCD
BLM - Ernie Busch
Royalty Management
Gene Chacon

MERIDIAN OIL

December 20, 1990

RECEIVED
NOV 30 1990

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Comissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87502

RE: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
NINTH DAKOTA PARTICIPATING
AREA REVISION
Effective Date - October 1, 1987

Gentlemen:

By letter dated February 9, 1990 the BLM approved the referenced expansion. To date we have not had a response from the Commissioner of Public Lands or Oil Conservation Division regarding approval of the expansion.

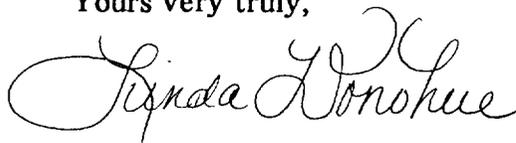
We have revised the schedule to reflect current ownership and to indicate the participation factor that will be used for recoupment of non-consent penalty for the wells that were included in the Participating Area. We have designated the acreage that is subject to penalty as Tracts #3A & #7A. Whenever payout occurs we will include the acreage under the proper Tract and reflect the revised ownership.

This expansion will be adjusted for settlement purposes in the near future.

By copy of this letter the Dakota Participating Area owners are being advised of the approval by the BLM for further handling.

If there are questions regarding this matter please contact the undersigned at (505) 326-9760.

Yours very truly,



Linda Donohue
Petroleum Landman

LD/sf
ID.#204+5
San Juan 29-7, 4.3

SAN JUAN 29-7 UNIT
DAKOTA PARTICIPATING AREA OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Citadel Energy Inc.

Conoco Inc.

El Paso Production Company

Fina Oil & Chemical Company

Jerome P. McHugh & Associates

Meridian Oil Production Inc.

Mr. & Mrs. Morris Mizel

Mr. Lee Wayne Moore & Jo Ann Moore Trust

Mr. Vincent E. Shryack

Southland Royalty Company

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078399	29N 7W	320.00		TRACT: 002	5.000000	5.000000	2.416038
	SEC. 22 N/2				12.500000	12.500000	
			ORRI:		41.250000	41.250000	
			ROYALTY:		8.250000	8.250000	
			WORKING INTEREST:		33.000000	33.000000	
			MORRIS MIZEL AND FLORA MIZEL				
			MERIDIAN OIL PRODUCTION				
			LEE WAYNE & JO ANN MOORE TRU				
			TOTAL		100.000000	100.000000	
SF-078423	29N 7W	640.00		TRACT: 003	4.000000	4.000000	4.832078
	SEC. 17 ALL				12.500000	12.500000	
			ORRI:		20.875000	20.875000	
			ROYALTY:		62.625000	62.625000	
			WORKING INTEREST:		100.000000	100.000000	
			ARCO				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	
SF-078423	29N 7W	640.00		TRACT: 003A	4.000000	4.000000	4.832078
	SEC. 8 ALL				12.500000	12.500000	
			ORRI:		83.500000	83.500000	
			ROYALTY:		100.000000	100.000000	
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	

REMARKS:
 TRACT 3A SET UP TO TRACK THE NON-CONSENT
 ELECTION OF ARCO IN THE SAN JUAN 29-7
 #140 & #141 DK WELLS, WHEN PAYOUT OCCURS
 THE ACREAGE WILL BE COMBINED INTO TR.3

SF-078424 29N 7W 1,880.00 TRACT: 004
 SEC. 20 ALL ORRI: 4.000000
 SEC. 21 ALL ROYALTY: 12.500000
 SEC. 22 SE/4 WORKING INTEREST: 20.875000
 SEC. 26 NE/4 NE/4 ARCO 62.625000
 SEC. 27 N/2 MERIDIAN OIL PRODUCTION 62.625000
 SEC. 28 E/2 NE/4
 TOTAL 100.000000 100.000000 14.194228

EFFECTIVE 87/10/01

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078424-B	29N 7W	160.00		006	5.000000	5.000000	1.208020
	SEC. 22 SW/4				12.500000	12.500000	
			ORRI:		82.500000	82.500000	
			ROYALTY:		100.000000	100.000000	
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL				
SF-078425	29N 7W	1,440.00		007	4.000000	4.000000	10.872175
	SEC. 26 S/2 SE/4, SW/NW, NW/SW				12.500000	12.500000	
	SEC. 27 SW/4				20.875000	20.875000	
	SEC. 34 ALL				62.625000	62.625000	
	SEC. 35 S/2, NE/4				100.000000	100.000000	
			ORRI:		4.000000	4.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		20.875000	20.875000	
			ARCO		62.625000	62.625000	
			MERIDIAN OIL PRODUCTION		100.000000	100.000000	
			TOTAL				
SF-078425	29N 7W	640.00		007A	4.000000	4.000000	4.832077
	SEC. 25 ALL				12.500000	12.500000	
			ORRI:		83.500000	83.500000	
			ROYALTY:		100.000000	100.000000	
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL				

REMARKS:
 TRACT 7A SET UP TO TRACK THE NON-CONSENT ELECTION OF ARCO IN THE SAN JUAN 29-7 #138 & #139 DK WELLS, WHEN PAYOUT OCCURS THE ACREAGE WILL BE COMBINED INTO TR. 7

SF-078425-A 29N 7W 160.00 TRACT: 008

ORRI: 5.000000
 ROYALTY: 12.500000
 WORKING INTEREST: 82.500000
 MERIDIAN OIL PRODUCTION: 82.500000
 TOTAL: 100.000000

EFFECTIVE 87/10/01

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078503	29N 7W	1,970.04		TRACT: 009			14.874041
	SEC. 19		ORRI:		3.000000	3.000000	
			ROYALTY:		12.500000	12.500000	
	SEC. 28		WORKING INTEREST:		42.250000	42.250000	
	SEC. 29		AMOCO PRODUCTION COMPANY		42.250000	42.250000	
	SEC. 30		CONOCO INC				
	SEC. 31						
	SEC. 33						
	TOTAL				100.000000	100.000000	2.416039
SF-078503-A	29N 7W	320.00		TRACT: 010			
	SEC. 19		ORRI:		4.000000	4.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		72.937500	72.937500	
			EL PASO PRODUCTION CO		10.562500	10.562500	
			CONOCO INC				
	TOTAL				100.000000	100.000000	1.863974
SF-078503-A	29N 7W	246.88		TRACT: 010A			
	SEC. 30		ORRI:		4.000000	4.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		72.937500	72.937500	
			EL PASO PRODUCTION CO		10.562500	10.562500	
			CONOCO INC				
	TOTAL				100.000000	100.000000	
SF-078943	29N 7W	530.15		TRACT: 012			4.002697
	SEC. 6		ORRI:		25.000000	25.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		54.684781	54.684781	
			SOUTHLAND ROYALTY CO		6.250000	6.250000	
			JEROME P MCHUGH & ASSOC		1.562500	1.562500	
			VINCENT E SHRYACK		0.002719	0.002719	
			CITADEL ENERGY INC				
	TOTAL				100.000000	100.000000	4.002697

EFFECTIVE 87/10/01

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078943-A	29N 7W SEC. 7 LOTS 5, 6, 7, 8, E/2 W/2, E/2 (ALL)	546.72	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY CO JEROME P MCHUGH & ASSOC VINCENT E SHRYACK CITADEL ENERGY INC	TRACT: 012A	25.000000 12.500000 54.684781 6.250000 1.562500 0.002719	25.000000 12.500000 54.684781 6.250000 1.562500 0.002719	4.127802
SF-078945	29N 7W SEC. 18 LOTS 5&6, NE/4, E/2 NW/4 SEC. 27 N/2 SE, SW/SE SEC. 28 W/2 NE, NW/4, N/2 SW, SE/4, SE/SW SEC. 29 NE/4	1,075.11	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY CONOCO INC	TRACT: 013	4.500000 12.500000 41.500000 41.500000	4.500000 12.500000 41.500000 41.500000	8.117211
SF-079514	29N 7W SEC. 18 LOTS 7, 8, SE/4, E/2 SW/4 SEC. 33 E/2	595.92	ORRI: ROYALTY: WORKING INTEREST: BOLACK MINERALS COMPANY EL PASO PRODUCTION CO MERIDIAN OIL PRODUCTION	TRACT: 015B	5.000000 12.500000 20.625000 41.250000 20.625000	5.000000 12.500000 20.625000 41.250000 20.625000	4.499269
NM-019404	29N 7W SEC. 26 SE/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: MERIDIAN OIL PRODUCTION	TRACT: 016	12.500000 87.500000	12.500000 87.500000	0.302005
E-3642-14	29N 7W SEC. 32 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: FINA OIL & CHEMICAL	TRACT: 020	3.000000 12.500000 84.500000	3.000000 12.500000 84.500000	0.302005
TOTAL					100.000000	100.000000	

EFFECTIVE 87/10/01

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-5111-7	29N 7W	640.00		TRACT: 021	7.500000	7.500000	4.832077
	SEC. 36 ALL				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			EL PASO PRODUCTION CO		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-58	29N 7W	320.00		TRACT: 023	7.500000	7.500000	2.416039
	SEC. 16 S/2				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			SOUTHLAND ROYALTY CO		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 024	7.500000	7.500000	0.604010
	SEC. 32 S/2 NW/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 025	7.500000	7.500000	0.604010
	SEC. 32 SE/NE, NE/NW				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 026	7.500000	7.500000	0.604009
	SEC. 32 N/2 SE/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 027	7.500000	7.500000	0.604010
	SEC. 32 S/2 SW/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION		80.000000	80.000000	
			TOTAL		100.000000	100.000000	

EFFECTIVE 87/10/01

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-10037-77	29N 7W	40.00		TRACT: 028	7.500000	7.500000	0.302005
	SEC. 32 NE/4 SW/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 029	7.500000	7.500000	0.604010
	SEC. 32 NE/NE, SW/NE				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	40.00		TRACT: 030	7.500000	7.500000	0.302004
	SEC. 32 NW/4 NE/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	
B-10037-78	29N 7W	40.00		TRACT: 031	5.000000	5.000000	0.302005
	SEC. 32 NW/4 NW/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			EL PASO PRODUCTION CO				
			TOTAL		100.000000	100.000000	
B-10037-77	29N 7W	80.00		TRACT: 032	5.000000	5.000000	0.604010
	SEC. 32 S/2 SE/4				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MERIDIAN OIL PRODUCTION				
			TOTAL		100.000000	100.000000	

EFFECTIVE 87/10/01

RUN DATE 12/17/90
 RUN TIME .17:56:51

EL PASO NATURAL GAS
 SCHEDULE X
 THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
29N	7W	440.00	ORRI:	TRACT: 043			3.322054
SEC. 26	W/2 NE, SE/NW, N/2 NW, NE/SW,		ROYALTY:		12.500000	12.500000	
SEC. 27	SE/4 SE/4		WORKING INTEREST:		87.500000	87.500000	
SEC. 26	S/2 SW, N/2 SE		AMOCO PRODUCTION COMPANY				
TOTAL					100.000000	100.000000	

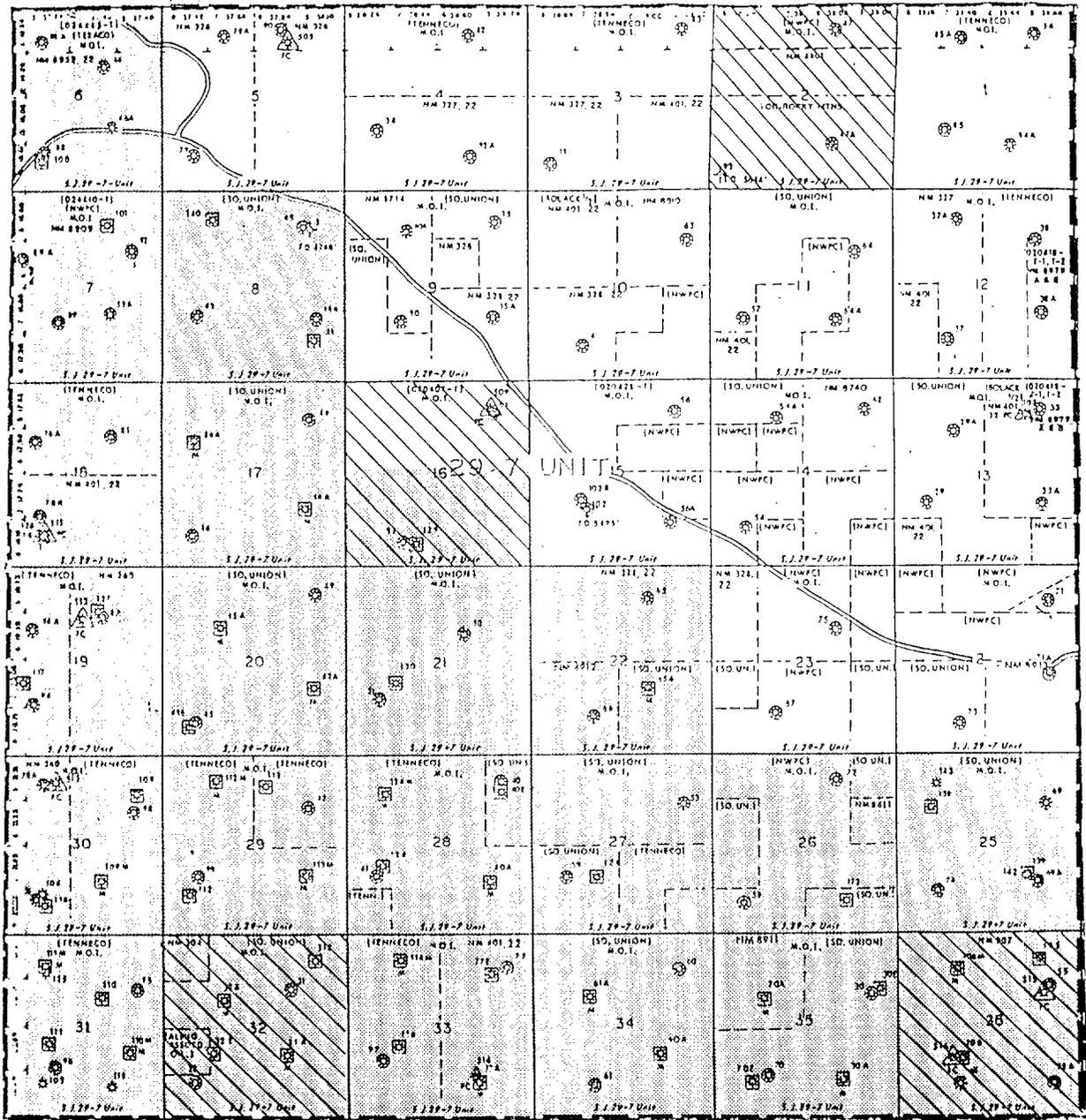
EFFECTIVE 87/10/01

TOWNSHIP 29N		RANGE 7W	
SECTION 16	: S/2		
SECTION 17	: ALL		
SECTION 18	: LOTS 5&6, NE/4,		E/2 NW/4
SECTION 18	: LOTS 7,8, SE/4,		E/2 SW/4
SECTION 19	: E/2		
SECTION 19	: LOTS 5,6,7,8,		E/2 W/2
SECTION 20	: ALL		
SECTION 21	: ALL		
SECTION 22	: SE/4		
SECTION 22	: N/2		
SECTION 22	: SW/4		
SECTION 25	: ALL		
SECTION 26	: S/2 SE/4,		SW/NW, NW/SW
SECTION 26	: NE/4 NE/4		
SECTION 26	: SE/4 NE/4		
SECTION 26	: S/2 SW, N/2 SE		
SECTION 26	: W/2 NE, SE/NW,		N/2 NW, NE/SW,
SECTION 27	: SE/4 SE/4		
SECTION 27	: N/2 SE, SW/SE		
SECTION 27	: N/2		
SECTION 27	: SW/4		
SECTION 28	: SW/4 SW/4		
SECTION 28	: E/2 NE/4		
SECTION 28	: W/2 NE, NW/4, N/2 SW, SE/4, SE/SW		
SECTION 29	: NE/4		
SECTION 29	: SE/4, W/2		
SECTION 30	: E/2		
SECTION 30	: LOTS 5,6,7,8,		E/2 W/2
SECTION 31	: LOTS 5,6,7,8,		E/2 W/2, E/2 (ALL)
SECTION 32	: NW/4 SW/4		
SECTION 32	: S/2 NW/4		
SECTION 32	: SE/NE, NE/NW		
SECTION 32	: N/2 SE/4		
SECTION 32	: S/2 SW/4		
SECTION 32	: NE/4 SW/4		
SECTION 32	: NE/NE, SW/NE		
SECTION 32	: NW/4 NE/4		
SECTION 32	: NW/4 NW/4		
SECTION 32	: S/2 SE/4		
SECTION 33	: E/2		
SECTION 33	: W/2		
SECTION 34	: ALL		
SECTION 35	: S/2, NE/4		
SECTION 35	: NW/4		
SECTION 36	: ALL		
SECTION 6	: LOTS 8 - 14,		SE/NW, E/2 SW,
SECTION 6	: S/2 NE, SE/4		
SECTION 7	: LOTS 5,6,7,8,		E/2 W/2, E/2 (ALL)
SECTION 8	: ALL		
TOTAL COMMITTED:		13,244.82	

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 13,244.82

TOTAL ACRES NON-COMMITTED: 0.00

R7W



T 29 N

SAN JUAN 29-7 UNIT

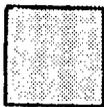
☼ Pictured Cliffs

☼ Chacra

☼ Mesaverde

◆ Gallup

☼ Dakota



DAKOTA PARTICIPATING AREA
9th Expansion Effective 10/1/87



OIL & GAS OWNED BY
STATE OF NEW MEXICO

MERIDIAN OIL
LAND DEPARTMENT
December 18, 1990

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

October 5, 1990

Ms. Linda Donohue, Petroleum Landman
Meridian Oil Inc.,
3535 East 30th Street
P.O. Box 4289
Farmington, NM 87499-4289

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1990 Plan of Development

Dear Ms. Donohue:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the San Juan 29-7 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

BY:

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

cc: OCD
Unit Corresp.
Unit POD

OIL CONSERVATION DIVISION
FARMINGTON, NEW MEXICO

El Paso
Natural Gas Company

'90 SEP 14 AM 10 07

P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499

#674

September 12, 1990

Bureau of Land Management
Attention: Mr. Gail Keller
1235 La Plata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87502

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL
PICTURED CLIFFS FORMATION

Gentlemen:

In accordance with Section 11A, of the referenced Unit Agreement, approved September 3, 1954, El Paso Natural Gas Company, as unit operator, has determined that the following described wells are not capable of producing unitized substances in order to be admitted to the Pictured Cliffs Participating Area:

San Juan 29-7 Unit #142, Tr. #7, SF-078425

This well is located 1680' FSL, 1500' FEL Section 25, T29N, R7W, N.M.P.M., Rio Arriba County, New Mexico. The well was spud on October 11, 1988 and completed in the Blanco Pictured Cliffs on October 31, 1988. The plug back total depth is 3661'. The Pictured Cliffs formation was perforated at the following depths:

3579', 3581', 3583', 3585', 3587',
3589', 3591', 3593', 3595', 3601',
3603', 3605', 3607', 3609', 3611',
3613 w/1 spf

Bureau of Land Management
N.M. Commission of Public Lands
N.M. Oil Conservation Division
Sept. 12, 1990
Page Two

San Juan 29-7 Unit #143, Tr. #7, SF-078425

This well is located 860' FNL, 1190' FWL Section 25, T29N, R7W, N.M.P.M., Rio Arriba County, New Mexico. The well was spud on October 15, 1988 and completed in the Blanco Pictured Cliffs on November 5, 1988. The plug back total depth is 3664'. The Pictured Cliffs formation was perforated at the following depths:

3628', 3630', 3634', 3638', 3640', 3642'
3644', 3646', 3648', 3650', 3652', 3660',
3686'

The economics for the non-commercial determinations are outlined on the attached Exhibits.

If you concur with this non-commercial determination we would appreciate you advising of such approval on the attached letter ballot.

This letter is being furnished to the Pictured Cliffs Participating Area Owners on the attached sheet. If there are any questions regarding this matter please contact Linda Donohue at 505-326-9760.

Yours very truly,

Kent Beers
Kent Beers
Regional Land Manager

KB:LD:kaw
San Juan 29-7, 4.2.1
1+

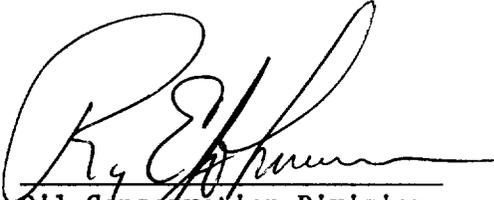
Bureau of Land Management
N.M. Commission of Public Lands
N.M. Oil Conservation Division
Sept. 12, 1990
Page Three

APPROVED: _____
Bureau of Land Management
(Subject to like approval by
the Oil Conservation Division
& Commissioner of Public Lands)

DATE: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management
and Oil Conservation Division)

DATE: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management
& Commissioner of Public Lands)

DATE: 9-17-90

The foregoing is the approval of Notice of Completion of Non-Commercial Well for the San Juan 29-7 Unit #142 & #143, Pictured Cliffs Wells.

**Meridian Oil Inc.
Commerciality Determination**

Well Name: San Juan 29-7 Unit #142
 Formation: Pictured Cliffs
 Location: J-Section 25, T29N-R07W
 County, State: Rio Arriba, New Mexico

Date Spudded - 10/10/88
 Date Completed - 10/31/88
 Date of First Delivery - 06/29/89
 Date of Commerciality Submittal - 05/30/90

Well Cost Data

Actual Total Well Costs \$244,321

Production Taxes

	Gas % of Revenue
Severance Tax	(N.M.) 3.75%
School Tax	(N.M.) 3.15%
Ad Valorem	(N.M.) 2.31%
Conservation Tax	(N.M.) 0.19%

Average Product Pricing

<u>Years</u>	<u>Gas Price (\$/MCF)</u>
1989	1.52
1990	1.66

- Based on Spot Gas Sales for the actual months of production adjusted for a heating value of 1124 MBTU/MCF

Estimated Annual Production and Operating Expenses

<u>Years</u>	<u>Gas (MMCF)</u>	<u>Oil (MBO)</u>	<u>Operating Expense (M\$)</u>
1989	46 (6 mos)	0.00	3.00
1990	37.0	0.00	6.00
1991	36.0	0.00	6.00
1992	35.5	0.00	6.00
1993	35.0	0.00	6.00

- Annual Production and Operating Expenses are adjusted for anticipated market constraints. Operating Expenses are based on producing time and are not escalated for inflation.

- The well can be produced to an economic limit of 15 MCFPD under the current economic and operating conditions.

Test Data

<u>Date</u>	<u>WHSIP (psig)</u>	<u>WHFTP (psig)</u>	<u>WHFCP (psig)</u>	<u>AOF (MCFD)</u>
10/31/88	1064	137	369	1708

**Meridian Oil Inc.
Commerciality Determination**

Well Name: San Juan 29-7 Unit #143
 Formation: Pictured Cliffs
 Location: D-Section 25, T29N-R07W
 County, State: Rio Arriba, New Mexico

Date Spudded - 10/15/88
 Date Completed - 11/05/88
 Date of First Delivery - 07/26/89
 Date of Commerciality Submittal - 05/30/90

Well Cost Data

Actual Total Well Costs \$260,931

Production Taxes

	Gas % of Revenue
Severance Tax	(N.M.) 3.75%
School Tax	(N.M.) 3.15%
Ad Valorem	(N.M.) 2.31%
Conservation Tax	(N.M.) 0.19%

Average Product Pricing

<u>Years</u>	<u>Gas Price (\$/MCF)</u>
1989	1.52
1990	1.66

- Based on spot gas sales for the actual months of production adjusted for a heating value of 1124 MBTU/MCF

Estimated Annual Production and Operating Expenses

<u>Years</u>	<u>Gas (MMCF)</u>	<u>Oil (MBO)</u>	<u>Operating Expense (M\$)</u>
1989	38 (5 mos)	0.00	2.00
1990	22.8	0.00	4.30
1991	22.5	0.00	4.30
1992	22.3	0.00	4.30
1993	21.8	0.00	4.30

- Annual Production and Operating Expenses are adjusted for anticipated market constraints. Operating Expenses are based on producing time and are not escalated for inflation.

- The well can be produced to an economic limit of 15 MCFPD under the current economic and operating conditions.

Test Data

<u>Date</u>	<u>WHSIP (psig)</u>	<u>WHFTP (psig)</u>	<u>WHFCP (psig)</u>	<u>AOF (MCFD)</u>
11/01/88	1059	149	314	1845

SAN JUAN 29-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS

Amoco Production Company

C.W. Bolin

Dan H. Bolin

Pat S. Bolin

R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

100 APR 30 AM 9 17

San Juan 29-7 (POB)
3180 (319)

APR 25 1990

El Paso Natural Gas Company
Attn: Kent Beers
P. O. Box 4289
Farmington, NM 87499

Gentlemen:

Two approved copies of your First Amendment to the 1990 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico, is enclosed. Such plan, proposing the carry over of three Fruitland Coal wells from the 1989 POB (San Juan 29-7 No. 506, No. 508, and No. 510), the drilling of one new well (San Juan 29-7 No. 563) and the deletion of the San Juan 29-7 No. 564 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 Gail Keller at the above address or telephone (505) 327-5344.

Sincerely,

/s/ John L. Keller

John Keller
Chief, Branch of Minerals

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

El Paso
Natural Gas Company

APR 12 1990

AM 8 56

#674
3535 East 30th Street
P.O. Box 4289
Farmington, N.M. 87499-4289
Phone: 505-326-9700

April 9, 1990

Bureau of Land Management
Attention: Mr. John Keller
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit
First Amendment
1990 Plan of Development
Rio Arriba County, New Mexico

Gentlemen:

By letter dated February 28, 1990 the 1990 Plan of Development was submitted for approval.

We have discovered that the E/2 Section 26, T29N, R7W was duplicated under Well Numbers 538 and 564. Please amend your records to delete the #564 well from the original Plan of Development.

Also the following locations were inadvertently left off our original letter and it is requested that the Plan of Development be amended to include the following:

<u>Well Name</u>	<u>Drill Block</u>	<u>Formation</u>
San Juan 29-7 Unit #563	W/2 24-29N-7W	Fruitland Coal
San Juan 29-7 Unit #506*	W/2 5-29N-7W	Fruitland Coal
San Juan 29-7 Unit #508*	W/2 15-29N-7W	Fruitland Coal
San Juan 29-7 Unit #510*	W/2 16-29N-7W	Fruitland Coal

*Carried over from 1989 Plan of Development

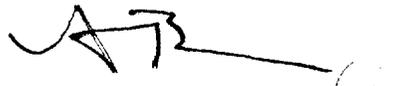
April 9, 1990

By copy of this letter the working interest owners are being notified of this proposed amendment.

If this Amended 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 the undersigned.

Please contact Linda Donohue at 326-9760 if there are any questions relating to this proposal.

Yours very truly,


Kent Beers
Regional Land Manager

KB:LD:jf

Attachments

Doc. 18+

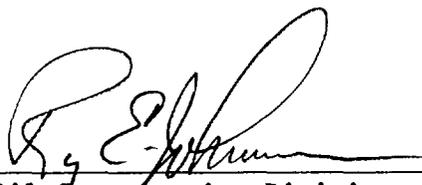
San Juan 29-7, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 4-18-90

The foregoing approvals for the San Juan 29-7 Unit, First Amendment, 1990 Plan of Development, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company	Mr. James M. Raymond, Individually and as Executor of Estate of Mabelle McElvain Miller Nestler, & Trustee for Corinne Miller Gay and Maydell Miller Mast Trusts
Arco Oil & Gas Company	
Bolack Minerals Company	
Mr. C.W. Bolin	Mr. Vincent E. Shryack
Mr. Dan H. Bolin	Southland Royalty Company
Mr. Pat S. Bolin	
Mr. R.L. Bolin, Individually, and as Attorney-in-Fact for Dolores P. Bolin	Texaco Producing Inc.
Conoco, Inc.	Unicon Producing
FMP Operating Company	
Fina Oil & Chemical Company	
T. H. McElvain Oil & Gas Properties	
Mr. Jerome P. McHugh	
Mesa Petroleum Company	
Mr. Morris Mizel	
Lee Wayne Moore & Jo Ann Montgomery Moore, Trustees	
Northwest Pipeline Corporation	
Phillips Petroleum Company	
First Interstate Bank, Agent for Dirk V. Reemtsma & David A. Pierce	
Lance B. Reemtsma	

El Paso
Natural Gas Company

RECEIVED
OIL CONSERVATION DIVISION
FEB 28 9 01 AM '90

P O BOX 4289
FARMINGTON NEW MEXICO 87499
PHONE 505-325-2841

February 28, 1990

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1990 Plan of Development

Gentlemen:

By letter dated February 28, 1989, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit filed a Drilling Program concerning the captioned Unit for the calendar year 1989 providing for the drilling of two (2) wells. By letters dated May 19, 1989, August 21, 1989 and September 6, 1989, El Paso Natural Gas Company filed the First (1 well), Second (10 wells) and Third (11 wells) Amendments respectively to the 1989 Drilling Program. Six (6) wells were drilled in 1989.

As of this date, the total number of active wells within the San Juan 29-7 Unit is as follows:

Fruitland, Being Evaluated	11
Pictured Cliffs, Being Evaluated	2
Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged & Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	26
Dakota, Being Evaluated	<u>4</u>
	167

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of the following wells in 1990:

<u>WELL NAME</u>	<u>DRILL BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #144 *	W/2 Sec. 9, T29N, R7W	Dakota
San Juan 29-7 Unit #145 *	E/2 Sec. 23, T29N, R7W	Dakota
San Juan 29-7 Unit #146 *	W/2 Sec. 24, T29N, R7W	Dakota
San Juan 29-7 Unit #517 *	E/2 Sec. 25, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #518 *	W/2 Sec. 25, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #519 *	E/2 Sec. 8, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #520 *	W/2 Sec. 8, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #521 *	W/2 Sec. 13, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #522 *	W/2 Sec. 17, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #523 *	E/2 Sec. 17, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #524 *	W/2 Sec. 20, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #525 *	E/2 Sec. 20, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #526 *	W/2 Sec. 21, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #527 *	E/2 Sec. 21, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #528 *	W/2 Sec. 27, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #529 *	W/2 Sec. 34, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #530 *	E/2 Sec. 34, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #531 *	E/2 Sec. 35, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #532	E/2 Sec. 2, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #533	E/2 Sec. 3, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #534	E/2 Sec. 9, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #535	W/2 Sec. 10, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #536	E/2 Sec. 18, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #537	E/2 Sec. 22, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #538	E/2 Sec. 26, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #539	W/2 Sec. 32, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #540	E/2 Sec. 10, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #543	W/2 Sec. 3, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #544	E/2 Sec. 4, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #545	E/2 Sec. 12, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #546	W/2 Sec. 4, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #547	E/2 Sec. 7, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #548	W/2 Sec. 7, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #549	W/2 Sec. 9, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #550	E/2 Sec. 11, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #551	W/2 Sec. 11, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #552	W/2 Sec. 12, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #553	E/2 Sec. 14, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #554	W/2 Sec. 14, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #555	E/2 Sec. 15, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #557	W/2 Sec. 19, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #559	W/2 Sec. 22, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #560	E/2 Sec. 23, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #561	W/2 Sec. 23, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #562	E/2 Sec. 24, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #564	E/2 Sec. 26, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #565	W/2 Sec. 26, T29N, R7W	Fruitland Coal

* Wells carried over from 1989 Drilling Program

<u>WELL NAME</u>	<u>DRILL BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #566	E/2 Sec. 27, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #567	E/2 Sec. 28, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #568	W/2 Sec. 28, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #569	E/2 Sec. 29, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #570	W/2 Sec. 29, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #571	E/2 Sec. 30, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #572	E/2 Sec. 31, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #573	W/2 Sec. 31, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #574	E/2 Sec. 32, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #576	W/2 Sec. 33, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #577	W/2 Sec. 35, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #580	E/2 Sec. 1, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #581	W/2 Sec. 1, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #582	W/2 Sec. 2, T29N, R7W	Fruitland Coal

Total Well Count 61

All working interest owners have been contacted regarding this Drilling Program. El Paso Natural Gas Company 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 unitized substances and any other wells deemed necessary to desirable by the Unit Operator and 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 the undersigned.

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

Yours very truly,



Kent Beers
Attorney-in-Fact *KB*

KOB:VLG:gm
San Juan 29-7 Unit, 3.0

APPROVED: _____ DATED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

APPROVED: _____ DATED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

APPROVED:  _____ DATED: 3-12-90
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

The foregoing approvals are for the 1990 Plan of Development for the
San Juan 29-7 Unit #14-08-001-1650 Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma & David A. Pierce

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Texaco Producing Inc.

Unicon Producing

MERIDIAN OIL

October 3, 1989

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
THIRD AMENDMENT --
1989 Drilling Program

Gentlemen:

The Third Amendment to the 1989 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory agencies on the dates indicated below:

Bureau of Land Management	9-21-89
Commissioner of Public Lands	9-12-89
Oil Conservation Division	9-11-89

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,



Van L. Goebel
Senior Landman

VLG:gm
San Juan 29-7, 3.0
Document 13+

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma & David A. Pierce

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Texaco Producing Inc.

Unicon Producing

MERIDIAN OIL

September 29, 1989

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
SECOND AMENDMENT --
1989 Drilling Program

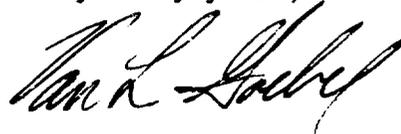
Gentlemen:

The Second Amendment to the 1989 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory agencies on the dates indicated below:

Bureau of Land Management	9-07-89
Commissioner of Public Lands	8-24-89
Oil Conservation Division	8-28-89

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,



Van L. Goebel
Senior Landman

VLG:gm
San Juan 29-7, 3.0
Document 13+

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma & David A. Pierce

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Texaco Producing Inc.

Unicon Producing

RECEIVED

SEP 25 1989

OIL CONSERVATION DIV.
SANTA FE

San Juan 29-7 Unit (POB)
3180 (019)

SEP 22 1989

El Paso Natural Gas Company
P. O. Box 4289
Farmington, NM 87499

Gentlemen:

Three approved copies of the Third Amendment to your 1989 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing the drilling of 11 Fruitland Coal wells (San Juan 29-7 Unit No. 521, San Juan 29-7 Unit No. 522, San Juan 29-7 Unit No. 523, San Juan 29-7 Unit No. 524, San Juan 29-7 Unit No. 525, and San Juan 29-7 Unit No. 526, San Juan 29-7 Unit No. 527, San Juan 29-7 Unit No. 528, San Juan 29-7 Unit No. 529, San Juan 29-7 Unit No. 530 and San Juan 29-7 Unit No. 531) 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 Gail Keller at the above address or telephone (505) 327-5344.

Sincerely,

/s/ John L. Keller

John Keller
Chief, Branch of Minerals

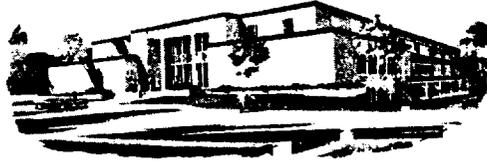
Enclosure

cc: New Mexico Oil Conservation Division, State Land Office Building,
P. O. Box 2088, Santa Fe, NM 87504
Commissioner of Public Lands, State of New Mexico, P. O. Box 1148,
Santa Fe, NM 87504

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

September 12, 1989

El Paso Natural Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

ATTN: Kent Beers

RE: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1989 Plan of Development - Third Amendment

Gentlemen:

The Commissioner of Public Lands has this date approved the Third Amendment to your 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 Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

A handwritten signature in cursive script, appearing to read "Floyd O. Prando".

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

cc: ✓ OGD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

RECEIVED

SEP 11 1989

OIL CONSERVATION DIV.
SANTA FE

San Juan 29-7 Unit (POD)
3180 (019)

SEP. 07 1989

El Paso Natural Gas Company
P. O. Box 4289
Farmington, NM 87499

Gentlemen:

One approved copy of the Second Amendment to your 1989 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico, is enclosed. Such plan, proposing the drilling of 3 Dakota wells (San Juan 29-7 No. 144, San Juan 29-7 No. 145 and San Juan 29-7 No. 146), the drilling of 4 Fruitland Coal wells (San Juan 29-7 No. 517, San Juan 29-7 No. 518, San Juan 29-7 No. 519 and the San Juan 29-7 No. 520) and the carry over of 3 Fruitland Coal wells from the 1988 Drilling Plan (San Juan 29-7 No. 511, San Juan 29-7 No. 513 and San Juan 29-7 No. 514) 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 Gail Keller at the above address or telephone (505) 327-5344.

Sincerely,

/s/ John L. Keller

John Keller
Chief, Branch of Minerals

Enclosure

cc: New Mexico Oil Conservation Division, State Land Office Building,
P. O. Box 2088, Santa Fe, NM 87504
Commissioner of Public Lands, State of New Mexico, P. O. Box 1148,
Santa Fe, NM 87504

September 6, 1989

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
THIRD AMENDMENT
1989 Drilling Program

Gentlemen:

By letter dated February 28, 1989, May 19, 1989 and August 21, 1989, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit, filed a Drilling Program concerning the captioned unit for the calendar year 1989.

Subsequent to the submittal of said letter, eleven (11) wells have been proposed to be drilled under the 1989 Drilling Program. The wells proposed to be drilled are as follows:

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 #521	W/2 Section 13, T29N, R7W	Fruitland Coal
San Juan 29-7 #522	W/2 Section 17, T29N, R7W	Fruitland Coal
San Juan 29-7 #523	E/2 Section 17, T29N, R7W	Fruitland Coal
San Juan 29-7 #524	W/2 Section 20, T29N, R7W	Fruitland Coal
San Juan 29-7 #525	E/2 Section 20, T29N, R7W	Fruitland Coal
San Juan 29-7 #526	W/2 Section 21, T29N, R7W	Fruitland Coal
San Juan 29-7 #527	E/2 Section 21, T29N, R7W	Fruitland Coal
San Juan 29-7 #528	W/2 Section 27, T29N, R7W	Fruitland Coal
San Juan 29-7 #529	W/2 Section 34, T29N, R7W	Fruitland Coal
San Juan 29-7 #530	E/2 Section 34, T29N, R7W	Fruitland Coal
San Juan 29-7 #531	E/2 Section 35, T29N, R7W	Fruitland Coal

Bureau of Land Management

-2-

September 6, 1989

Commission of Public Lands

Oil Conservation Division

All necessary working interest owners have been contacted and advised of the Third Amendment to the Drilling Program in accordance with the Unit Agreement.

If this Third Amendment to the 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 the undersigned.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'K. Beers', followed by a horizontal line extending to the right.

Kent Beers
Attorney-in-Fact 

AA:VLG:gm
Attachments

San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 9-11-89

The foregoing approvals for the Third Amendment to the 1989 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma & David A. Pierce

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Texaco Producing Inc.

Unicon Producing

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

August 24, 1989

El Paso Natural Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

ATTN: Kent Beers

RE: San Juan 29-7 Unit
Rio Arriba County, New Mexico
Plan of Development - Second Amendment

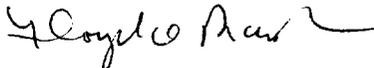
Gentlemen:

The Commissioner of Public Lands has this date approved the Second Amendment to your 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

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

El Paso
Natural Gas Company

RECEIVED

P.O. BOX 4289
FARMINGTON, NEW MEXICO 88401
PHONE 505/325-0941

AUG 23 1989

OIL CONSERVATION DIV.
SANTA FE

August 21, 1989

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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

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

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
SECOND AMENDMENT
1989 Drilling Program

Gentlemen:

By letter dated February 28, 1989 and May 19, 1989, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit, filed a Drilling Program concerning the captioned unit for the calendar year 1989.

Subsequent to the submittal of said letter, ten (10) wells have been proposed to be drilled under the 1989 Drilling Program. The wells proposed to be drilled are as follows:

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 #144	W/2 Section 9, T29N, R7W	Dakota
San Juan 29-7 #145	E/2 Section 23, T29N, R7W	Dakota
San Juan 29-7 #146	W/2 Section 24, T29N, R7W	Dakota
San Juan 29-7 #511 *	W/2 Section 18, T29N, R7W	Fruitland Coal
San Juan 29-7 #513 *	W/2 Section 30, T29N, R7W	Fruitland Coal
San Juan 29-7 #514 *	E/2 Section 33, T29N, R7W	Fruitland Coal
San Juan 29-7 #517	E/2 Section 25, T29N, R7W	Fruitland Coal
San Juan 29-7 #518	W/2 Section 25, T29N, R7W	Fruitland Coal
San Juan 29-7 #519	E/2 Section 8, T29N, R7W	Fruitland Coal
San Juan 29-7 #520	W/2 Section 8, T29N, R7W	Fruitland Coal

* Wells carried over from the First Amendment to the
1988 Drilling Program.

Bureau of Land Management

-2-

August 21, 1989

Commission of Public Lands

Oil Conservation Division

All necessary working interest owners have been contacted and advised of the Second Amendment to the Drilling Program in accordance with the Unit Agreement.

If this Second Amendment to the 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 the undersigned.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'K. Beers', with a long horizontal line extending to the right.

Kent Beers
Attorney-in-Fact 

AA:VLG:gm
Attachments

San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 8-28-89

The foregoing approvals for the Second Amendment to the 1989 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

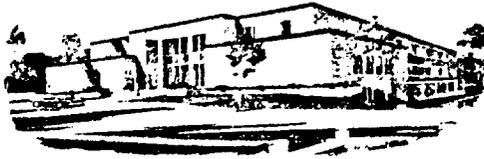
Southland Royalty Company

Texaco Producing Inc.

Unicon Producing

State of New Mexico

#674



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

May 23, 1989

El Paso Natural Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

ATTN: Kent Beers

RE: 1989 Plan of Development - First Amendment
San Juan 29-7 Unit
Rio Arriba County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned First Amendment to the 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*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File

WRH/FOP/SMH

May 19, 1989

Bureau of Land Management
Farmington Resource Area
Attention: Mr. Steve Henke
1235 La Plata Highway
Farmington, New Mexico 87401

COMMISSIONER OF PUBLIC LANDS
Attention: Mr. Pete Martinez
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

OIL CONSERVATION DIVISION
STATE OF NEW MEXICO
Attn: Mr. David Catanach
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
First Amendment
1989 Drilling Program

Gentlemen:

By letter dated February 28, 1989, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit, filed a Drilling Program concerning the captioned unit for the calendar year 1989.

Subsequent to the submittal of said letter, one (1) well has been proposed to be drilled under the 1989 Drilling Program. The well proposed to be drilled is as follows:

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #507	E/2 Sec. 13, T29N, R7W	Fruitland Coal

All necessary working interest owners have been contacted and advised of the First Amendment to the Drilling Program in accordance with the Unit Agreement.

If this First Amendment to the 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 the undersigned.

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

Very truly yours,



Kent Beers
Attorney-in-Fact

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and
the Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 5-24-89

The foregoing approvals for the First Amendment to the 1989 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29--7 UNIT WORKING INTEREST OWNERS

Amoco Production Company	Mr. James M. Raymond, Individually and as Executor of Estate of Mabelle McElvain Miller Nestler, & Trustee for Corinne Miller Gay and Maydell Miller Mast Trusts
Arco Oil & Gas Company	
Bolack Minerals Company	
Mr. C.W. Bolin	Mr. Vincent E. Shryack
Mr. Dan H. Bolin	Southland Royalty Company
Mr. Pat S. Bolin	
Mr. R.L. Bolin, Individually, and as Attorney-in-Fact for Dolores P. Bolin	Texaco Producing Inc. Unicon Producing
Conoco, Inc.	
FMP Operating Company	
Fina Oil & Chemical Company	
T. H. McElvain Oil & Gas Properties	
Mr. Jerome P. McHugh	
Mesa Petroleum Company	
Mr. Morris Mizel	
Lee Way Moore & Jo Ann Montgomery Moore, Trustees	
Northwest Pipeline Corporation	
Phillips Oil Company	
First Interstate Bank, Agent for Dirk V. Reemtsma	
Lance B. Reemtsma	

MERIDIAN OIL

April 10, 1989

Bureau of Land Management
South Central Region
435 Montano, N.E.
Albuquerque, New Mexico 87107

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

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

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1989 Drilling Program

Gentlemen:

The 1989 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory agencies on the dates indicated below:

Bureau of Land Management	3-29-89
Commissioner of Public Lands	4-05-89
Oil Conservation Division	3-07-89

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,



Tom F. Hawkins
Senior Landman

TFH:jf
San Juan 29-7, 3.0
Document 180+

SAN JUAN 29--7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Way Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

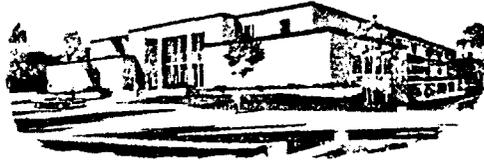
Texaco Producing Inc.

Unicon Producing

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

April 5, 1989

El Paso Natural Gas Company
P.O. Box 4289
Farmington, New Mexico 87499

ATTN: Alan Alexander

RE: 1989 Plan of Development
San Juan 29-7 Unit
Rio Arriba County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved 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

A handwritten signature in cursive script, appearing to read "Floyd O. Prando".

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ALBUQUERQUE DISTRICT OFFICE
435 MONTANO N.E.
ALBUQUERQUE, NEW MEXICO 87107



SJ 29-7 (POD)
3180 (015)

MAR 29 1989

El Paso Natural Gas Company
ATTN: Mr. Alan Alexander
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Three approved copies of your 1989 Plan of Development for the San Juan 29-7 Unit Area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing the drilling of two Fruitland Coal wells (S.J. 29-7 Well No. 508, and S.J. 29-7 Well No. 510) during calendar year 1989 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 Gail Keller at the above address or telephone (505) 761-4503.

Sincerely,

/s/ Gary A. Stephens

Assistant District Manager
Mineral Resources

Enclosure

✓ NMOCD, Santa Fe

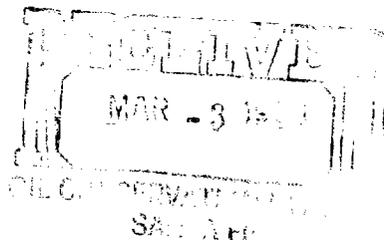
RECEIVED
MAR 29 1989

February 28, 1989

Bureau of Land Management
South Central Region
435 Montano, N.E.
Albuquerque, NM 87107

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

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



Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1989 Drilling Program

Gentlemen:

By letter dated February 18, 1988, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit, filed a Drilling Program concerning the captioned Unit for the calendar year 1988 providing for the drilling of no wells. By letter dated September 1, 1988, El Paso Natural Gas Company filed the First Amendment to the 1988 Drilling Program which provided for the drilling of thirty-four (34) additional wells. Seven (7) wells were drilled in 1988.

As of this date, the total number of active wells within the San Juan 28-4 Unit is as follows:

Fruitland, Being Evaluated	5
Pictured Cliffs, Being Evaluated	2
Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	26
Dakota, Being Evaluated	<u>4</u>

161

February 28, 1989

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of the following wells in 1989:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 29-7 Unit #508	W/2 Section 15, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #510	W/2 Section 16, T29N, R7W	Fruitland Coal

All working interest owners have been contacted regarding this Drilling Program. El Paso Natural Gas Company 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 unitized substances and any other wells deemed necessary to desirable by the Unit Operator and working interest owners.

Attached are Participating Area Maps for the Pictured Cliffs, Mesaverde, and Dakota formations. The geologic interpretation for each formation has not changed since the last map submitted. Performance curves for each Participating Area have also previously been furnished.

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 the undersigned.

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

Yours very truly



Alan Alexander TFH
Attorney-in-Fact

AA:TFH:tlm
Enclosures
San Juan 29-7 Unit, 3.0
Doc. 180+

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 3-7-89

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

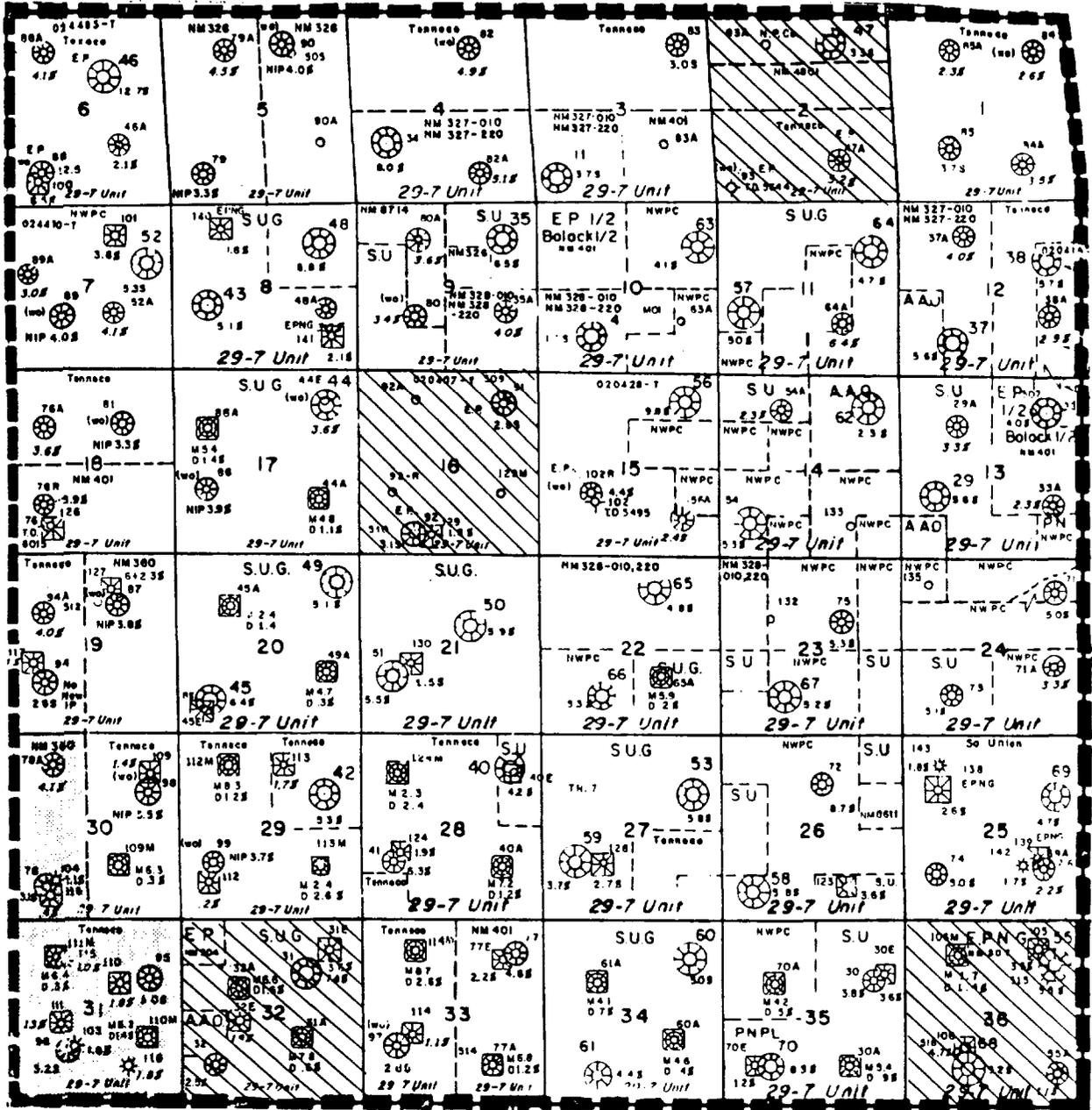
Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Union Texas Petroleum

R7W



T 29 N

SAN JUAN 29-7 UNIT

★ Pictured Cliffs

⊙ Chacra

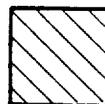
⊙ Mesaverde

◇ Gallup

⊠ Dakota



PICTURED CLIFFS PARTICIPATING AREA
2nd Expansion Effective 8/1/81

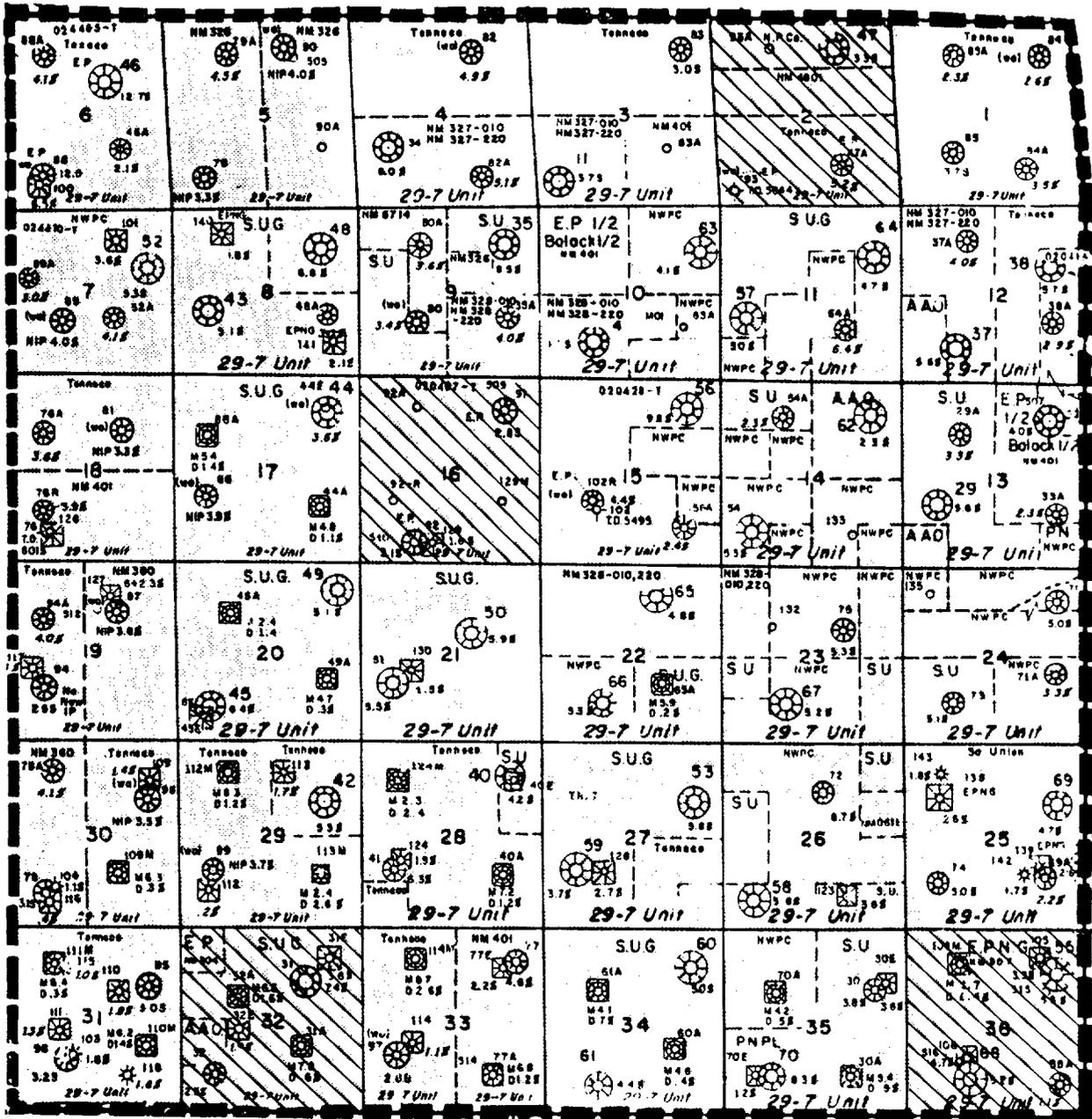


OIL & GAS OWNED BY
STATE OF NEW MEXICO

MERIDIAN OIL

LAND DEPARTMENT
February 28, 1989

R7W



T
29
N

SAN JUAN 29-7 UNIT

★ Pictured Cliffs

⊙ Chacra

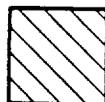
● Mesaverde

◆ Gallup

⊠ Dakota



MESAVERDE PARTICIPATING AREA
13th Expansion Effective 10/1/59



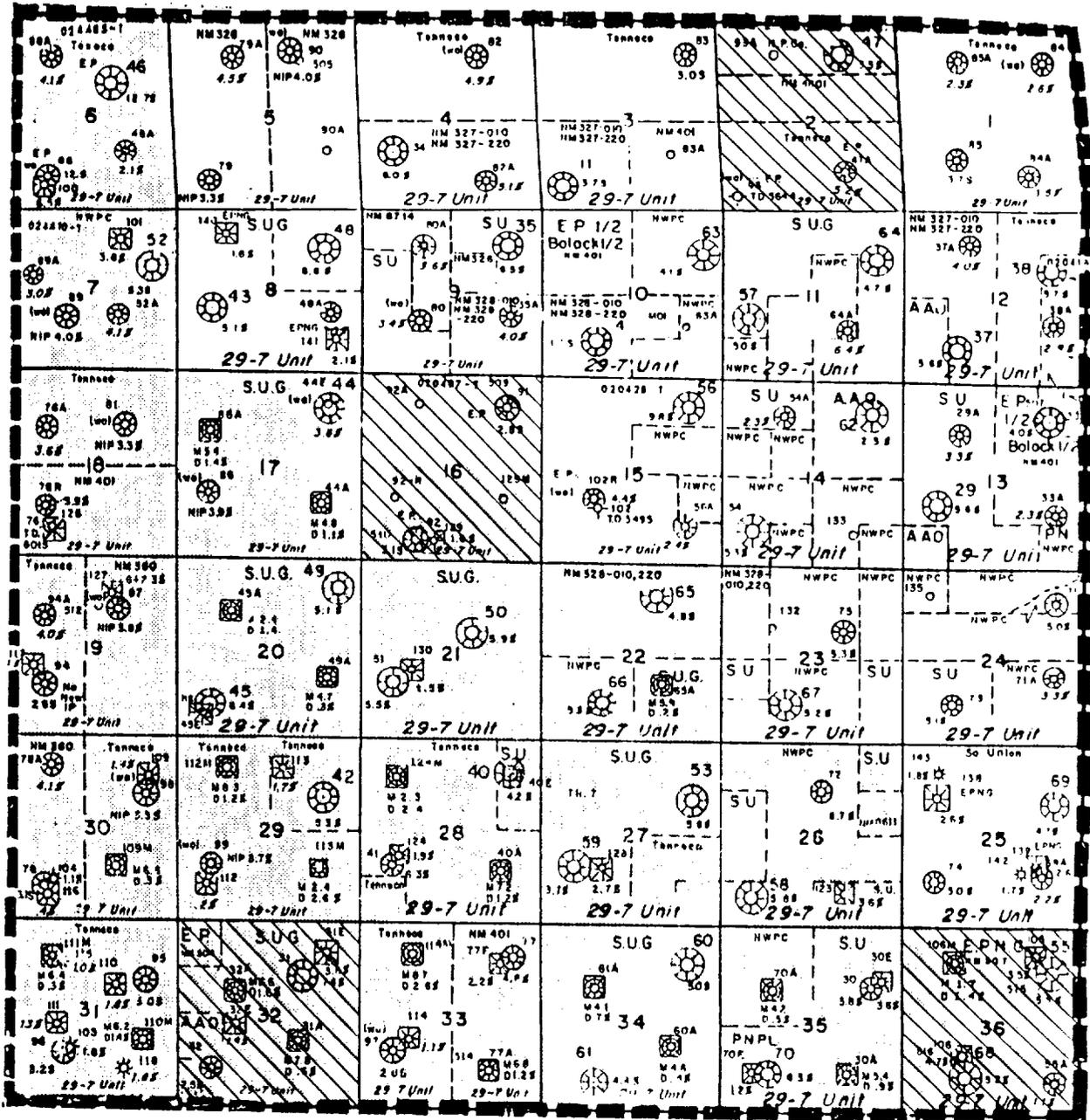
OIL & GAS OWNED BY
STATE OF NEW MEXICO

MERIDIAN OIL

LAND DEPARTMENT

FEB. 6, 1989

R7W



T
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N

SAN JUAN 29-7 UNIT

★ Pictured Cliffs

⊙ Chacra

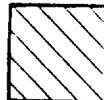
⊗ Mesaverde

⊕ Gallup

⊠ Dakota



DAKOTA PARTICIPATING AREA
8th Expansion Effective 3/1/85



OIL & GAS OWNED BY
STATE OF NEW MEXICO

MERIDIAN OIL
LAND DEPARTMENT
February 28, 1989

MERIDIAN OIL

September 30, 1988

Bureau of Land Management
South Central Region
435 Montano, N.E.
Albuquerque, NM 87107

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

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

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
First Amendment
1988 Drilling Program

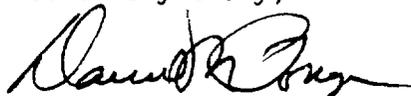
Gentlemen:

The First Amendment to the 1988 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated below:

Bureau of Land Management	9-21-88
Commissioner of Public Lands	9-15-88
Oil Conservation Division	9-08-88

Copies of this letter are being sent to the working interest owners of the above unit.

Yours very truly,



David M. Poage
Senior Staff Landman

DMP/tlm
San Juan 29-7 Unit, 3.0
Doc. 180+

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Wayne Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
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Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Charles Richard Turner, Jr.

Mildred Golden Turner

Union Texas Petroleum



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ALBUQUERQUE DISTRICT OFFICE
435 MONTANO N.E.
ALBUQUERQUE, NEW MEXICO 87107

TAKE
PRIDE IN
AMERICA
San Juan 29-7 (POD)
3180 (015)

SEP 23 1988

El Paso Natural Gas Company
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

One approved copy of your 1988 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico is enclosed. Such plan, proposing the drilling of the San Juan 29-7 Unit wells No. 50A, 53A, 57A, 58A, 62A, 66A, 67A, 72A, 73A, 75A, 81A, 90A, 92A, 127M, 128M, 129M, 138E, 139E, 140E, 141E, 142, 143, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515 and 516, is approved this date subject to like approval by the appropriate officials of the State of New Mexico.

Starting with the 1989 Plan of Development, please provide the following information in your annual Plan of Development.

1. A summary of operations for the past year which should include up-to-date maps showing the latest geologic interpretations, all wells and participating area boundaries. Should there be no changes from one year to another, reference may be made to the most recent map submitted.
2. A list showing the status of all wells.
3. Performance curves covering the productive life of each horizon under a participating area, including injectivity curves.
4. Your plans for development within the unit area for the next year.
5. Pertinent data as to the effectiveness of the enhanced recovery project (if applicable). This information should include data on current and cumulative water injection rates, current and cumulative water, gas, and oil production and current water-oil ratios. A short discussion as to the general progress of the flood and any significant changes in any phase of the project should also be included.

All plans of development are to be filed in triplicate.

If you have any questions, please contact Gail Keller at the above address or telephone (505) 761-4503.

Sincerely,

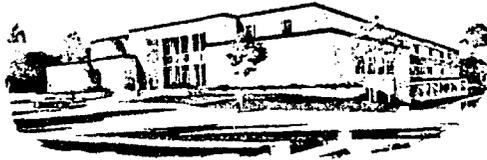
[s] Gary A. Stephens

Assistant District Manager
FOR Mineral Resources

Enclosure

✓ NMOCD, Santa Fe

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

SLO REF NO. 884

September 15, 1988

El Paso Natural Gas Company
Attn: Mr. P. Gene Wingo
P. O. Box 4289
Farmington, New Mexico 87499

Re: First Amendment to the 1988 Plan of Development
San Juan 29-7 Unit
Rio Arriba County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development.

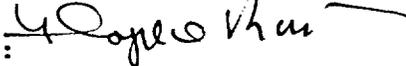
Our approval is subject to like approval by all other appropriate agencies.

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

cc: OCD
BLM

September 1, 1988

Bureau of Land Management
South Central Region
435 Montano N. E.
Albuquerque, New Mexico 87107

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
First Amendment
1988 Drilling Program

Gentlemen:

By letter dated February 18, 1988, El Paso Natural Gas Company, as Unit Operator, for the San Juan 29-7 Unit #14-08-001-1650, filed a Drilling Program for the calendar year 1988. This program provided for the drilling of no wells.

It is now desired to supplement this program by drilling the following wells during 1988:

<u>WELL NO</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #50 A	E/2 Sec. 21, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #53 A	E/2 Sec. 27, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #57 A	W/2 Sec. 11, T29N, R7W	Mesaverde
San Juan 29-7 Unit #58 A	W/2 Sec. 26, T29N, R7W	Mesaverde
San Juan 29-7 Unit #62 A	E/2 Sec. 14, T29N, R7W	Mesaverde
San Juan 29-7 Unit #66 A	W/2 Sec. 22, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #67 A	W/2 Sec. 23, T29N, R7W	Mesaverde
San Juan 29-7 Unit #72 A	E/2 Sec. 26, T29N, R7W	Mesaverde
San Juan 29-7 Unit #73 A	W/2 Sec. 24, T29N, R7W	Mesaverde

<u>WELL NO</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
San Juan 29-7 Unit #75 A	E/2 Sec. 23, T29N, R7W	Mesaverde
San Juan 29-7 Unit #81 A	E/2 Sec. 18, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #90 A	E/2 Sec. 5, T29N, R7W	Mesaverde
San Juan 29-7 Unit #92 A	W/2 Sec. 16, T29N, R7W	Mesaverde
San Juan 29-7 Unit #127M	E/2 Sec. 19, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #128M	W/2 Sec. 27, T29N, R7W	Mesaverde/Dakota dual
San Juan 29-7 Unit #129M	E/2 Sec. 16, T29N, R7W (S/2 Dedication - Dakota)	Mesaverde/Dakota dual
San Juan 29-7 Unit #138E	W/2 Sec. 25, T29N, R7W	Dakota
San Juan 29-7 Unit #139E	E/2 Sec. 25, T29N, R7W	Dakota
San Juan 29-7 Unit #140E	W/2 Sec. 8, T29N, R7W	Dakota
San Juan 29-7 Unit #141E	E/2 Sec. 8, T29N, R7W	Dakota
San Juan 29-7 Unit #142	E/2 Sec. 25, T29N, R7W	Pictured Cliffs
San Juan 29-7 Unit #143	W/2 Sec. 25, T29N, R7W	Pictured Cliffs
San Juan 29-7 Unit #505	E/2 Sec. 5, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #506	W/2 Sec. 5, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #507	E/2 Sec. 13, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #508	W/2 Sec. 15, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #509	E/2 Sec. 16, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #510	W/2 Sec. 16, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #511	W/2 Sec. 18, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #512	E/2 Sec. 19, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #513	W/2 Sec. 30, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #514	E/2 Sec. 33, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #515	E/2 Sec. 36, T29N, R7W	Fruitland Coal
San Juan 29-7 Unit #516	W/2 Sec. 36, T29N, R7W	Fruitland Coal

All working interest owners have been contacted regarding this Drilling Program. 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 unitized 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 the undersigned.

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

Very truly yours,



P. Gene Wingo
Attorney-In-Fact *DMP*

PGW:DMP:gm
Enclosure
San Juan 29-7 Unit, 3.0
Doc. 81+

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 9-8-88

The foregoing approvals for the First Amendment to the 1988 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FMP Operating Company

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Way Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Charles Richard Turner, Jr.

Mildred Golden Turner

Philip William Turner

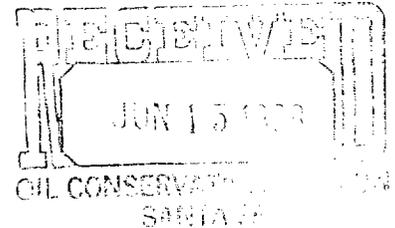
Unicon Producing

June 14, 1988

Bureau of Land Management
South Central Region
435 Montano N. E.
Albuquerque, New Mexico 87107

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
NINTH EXPANDED PARTICIPATING AREA
DAKOTA FORMATION
Effective October 1, 1987

Gentlemen:

Pursuant to Section 11(b) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that four (4) wells capable of producing unitized substances in paying quantities from the Dakota Formation have been completed upon acreage committed to this Unit. The Participating Area for the Dakota Formation is expanded accordingly to include the following wells and acreage:

NINTH EXPANDED PARTICIPATING AREA - Effective October 1, 1987

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Number</u>
<u>T-29-N, R-7-W</u>		
Sec. 25: W/2	320.00	San Juan 29-7 Unit #138
Sec. 25: E/2	320.00	San Juan 29-7 Unit #139
Sec. 8: W/2	320.00	San Juan 29-7 Unit #140
Sec. 8: E/2	320.00	San Juan 29-7 Unit #141

The Lands described above are proven productive by the following:

The San Juan 29-7 Unit #138 well was completed on October 22, 1987. The Dakota Formation was tested with an initial potential of 2,555 MCFG/D. The spacing unit for this well is described as the W/2 of Section 25, T-29-N, R-7-W, N.M.P.M., containing 320.00 acres.

The San Juan 29-7 Unit #139 well was completed on October 22, 1987. The Dakota Formation was tested with an initial potential of 2,521 MCFG/D. The spacing unit for this well is described as the E/2 of Section 25, T-29-N, R-7-W, N.M.P.M., containing 320.00 acres.

The San Juan 29-7 Unit #140 well was completed on October 23, 1987. The Dakota Formation was tested with an initial potential of 1,834 MCFG/D. The spacing unit for this well is described as the W/2 of Section 8, T-29-N, R-7-W, N.M.P.M., containing 320.00 acres.

The San Juan 29-7 Unit #141 well was completed on October 2, 1987. The Dakota Formation was tested with an initial potential of 2,063 MCFG/D. The spacing unit for this well is described as the E/2 of Section 8, T-29-N, R-7-W, N.M.P.M., containing 320.00 acres.

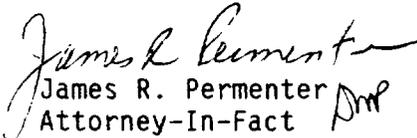
Attached hereto is Schedule X which shows the proposed Ninth Expanded Participating Area for the Dakota Formation in the San Juan 29-7 Unit Area. This Schedule describes the pertinent Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the percentage of ownership in each tract.

In support of this application included is a plat reflecting the boundaries of the Unit, the present Eighth Expanded Participating Area and the acreage proposed to be included in the Ninth Expanded Participating Area. Also included are specific engineering and economic calculations for the San Juan #138, #139, #140 and #141 wells showing the wells' commerciability.

If this Expanded Participating Area for the Dakota Formation meets with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

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

Yours very truly


James R. Permenter
Attorney-In-Fact

JRP:DMP:gm
Enclosures

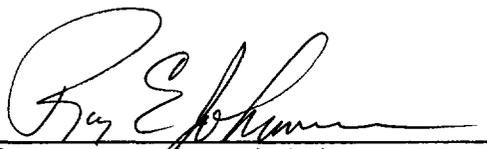
San Juan 29-7 Unit, 4.3
Document 30+

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 6-15-88

The foregoing approvals are for the Ninth Expanded Participating Area,
Dakota Foramation for the San Juan 29-7 Unit, #14-08-001-1650,
Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT
DAKOTA PARTICIPATING AREA OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Conoco, Inc.

FPCO Oil & Gas Company
(formerly Petro Lewis Corporation)

Fina Oil & Chemical Company

Mr. Jerome P. McHugh

Mr. & Mrs. Morris Mize

Mr. Lee Wayne Moore & Jo Ann
Montgomery Moore, Trustees

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Charles Richard Turner, Jr.

Philip William Turner

Mildred Golden Turner

Union Texas Petroleum

RUN DATE 06/07/88
 RUN TIME 16:46:33

THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29/77 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF 078399	29N 7W	320.00		002			2.416039
	SEC. 22 N/2				5.000000	5.000000	
					12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			MORRIS MIZEL		41.250000	41.250000	
			MERIDIAN OIL PRODUCTION INC.		4.125000	4.125000	
			PHILLIP W. TURNER		4.125000	4.125000	
			LEE WAYNE & JO ANN M. MOORE,		33.000000	33.000000	
			TOTAL		100.000000	100.000000	
SF 078423	29N 7W	1,280.00		003			9.664155
	SEC. 17 ALL				4.000000	4.000000	
	SEC. 8 ALL				12.500000	12.500000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		62.625000	62.625000	
			ARCO OIL & GAS COMPANY		20.875000	20.875000	
			TOTAL		100.000000	100.000000	
SF 078424	29N 7W	1,880.00		004			14.194228
	SEC. 21 ALL				4.000000	4.000000	
	SEC. 22 SE/4				12.500000	12.500000	
	SEC. 26 NE/4 NE/4				62.625000	62.625000	
	SEC. 27 N/2				20.875000	20.875000	
	SEC. 28 E/2 NE/4						
	SEC. 20 ALL						
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		62.625000	62.625000	
			ARCO OIL & GAS COMPANY		20.875000	20.875000	
			TOTAL		100.000000	100.000000	
SF 078424-B	29N 7W	160.00		006			1.208019
	SEC. 22 SW/4				5.000000	5.000000	
			ORRI:				
			ROYALTY:				
			WORKING INTEREST:				
			TEXACO PRODUCING INC.		82.500000	82.500000	
			TOTAL		100.000000	100.000000	

EFFECTIVE 87/10/01

RUN DATE 06/07/88
 RUN TIME 16:46:37

MERIDIAN OIL COMPANY
 SCHEDULE X
 THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29/7 UNIT AREA

PAGE 2
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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF 078425	29N 7W	2,080.00		007			15.704253
SEC. 34	ALL		ORRI:		4.000000	4.000000	
SEC. 35	S/2, NE/4		ROYALTY:		12.500000	12.500000	
SEC. 26	S/2 SE/4,		WORKING INTEREST:		62.625000	62.625000	
SM/NM, NM/SM			UNICOM PRODUCING COMPANY		20.875000	20.875000	
SEC. 27	SM/4		ARCO OIL & GAS COMPANY				
SEC. 25	ALL						
TOTAL					100.000000	100.000000	
SF 078425-B	29N 7W	160.00		008			1.208019
SEC. 35	NM/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		82.500000	82.500000	
			TEXACO PRODUCING INC.				
TOTAL					100.000000	100.000000	
SF 078503	29N 7W	1,970.04		009			14.874041
SEC. 28	SM/4 SM/4		ORRI:		3.000000	3.000000	
SEC. 29	SE/4, W/2		ROYALTY:		12.500000	12.500000	
SEC. 30	E/2		WORKING INTEREST:		42.250000	42.250000	
SEC. 31	LOTS 5,6,7,8,		TENNECO OIL COMPANY		31.265000	31.265000	
E/2 W/2, E/2 (ALL)			CONOCO, INC.		10.985000	10.985000	
SEC. 33	W/2		FPCO OIL & GAS CO				
SEC. 19	LOTS 5,6,7,8,						
E/2 W/2							
TOTAL					100.000000	100.000000	
SF 078503-A	29N 7W	320.00		010			2.416039
SEC. 19	E/2		ORRI:		4.000000	4.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		7.723750	7.723750	
			CONOCO, INC.		73.062500	73.062500	
			EL PASO NATURAL GAS CO		2.713750	2.713750	
			FPCO OIL & GAS CO				
TOTAL					100.000000	100.000000	

EFFECTIVE 87/10/01

RUN DATE 06/07/88
 RUN TIME 16:46:39

THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29/7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF 078503-A	29N 7W	246.88		TRACT: 010A			1.863974
	SEC. 30 LOTS 5,6,7,8,E /2 W/2		ORRI: ROYALTY: WORKING INTEREST: EL PASO NATURAL GAS CO COMOCO, INC. FPCO OIL & GAS CO		4.000000 12.500000 73.062500 7.723750 2.713750	4.000000 12.500000 73.062500 7.723750 2.713750	
	TOTAL				100.000000	100.000000	
SF 078943	29N 7W	530.15		TRACT: 012			4.002697
	SEC. 6 LOTS 8-14,SE/W,E/2SW,S/2NE,SE		ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY JEROME P. MCHUGH VINCENT SHRYACK		17.500000 12.500000 61.250000 7.000000 1.750000	17.500000 12.500000 61.250000 7.000000 1.750000	
	TOTAL				100.000000	100.000000	

REMARKS:
 ORRI INCREASE TO 25% APO

EFFECTIVE 87/10/01

4.127802

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF 079514	29N 7W	595.92		015B	100.000000	100.000000	4.499268
	SEC. 18 E/2 SW/4		ORRI: ROYALTY: WORKING INTEREST: EL PASO NATURAL GAS CO BOLACK MINERALS CO. MERIDIAN OIL PRODUCTION INC.		5.000000 12.500000 41.250000 20.625000 20.625000	5.000000 12.500000 41.250000 20.625000 20.625000	
	SEC. 33 E/2						
	TOTAL				100.000000	100.000000	0.302005
NM 019404	29N 7W	40.00		016	12.500000	12.500000	
	SEC. 26 SE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: MERIDIAN OIL PRODUCTION INC.		12.500000 87.500000	12.500000 87.500000	
	TOTAL				100.000000	100.000000	0.302005
E-3642-14	29N 7W	40.00		020	3.000000	3.000000	
	SEC. 32 NW/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: FINA OIL & CHEMICAL COMPANY		12.500000 84.500000	12.500000 84.500000	
	TOTAL				100.000000	100.000000	4.832078
E-5111-4	29N 7W	640.00		021	7.500000	7.500000	
	SEC. 36 ALL		ORRI: ROYALTY: WORKING INTEREST: EL PASO NATURAL GAS CO		12.500000 80.000000	12.500000 80.000000	
	TOTAL				100.000000	100.000000	

EFFECTIVE 87/10/01

RUN DATE 06/07/88
 RUN TIME 16:46:45

THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29/7 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-10037-58	29N 7W	320.00		TRACT: 023			
	SEC. 16 S/2				7.500000	7.500000	2.416039
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			SOUTHLAND ROYALTY COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-74	29N 7W	80.00		TRACT: 024			0.604010
	SEC. 32 S/2 NW/4				7.500000	7.500000	
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-69	29N 7W	80.00		TRACT: 025			0.604010
	SEC. 32 SE/4 NE/4, NE/4 NW/4				7.500000	7.500000	
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-68	29N 7W	80.00		TRACT: 026			0.604010
	SEC. 32 N/2 SE/4				7.500000	7.500000	
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-71	29N 7W	80.00		TRACT: 027			0.604010
	SEC. 32 S/2 SW/4				7.500000	7.500000	
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	
B-10037-73	29N 7W	40.00		TRACT: 028			0.302005
	SEC. 32 NE/4 SW/4				7.500000	7.500000	
			ORRI:		12.500000	12.500000	
			WORKING INTEREST:				
			UNICOM PRODUCING COMPANY		80.000000	80.000000	
			TOTAL		100.000000	100.000000	

EFFECTIVE 87/10/01

RUN DATE 06/07/88
 RUN TIME 16:46:47

MERIDIAN OIL COMPANY
 SCHEDULE X
 THE 009 EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION
 SAN JUAN 29/7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-10037-72	29N 7W	80.00		TRACT: 029			0.604010
	SEC. 32 NE/4 NE/4, SW/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: UNICON PRODUCING COMPANY		7.500000 12.500000 80.000000 100.000000	7.500000 12.500000 80.000000 100.000000	
B-10037-75	29N 7W	40.00		TRACT: 030			0.302005
	SEC. 32 NW/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: UNICON PRODUCING COMPANY		7.500000 12.500000 80.000000 100.000000	7.500000 12.500000 80.000000 100.000000	
B-10037-48	29N 7W	40.00		TRACT: 031			0.302005
	SEC. 32 NW/4 NW/4		ORRI: ROYALTY: WORKING INTEREST: EL PASO NATURAL GAS CO		5.000000 12.500000 82.500000 100.000000	5.000000 12.500000 82.500000 100.000000	
B-10037-70	29N 7W	80.00		TRACT: 032			0.604010
	SEC. 32 S/2 SE/4		ORRI: ROYALTY: WORKING INTEREST: UNICON PRODUCING COMPANY		5.000000 12.500000 82.500000 100.000000	5.000000 12.500000 82.500000 100.000000	
FEE	29N 7W	440.00		TRACT: 043			3.322053
	SEC. 26 W/NE, SE/NW, N/N W, NE/SW, S/SW, N/SE SEC. 27 SE/4 SE/4		ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION CO.		12.500000 87.500000 100.000000	12.500000 87.500000 100.000000	

EFFECTIVE 87/10/01

RUN DATE 06/07/88
RUN TIME 16:46:58

TOWNSHIP 29N , RANGE 7N
SECTION 8 : ALL
SECTION 16 : S/2
SECTION 17 : ALL
SECTION 18 : LOTS 7,8,SE/4,E/2 SW/4
SECTION 18 : LOTS 5,6,NE/4, E/2 NW/4
SECTION 19 : E/2
SECTION 19 : LOTS 5,6,7,8, E/2 W/2
SECTION 20 : ALL
SECTION 21 : ALL
SECTION 22 : N/2
SECTION 22 : SE/4
SECTION 22 : SW/4
SECTION 25 : ALL
SECTION 26 : SE/4 NE/4
SECTION 26 : W/NE,SE/NW,N/NW,NE/SW,S/SW,N/SE
SECTION 26 : NE/4 NE/4
SECTION 26 : S/2 SE/4, SW/NW,NW/SW
SECTION 27 : N/2 SE/4, SW/4 SE/4
SECTION 27 : SE/4 SE/4
SECTION 27 : N/2
SECTION 27 : SW/4
SECTION 28 : SW/4 SW/4
SECTION 28 : W/2NE,NW/4,N/2SW,SE/4,SE/SW
SECTION 28 : E/2 NE/4
SECTION 29 : SE/4, W/2
SECTION 29 : NE/4
SECTION 30 : E/2
SECTION 30 : LOTS 5,6,7,8,E/2 W/2
SECTION 31 : LOTS 5,6,7,8, E/2 W/2, E/2 (ALL)
SECTION 32 : NW/4 SW/4
SECTION 32 : S/2 NW/4
SECTION 32 : N/2 SE/4
SECTION 32 : SE/4 NE/4,NE/4NW/4
SECTION 32 : NW/4 NE/4
SECTION 32 : NE/4 NE/4,SW/4 NE/4
SECTION 32 : NE/4 SW/4
SECTION 32 : S/2 SW/4
SECTION 32 : S/2 SE/4
SECTION 32 : NW/4 NW/4
SECTION 33 : W/2
SECTION 33 : E/2
SECTION 34 : ALL
SECTION 35 : NW/4
SECTION 35 : S/2,NE/4
SECTION 36 : ALL
SECTION 6 : LOTS 8-14,SE/NW,E/2SW,S/2NE,SE
SECTION 7 : LOTS 5,6,7,8,E/2 W/2,E/2 (ALL)
TOTAL COMMITTED: 13,244.82

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 13,244.82

TOTAL ACRES NON-COMMITTED: 0.00

***** SUMMARY *****

INTERESTS *

INTL NET REV INT (PCT) = 83.500 INTL WORKING INT (PCT) = 100.000
 AVG. NET REV INT (PCT) = 83.500 AVG. WORKING INT (PCT) = 100.000

RESERVES + PROJECT LIFE *

LIFE (YRS) = 35.58 PROJECT START MONTH = AUGUST

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	ETHANE (MSTB)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	0.0	0.0	1887.0	0.0	0.0	0.0	0.0	0.0
WORK INT	0.0	0.0	1887.0	0.0	0.0	0.0	0.0	0.0
NET	0.0	0.0	1575.6	0.0	0.0	0.0	0.0	0.0

NET PRESENT VALUE *

DISC. RATE	*** BEFORE OP. INC (M\$)	INCOME TAX INV. (M\$)	*** C FLOW (M\$)	*** AFTER OP. INC (M\$)	INCOME TAX INV. (M\$)	*** C FLOW (M\$)
0.00	4623.6	333.1	4290.5	2696.0	333.1	2362.9
5.00	2867.1	333.1	2534.0	1722.2	333.1	1389.0
10.00	2022.9	333.1	1689.8	1251.5	333.1	918.4
15.00	1549.8	333.1	1216.7	986.0	333.1	652.9
20.00	1253.3	333.1	920.2	818.4	333.1	485.3
30.00	906.7	333.1	573.6	620.5	333.1	287.4
42.00	1804.0	333.1	1470.9	1128.9	333.1	795.8

NET PROFIT INDICATORS *

* BEFORE INCOME TAX * * AFTER INCOME TAX *

PAYOUT (YRS)	1.52	1.70
DISCOUNTED PAYOUT (YRS)	1.66	1.91
RATE OF RETURN (PCT)	93.64	74.01
PRESENT WORTH INDEX	5.82	4.50
UNDIS C FLOW/UNDIS INV	12.86	7.00
DIS C FLOW/DIS INV	4.42	2.39
DIS C FLOW/UNDIS INV	4.42	2.39
FIND+DEV COST (\$/MCF)	0.21	0.13
GAS (MMCF)	1575.64	1575.64

ILLEGIBLE

***** SUMMARY *****

INTERESTS *

INTL NET REV INT (PCT) = 82.500 INTL WORKING INT (PCT) = 100.000
 AVG. NET REV INT (PCT) = 82.500 AVG. WORKING INT (PCT) = 100.000

RESERVES + PROJECT LIFE *

LIFE (YRS) = 51.83 PROJECT START MONTH = AUGUST

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	ETHANE (MSTB)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	0.0	0.0	2647.0	0.0	0.0	0.0	0.0	0.0
WORK INT	0.0	0.0	2647.0	0.0	0.0	0.0	0.0	0.0
NET	0.0	0.0	2183.8	0.0	0.0	0.0	0.0	0.0

NET PRESENT VALUE *

DISC. RATE	*** BEFORE OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)	*** AFTER OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)
0.00	7242.9	337.0	6905.9	4138.7	337.0	3801.6
5.00	5779.9	337.0	3442.9	2226.1	337.0	1889.1
10.00	2443.9	337.0	2106.9	1484.9	337.0	1147.9
15.00	1782.0	337.0	1445.0	1115.5	337.0	778.5
20.00	1397.4	337.0	1060.4	899.2	337.0	562.4
30.00	976.5	337.0	639.5	660.6	337.0	323.6
12.00	2130.1	337.0	1793.1	1318.2	337.0	973.1

NET PROFIT INDICATORS *

* BEFORE INCOME TAX *

* AFTER INCOME TAX *

PAYOUT (YRS)	1.51	1.70
DISCOUNTED PAYOUT (YRS)	1.65	1.90
RATE OF RETURN (PCT)	97.99	73.95
PRESENT WORTH INDEX	7.01	5.05
UNDIS C FLOW/UNDIS INV	29.49	11.29
DIS C FLOW/DIS INV	3.32	2.69
DIS C FLOW/UNDIS INV	5.32	2.80
FIND+DEV COST (\$/MCF)	0.15	0.00
GAS (MMCF)	2183.77	2183.77

ILLEGIBLE

***** SUMMARY *****

INTERESTS *

INTL NET REV INT (PCT) = 83.500 INTL WORKING INT (PCT) = 100.000
 AVG. NET REV INT (PCT) = 83.500 AVG. WORKING INT (PCT) = 100.000

RESERVES + PROJECT LIFE *

LIFE (YRS) = 53.50 PROJECT START MONTH = AUGUST

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	ETHANE (MSTB)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	0.0	0.0	1833.0	0.0	0.0	0.0	0.0	0.0
WORK INT	0.0	0.0	1833.0	0.0	0.0	0.0	0.0	0.0
NET	0.0	0.0	1530.5	0.0	0.0	0.0	0.0	0.0

NET PRESENT VALUE *

DISC RATE	*** BEFORE OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)	*** OP. INC (M\$)	AFTER OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)	*** OP. INC (M\$)
0.00	4946.8	300.9	4645.9	2852.8	300.9	2551.9		
5.00	2398.7	300.9	2097.9	1444.6	300.9	1143.7		
10.00	1491.1	300.9	1190.2	940.0	300.9	639.1		
15.00	1062.7	300.9	761.8	699.9	300.9	399.0		
20.00	821.4	300.9	520.5	563.3	300.9	262.4		
30.00	564.3	300.9	263.4	415.6	300.9	115.0		
12.00	1286.1	300.9	985.2	825.3	300.9	524.4		

NET PROFIT INDICATORS *

	* BEFORE INCOME TAX *	* AFTER INCOME TAX *
PAYOUT (YRS)	2.15	2.45
DISCOUNTED PAYOUT (YRS)	2.50	2.92
RATE OF RETURN (PCT)	58.88	47.27
PRESENT WORTH INDEX	4.51	3.52
UNDIS C FLOW/UNDIS INV	15.44	8.48
DIS C FLOW/DIS INV	3.27	1.74
DIS C FLOW/UNDIS INV	3.27	1.74
FIND+DEV COST (\$/MCF)	0.20	0.12
GAS (MMCF)	1530.55	1530.55

***** SUMMARY *****

INTERESTS *

INTL NET REV INT (PCT) = 83.500 INTL WORKING INT (PCT) = 100.000
 AVG. NET REV INT (PCT) = 83.500 AVG. WORKING INT (PCT) = 100.000

RESERVES + PROJECT LIFE *

LIFE (YRS) = 47.92 PROJECT START MONTH = AUGUST

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	ETHANE (MSTB)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	0.0	0.0	1154.0	0.0	0.0	0.0	0.0	0.0
WORK INT	0.0	0.0	1154.0	0.0	0.0	0.0	0.0	0.0
NET	0.0	0.0	963.6	0.0	0.0	0.0	0.0	0.0

NET PRESENT VALUE *

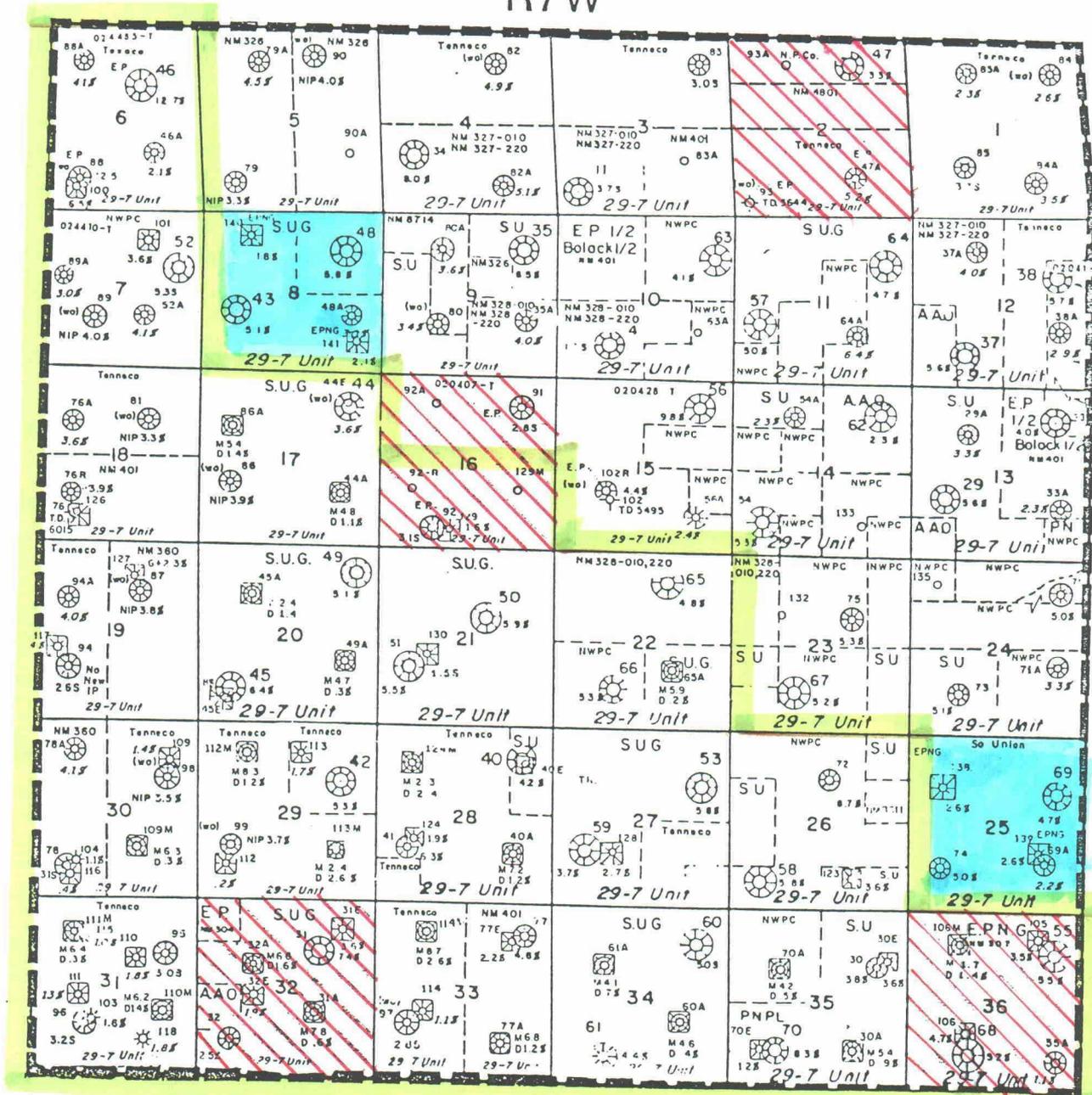
DISC. RATE	*** BEFORE OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)	*** AFTER OP. INC (M\$)	INCOME INV. (M\$)	TAX C FLOW (M\$)
0.00	3051.4	341.0	2710.4	1822.9	341.0	1481.5
5.00	1484.5	341.0	1143.5	930.5	341.0	612.5
10.00	918.1	341.0	577.1	556.1	341.0	295.1
15.00	652.0	341.0	311.0	484.9	341.0	143.9
20.00	503.2	341.0	162.2	390.9	341.0	57.9
30.00	345.0	341.0	4.0	305.9	341.0	-35.1
12.00	790.3	341.0	449.3	563.9	341.0	222.9

NET PROFIT INDICATORS *

* BEFORE INCOME TAX * * AFTER INCOME TAX *

PAYOUT (YRS)	3.75	4.16
DISCOUNTED PAYOUT (YRS)	4.88	5.79
RATE OF RETURN (PCT)	30.46	25.33
PRESENT WORTH INDEX	2.39	1.93
UNDIS C FLOW/UNDIS INV	7.95	4.34
DIS C FLOW/DIS INV	1.62	0.65
DIS C FLOW/UNDIS INV	1.62	0.65
FIND+DEV COST (\$/MCF)	0.35	0.35
GAS (MMCF)	963.56	963.56

R7W



T
29
N

SAN JUAN 29-7 UNIT

 Pictured Cliffs

 Chacra

 Mesaverde

 Gallup

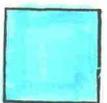
 Dakota



DAKOTA PARTICIPATING AREA
8th Expansion Effective 3/1/85



OIL & GAS OWNED BY
STATE OF NEW MEXICO



THE PROPOSED
9th EXPANSION

MERIDIAN OIL
LAND DEPARTMENT

MERIDIAN OIL

May 27, 1988

Bureau of Land Management
South Central Region
435 Montano N.E.
Albuquerque, NM 87107

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

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

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1988 Drilling Program

Gentlemen:

The 1988 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated below:

Bureau of Land Management	5-18-88
Commissioner of Public Lands	3-24-88
Oil Conservation Division	2-26-88

Copies of this letter are being sent to the working interest owners of the above unit.

Yours very truly,



David M. Poage
Senior Staff Landman

DMP:gm

S.J. 29-7 Unit, 3.0

Document 0081+

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FPCO Oil & Gas Company
(formerly Petro Lewis Corporation)

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Way Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Charles Richard Turner, Jr.

Mildred Golden Turner

Philip William Turner

Unicon Producing

674

MAY 18 1988

San Juan 29-7 (200)
3180 (015)

El Paso Natural Gas Co.
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Two approved copies of your 1987 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing no additional wells to be drilled during 1988 was approved this date subject to like approval by the appropriate officials of the State of New Mexico. Starting with the 1989 Plan of Development, please provide the following information in your annual Plan of Development.

1. A summary of operations for the past year which should include up-to-date maps showing the latest geologic interpretations, all wells and participating area boundaries. Should there be no changes from one year to another, reference may be made to the most recent map submitted.
2. A list showing the status of all wells.
3. Performance curves covering the productive life of each horizon under a participating area, including injectivity curves.
4. Your plans for development within the unit area for the next year.
5. Pertinent data as to the effectiveness of the enhanced recovery project (if applicable). This information should include data on current and cumulative water injection rates, current and cumulative water, gas, and oil production and current water-oil ratios. A short discussion as to the general progress of the flood and any significant changes in any phase of the project should also be included.

All plans of development are to be filed in triplicate.

If you have any questions, please contact Shirley Bryant at the above address or telephone (505) 761-4503.

Sincerely,

(Orig. Signed) - Sid Vogelpohl

Assistant District Manager
Mineral Resources

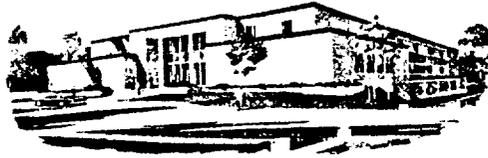
Enclosure

ILLEGIBLE

cc: NM-019 *** NMOC, Santa Fe w/o encl.
Comm. of Pub. Lands, Santa Fe w/o encl. *** 015:SBryant:ag:5/9/88:0014M

State of New Mexico

674



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

SLO REF NO OG-742

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

March 24, 1988

El Paso Natural Gas Company
Attn: Mr. James R. Permenter
P. O. Box 4289
Farmington, New Mexico 87499

Re: 1988 Plan of Development
San Juan 29-7 Unit
Rio Arriba County, New Mexico

Gentlemen:

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

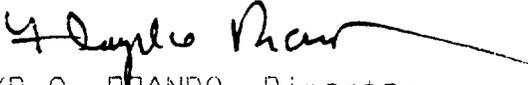
Our approval is subject to like approval by all other appropriate agencies.

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

February 18, 1988

Bureau of Land Management
South Central Region
435 Montano N. E.
Albuquerque, New Mexico 87107

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1988 Drilling Program

Gentlemen:

By letter dated June 26, 1987, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for calendar year 1987 for the referenced unit. This program provided for the drilling of four (4) Dakota wells: the #138, W/2 Sec. 25, T29N, R7W, #139, E/2 Sec. 25, T29N, R7W, #140, W/2 Sec. 8, T29N, R7W, and #141, E/2 Sec. 8, T29N, R7W.

As of this date, the total number of active wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	26
Dakota, Being Evaluated	<u>4</u>
	154

February 18, 1988

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of no wells during calendar year 1988.

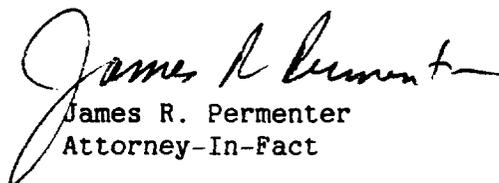
All working interest owners have been contacted regarding this Drilling Program. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized 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 this office.

Copies of this letter have been sent to the working interest owners shown on the attached sheet.

Very truly yours,


James R. Permenter
Attorney-In-Fact

JRP:tlm
Document 0033L
Enclosure
San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 2-26-88

The foregoing approvals for the 1988 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

FPCO Oil & Gas Company
(formerly Petro Lewis Corporation)

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Lee Way Moore & Jo Ann Montgomery
Moore, Trustees

Northwest Pipeline Corporation

Phillips Oil Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Charles Richard Turner, Jr.

Mildred Golden Turner

Philip William Turner

Union Texas Petroleum

MERIDIAN OIL

September 9, 1987

Bureau of Land Management
South Central Region
435 Montano N.E.
Albuquerque, NM 87107

SEP 11 1987

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

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

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1987 Drilling Program

Gentlemen:

The 1987 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated below:

Bureau of Land Management	7-10-87
Commissioner of Public Lands	9-03-87
Oil Conservation Division	7-02-87

Copies of this letter are being sent to the working interest owners of the above unit.

Yours very truly,



David M. Poage
Senior Landman

DMP:gm

S.J. 29-7 Unit, 3.0

Document 0033L

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Conoco, Inc.

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for John B. Pierce

First Interstate Bank, Agent
for Susan L. Pierce Nelson

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Union Texas Petroleum

Mr. Lee Wayne Moore & Jo Ann
Montgomery Moore, Trustees

Charles Richard Turner, Jr.

Philip William Turner

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



SLO REF. NO. OG-399

Commissioner of Public Lands

September 3, 1987

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

El Paso Natural Gas Co.
Attention: Units Division
P. O. Box 4289
Farmington, New Mexico 87499

Re: San Juan 29-7 Unit
1987 Plan of Development
Rio Arriba 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 appropriate agencies.

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

Very truly yours,

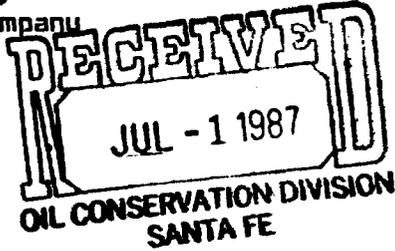
W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil & Gas Division
(505) 827-5744

WRH/FOP/ams
enclosure
cc: Bureau of Land Management
Oil Conservation Division

El Paso
Natural Gas Company

P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499
PHONE: 505-325-2841



June 26, 1987

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1987 Drilling Program

Gentlemen:

By letter dated March 19, 1986 El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for calendar year 1986 for the referenced unit. This program provided for the drilling of the #80 A, Mesaverde, W/2 Section 9, T29N, R7W and #113 M, Mesaverde/Dakota, E/2 Section 29, T29N, R7W which were carried over from the 1985 program and drilled during 1986.

As of this date, the total number of active wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	<u>26</u>
	150

June 26, 1987

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of the following wells during calendar year 1987:

<u>WELL NUMBER</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#138	W/2 Sec. 25, T29N, R7W	Dakota
#139	E/2 Sec. 25, T29N, R7W	Dakota
#140	W/2 Sec. 8, T29N, R7W	Dakota
#141	E/2 Sec. 8, T29N, R7W	Dakota

All working interest owners have been contacted regarding this Drilling Program. 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 unitized 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 this office. This drilling program is being filed in substitution of the San Juan 29-7 Unit drilling program filed by Meridian Oil Inc. on behalf of El Paso Natural Gas Company as Unit Operator under letters dated April 14, 1987 and June 17, 1987.

Copies of this letter have been sent to the working interest owners shown on the attached sheet.

Very truly yours,


James R. Permenter
Attorney-In-Fact 

JRP:DMP:LD:gm
Document 0033L
Enclosure
San Juan 29-7 Unit, 3.0

APPROVED: _____

Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____

Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____

Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 7-2-87

The foregoing approvals for the 1987 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

RECEIVED
JUL 13 1987
OIL CONSERVATION DIVISION
SANTA FE

SJ 29-7 (POD)
3180 (G15)

El Paso Natural Gas Company
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Two approved copies of your 1987 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing the drilling of four Dakota Formation wells (Nos. 138, 139, 140 and 141) is approved this date subject to like approval by the appropriate officials of the State of New Mexico.

Please note our mailing address (as listed on the letterhead) which has been in effect for approximately one year.

If you have any questions, please contact Shirley Bryant at the above address or telephone (505) 761-4503.

Sincerely,

Assistant District Manager
Mineral Resources

Enclosure(s)

cc:

NM-016

✓ NMOCD, Santa Fe

Comm. of Pub. Lands, Santa Fe

015:SBryant:klm:7-5-87:3263M

ILLEGIBLE

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

June 25, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

#674

Meridian Oil
P. O. Box 4289
Farmington, New Mexico 87499

Attention: Alan Alexander

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1987 Drilling Program

Gentlemen:

The above-referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON,
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque

MERIDIAN OIL

June 17, 1987

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1987 Drilling Program

Gentlemen:

By letter dated March 19, 1986 El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for calendar year 1986 for the referenced unit. This program provided for the drilling of the #80 A, Mesaverde, W/2 Section 9, T29N, R7W and #113 M, Mesaverde/Dakota, E/2 Section 29, T29N, R7W which were carried over from the 1985 program and drilled during 1986.

As of this date, the total number of active wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	<u>26</u>
	150

June 17, 1987

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of the following wells during calendar year 1987:

<u>WELL NUMBER</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#138	W/2 Sec. 25, T29N, R7W	Dakota
#139	E/2 Sec. 25, T29N, R7W	Dakota
#140	W/2 Sec. 8, T29N, R7W	Dakota
#141	E/2 Sec. 8, T29N, R7W	Dakota

All working interest owners have been contacted regarding this Drilling Program. 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 unitized 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 the undersigned. This drilling program is being filed in substitution of the San Juan 29-7 Unit drilling program filed by Meridian Oil Inc. on behalf of El Paso Natural Gas Company as Unit Operator under letter dated April 14, 1987.

Copies of this letter have been sent to the working interest owners shown on the attached sheet.

Very truly yours,



Alan Alexander
District Land Manager

AA:DMP:LD:gm
Document 0033L
Enclosure
San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

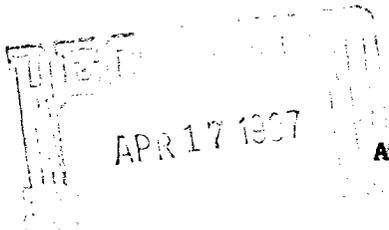
DATED: 6/23/87

The foregoing approvals for the 1987 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company	Mr. James M. Raymond, Individually and as Executor of Estate of Mabelle McElvain Miller Nestler, & Trustee for Corinne Miller Gay and Maydell Miller Mast Trusts
Arco Oil & Gas Company	
Bolack Minerals Company	
Mr. R.L. Bolin, Individually, and as Attorney-in-Fact for Dolores P. Bolin	Mr. Vincent E. Shryack
Mr. C.W. Bolin	Southland Royalty Company
Mr. Dan H. Bolin	Tenneco Oil Company
Mr. Pat S. Bolin	Texaco Producing Inc.
Conoco, Inc.	Union Texas Petroleum
Fina Oil & Chemical Company	
T. H. McElvain Oil & Gas Properties	
Mr. Jerome P. McHugh	
Mesa Petroleum Company	
Mr. Morris Mizel	
Northwest Pipeline Corporation	
Petro-Lewis Corporation	
Phillips Oil Company	
First Interstate Bank, Agent for David A. Pierce	
First Interstate Bank, Agent for John B. Pierce	
First Interstate Bank, Agent for Susan L. Pierce Nelson	
First Interstate Bank, Agent for Dirk V. Reemtsma	
Lance B. Reemtsma	

MERIDIAN OIL



April 14, 1987

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1987 Drilling Program

Gentlemen:

By letter dated March 19, 1986 Meridian Oil Inc., on behalf of El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for calendar year 1986 for the referenced unit. This program provided for the drilling of the #80 A, Mesaverde, W/2 Section 9, T29N, R7W and #113 M, Mesaverde/Dakota, E/2 Section 29, T29N, R7W which were carried over from the 1985 program and drilled during 1986.

As of this date, the total number of active wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	3
Mesaverde/Dakota Duals, Commercial	21
Dakota, Commercial	<u>26</u>
	150

April 14, 1987

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of the following wells during calendar year 1987:

<u>WELL NUMBER</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#138	W/2 Sec. 25, T29N, R7W	Dakota
#139	E/2 Sec. 25, T29N, R7W	Dakota
#140	W/2 Sec. 8, T29N, R7W	Dakota
#141	E/2 Sec. 8, T29N, R7W	Dakota

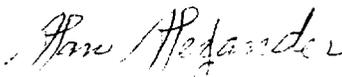
All working interest owners have been contacted regarding this Drilling Program. Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized 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 the undersigned.

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

Very truly yours,



Alan Alexander
District Land Manager

RMP

AA:DMP:LD:gm
Document 0356L
Enclosure
San Juan 29-7 Unit, 3.0

APPROVED: _____

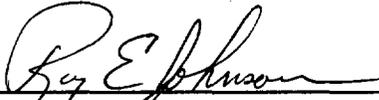
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____

Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED: 

Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 4-20-87

The foregoing approvals for the 1987 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R.L. Bolin, Individually, and as
Attorney-in-Fact for Dolores P. Bolin

Mr. C.W. Bolin

Mr. Dan H. Bolin

Mr. Pat S. Bolin

Conoco, Inc.

Fina Oil & Chemical Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

First Interstate Bank, Agent
for David A. Pierce

First Interstate Bank, Agent
for John B. Pierce

First Interstate Bank, Agent
for Susan L. Pierce Nelson

First Interstate Bank, Agent
for Dirk V. Reemtsma

Lance B. Reemtsma

Mr. James M. Raymond, Individually
and as Executor of Estate of
Mabelle McElvain Miller Nestler,
& Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Inc.

Union Texas Petroleum



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Attention: D. N. Canfield

Re: San Juan 29-7 Unit
No. 14-08-001-1650, Rio
Arriba County, New Mex.
Amendment to 1982 Drilling
Program

Dear Mr. Canfield:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the U. S. Minerals Management Service.

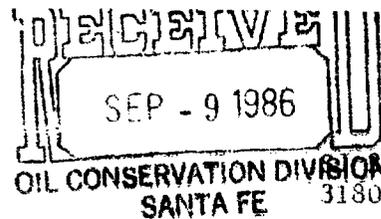
Sincerely,

W. PERRY PEARCE
General Counsel

WPP/dr

cc: Commissioner of Public Lands - Santa Fe
Minerals Management Service - Albuquerque
OCD District Office

Bureau of Land Management
Albuquerque District Office
Minerals Division
P.O. Box 6770
Albuquerque, NM 87197-6770



#1074

Meridian Oil
ATTN: Alan Alexander
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Your application of June 5, 1985, requesting approval of the eighth revision to the Dakota Participating Area for the San Juna 29-7 Unit Agreement, Rio Arriba County, New Mexico was approved on this date and is effective as of March 1, 1985.

This application proposes to add 640.00 acres described as section 26, T. 29 N., R. 7 W., NMPM, bringing the total acreage in the participating area to 11,964.82 acres. The eighth revision to the participating area is based on the completion of unit well No. 123.

Copies of the approved application are being distributed to the appropriate Federal offices and an approved copy is being returned for your files. You are requested to furnish all interest parties with appropriate evidence of this approval.

If you have any questions, please contact Robert Kent at the above address or telephone (505) 766-2841.

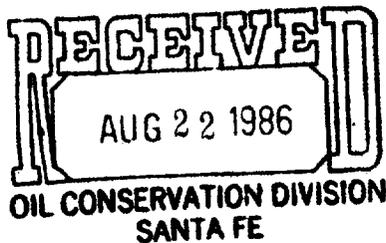
Sincerely,

(Orig. Signed) GARY A. STEPHENSON

For District Manager

cc:
Micrographics (943B-1)
FRA (016)
NMOCD
Com. Public Lands
O&G chron
015:RKent:kim:9-4-86:2184M

MERIDIAN OIL



August 19, 1986

Bureau of Land Management
South Central Region
Attention: District Manager
435 Montano Road, N.E.
Albuquerque, New Mexico 87107

Commissioner of Public Lands
Attention: Mr. Pete Martinez
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Attention: Mr. David Catanach
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico

Gentlemen:

By Conveyance dated July 16, 1986, El Paso Natural Gas Company conveyed all of its rights in various leases, lands and wells to El Paso Production Company. Included in these properties were all of Gas Company's rights in the referenced Unit.

Meridian Oil Inc. is in the process of replacing El Paso Natural Gas Company as operator of the wells and units (including the San Juan 29-7 Unit) transferred by the Conveyance of July 16, 1986, and will operate these properties on behalf of El Paso Production Company.

El Paso Natural Gas Company and Meridian Oil Inc. are wholly owned subsidiaries of Burlington Northern, Inc., and El Paso Production Company is a wholly owned subsidiary of El Paso Natural Gas Company.

All correspondence pertaining to the referenced unit should be directed to the same individuals at the same addresses as in the past. If you have any questions or comments concerning this matter, or this letter, please contact the undersigned.

Copies of this letter are being sent to the working interest owners of the above referenced unit.

Yours very truly,

A handwritten signature in cursive script that reads "Alan Alexander".

Alan Alexander
District Land Manager

AA/tlm
San Juan 29-7 Unit, 5.0
Doc. #0794L

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Fina Oil & Chemical Company

Texaco Producing Inc.

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Executor of Estate of Mabelle McElvain
Miller Nestler, & Trustee for Corinne Miller
Gay and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company
% Meridian Oil

Tenneco Oil Company

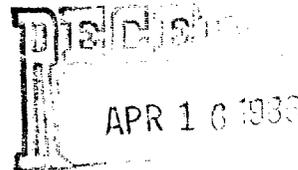
Union Texas Petroleum

Bureau of Land Management
Albuquerque District Office
Minerals Division
P.O. Box 6770
Albuquerque, NM 87197-6770

San Juan 29-7
Unit POD
3180 (015)

APR 15 1986

Meridian Oil
ATTN: Alan Alexander
P.O. Box 4289
Farmington, NM 87499



Gentlemen:

Two approved copies of your 1986 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing no development drilling during 1986 except for Well Nos. 80A and 113M which are being carried over from last year. Well Nos. 11A, 34A, 43A, 57A, 63A, 127M, and 130M have been cancelled. The plan was approved 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 Robert Kent at the above address or telephone (505) 766-2841.

Sincerely,

(Orig. Signed) - Sid Vogelwohl

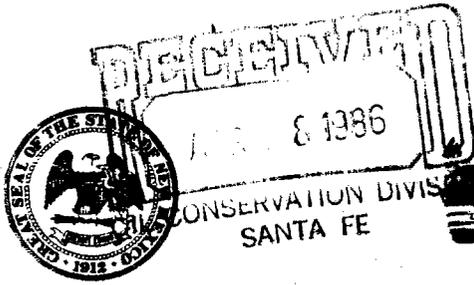
For District Manager

Enclosure(s)

cc:

Micrographics 943B-1
Fluids Section FRAH
✓ NMOCD, Santa Fe
Comm. of Pub. Lands, Santa Fe
O&G Chron

015:RKent:k1m:4-14-86:1746M



State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

April 4, 1986

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Meridian Oil Inc.
Attn: Alan Alexander
P. O. Box 4289
Farmington, New Mexico 84799

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1986 Drilling Program

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Drilling Program for the San Juan 29-7 Unit Area, Rio Arriba County, New Mexico. Such plan calls for the drilling of no wells during the calendar year 1986.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch

#674

MERIDIAN OIL

March 19, 1986

RECEIVED
MAR 22 1986

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1986 Drilling Program

Gentlemen:

By letters dated May 22, 1985 and November 18, 1985, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program and a First Amendment to the Drilling Program for calendar year 1985 for the referenced unit. These programs provided for the drilling of thirteen (13) Mesaverde, six (6) Mesaverde/Dakota dual, and seven (7) Dakota wells. All of the wells were drilled with the following exceptions: #80 A, MV, W/2 Section 9-29N-7W; and #113 M, MD, E/2 Section 29-29N-7W, which are being carried over and drilled during 1986, and the following wells which have been cancelled and will be resubmitted at such time they are proposed again:

<u>WELL NO</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
# 11 A	W/2 Section 3, T29N, R7W	Mesaverde
# 34 A	W/2 Section 4, T29N, R7W	Mesaverde
# 43 A	W/2 Section 8, T29N, R7W	Mesaverde
# 57 A	W/2 Section 11, T29N, R7W	Mesaverde
# 63 A	E/2 Section 10, T29N, R7W	Mesaverde
#127 M	E/2 Section 19, T29N, R7W	Mesaverde/Dakota dual
#130 M	W/2 Section 21, T29N, R7W	Mesaverde/Dakota dual

March 19, 1986

As of this date, the total number of active wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Mesaverde, Commercial	96
Mesaverde, Plugged and Abandoned	2
Mesaverde/Dakota Duals, Commercial	20
Dakota, Commercial	25
Dakota, Being Evaluated	<u>1</u>

148

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program providing for the drilling of no wells during calendar year 1986.

All working interest owners have been contacted regarding this Drilling Program. Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

Meridian Oil, on behalf of El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized 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 the undersigned.

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

Very truly yours,



Alan Alexander *AVP*
District Land Manager

AA:DMP:LD:tlm

Enclosure

San Juan 29-7 Unit, 3.0

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 3-31-86

The foregoing approvals are for the 1986 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Fina Oil & Chemical Company

Texaco Producing Inc.

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

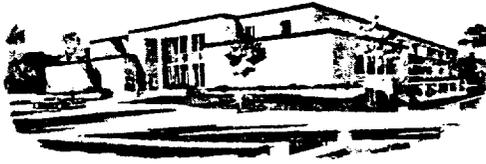
Mr. Vincent E. Shryack

Southland Royalty Company
% Meridian Oil

Tenneco Oil Company

Union Texas Petroleum

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands
December 3, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Meridian Oil
P. O. Box 4289
Farmington, New Mexico 87499

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
First Amendment to
1985 Drilling Program

ATTENTION: Mr. Alan Alexander

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Drilling Program for the San Juan 29-7 Unit Area, Rio Arriba County, New Mexico. Such amended plan proposes to drill an additional 13 Mesaverde wells, 2 Dakota wells, and 6 dual Mesaverde/Dakota wells. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

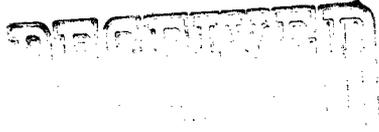
Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: QCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



Bureau of Land Management
Albuquerque District Office
Minerals Division
P.O. Box 6770
Albuquerque, NM 87197-6770

SJ 29-7 Unit POD
3100 (015)

NOV 21 1985

Meridian Oil
ATTN: Alan Alexander
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Two approved copies of your amended 1985 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing to drill an additional 13 Mesaverde wells, 2 Dakota wells, and 6 dual Mesaverde/Dakota wells, is approved this date subject to like approval by the appropriate officials of the State of New Mexico.

If you have any questions, please contact Robert Kent at the above address or telephone (505) 766-2841.

Sincerely,

(Orig. Signed) - Sid Vogel/pohl

For District Manager

Enclosure(s)

cc:

✓ NMOCD, Santa Fe
Comm. of Pub. Lands, Santa Fe
Micrographics 943B-1
Fluids Section FRAH
O&G Chron

015:RKent:klm:11-21-85:1256M

MERIDIAN OIL

November 18, 1985

#674

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Arriba County, New Mexico
First Amendment to
1985 Drilling Program

Gentlemen:

By letter dated May 22, 1985, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for the referenced unit providing for the drilling of five (5) Dakota wells during 1985. Subsequently, the following wells have been proposed as the First Amendment to the 1985 Drilling Program:

<u>WELL NO</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
# 11 A	W/2 Section 3, T29N, R7W	Mesaverde
# 29 A	W/2 Section 13, T29N, R7W	Mesaverde
# 34 A	W/2 Section 4, T29N, R7W	Mesaverde
# 37 A	W/2 Section 12, T29N, R7W	Mesaverde
# 40 E	E/2 Section 28, T29N, R7W	Dakota
# 43 A	W/2 Section 8, T29N, R7W	Mesaverde
# 45 A	W/2 Section 20, T29N, R7W	Mesaverde/Dakota dual
# 45 E	W/2 Section 20, T29N, R7W	Dakota
# 46 A	E/2 Section 6, T29N, R7W	Mesaverde
# 52 A	E/2 Section 7, T29N, R7W	Mesaverde
# 54 A	W/2 Section 14, T29N, R7W	Mesaverde
# 56 A	E/2 Section 15, T29N, R7W	Mesaverde
# 57 A	W/2 Section 11, T29N, R7W	Mesaverde
# 63 A	E/2 Section 10, T29N, R7W	Mesaverde
# 80 A	W/2 Section 9, T29N, R7W	Mesaverde
# 85 A	W/2 Section 1, T29N, R7W	Mesaverde
#106 M	W/2 Section 36, T29N, R7W	Mesaverde/Dakota dual
#113 M	E/2 Section 29, T29N, R7W	Mesaverde/Dakota dual
#124 M	W/2 Section 28, T29N, R7W	Mesaverde/Dakota dual
#127 M	E/2 Section 19, T29N, R7W	Mesaverde/Dakota dual
#130 M	W/2 Section 21, T29N, R7W	Mesaverde/Dakota dual

November 7, 1985

All working interest owners have been contacted and this Amendment to the Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe 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 unitized substances and any other wells deemed necessary by the Unit Operator and the working interest owners.

If this Amendment to the 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 the undersigned at the above address.

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

Yours very truly,



Alan Alexander
District Land Manager

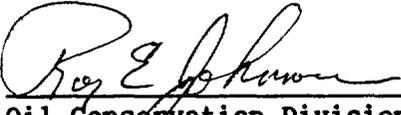
AA:LD/tlm
Attachments
San Juan 29-7 Unit, 3.0
Doc. #0117L

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 11-25-85

The foregoing approvals for the First Amendment to the 1985 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Fina Oil & Chemical Company

Texaco Producing Inc.

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Union Texas Petroleum

MERIDIAN OIL

October 9, 1985

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Riverside County, New Mexico
1985 Drilling Program

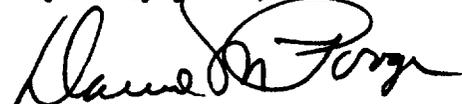
Gentlemen:

By letter dated May 22, 1985, we submitted the 1985 Drilling Program for the San Juan 29-7 Unit to your agency for approval. A copy of said letter is enclosed for your reference.

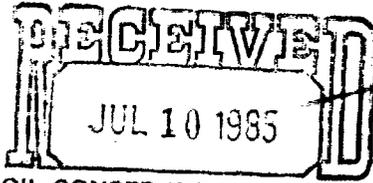
To date, we have not received such approval. Would you please check your files on this Unit and advise if there was a problem with the Drilling Program as submitted which prevented approval.

Thank you for your assistance in this matter.

Very truly yours,


David M. Poage
Senior Staff Landman

tlm
San Juan 29-7 Unit, 3.0
Doc. #0117L



OIL CONSERVATION DIVISION
SANTA FE

Office of Land Management
Albuquerque District Office
Minerals Division
P.O. Box 6770
Albuquerque, NM 87197-6770

SJ 29-7 Unit
3100 (015)

JUL 0 8 1985

El Paso Natural Gas Company
ATTN: Mr. Alan Alexander
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

An approved copy of your 1985 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico is enclosed. Such plan ~~is approved~~ to drill Wells No. 126, 127, 128, 129 and 130, is approved 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 Ron Bartel at the above address or telephone (505) 766-2841.

Sincerely,

(Orig. Signed) - Sid Vogelpohl

For District Manager

Enclosure(s)

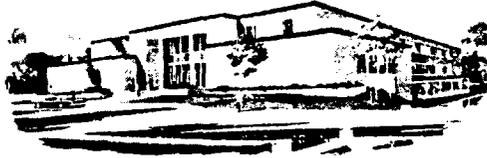
cc
NMOCD, Santa Fe
Comm. of Pub. Lands, Santa Fe
Micrographics 943B-1
Fluids Section FRAH
File: SJ 29-7 Unit POD
O&G Chron

015:RBartel:k1m:6-28-85:0875M

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

June 5, 1985

XXXXXX

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

El Paso Exploration Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Re: San Juan 29-7 Unit
1985 Drilling Program
Rio Arriba County, New Mexico

ATTENTION: Mr. Alan Alexander

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Drilling Program for the San Juan 29-7 Unit Area, Rio Arriba County, New Mexico. Such program proposes to drill the Unit Well Nos. 126, 127, 128, 129 and 130 to test the Dakota formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

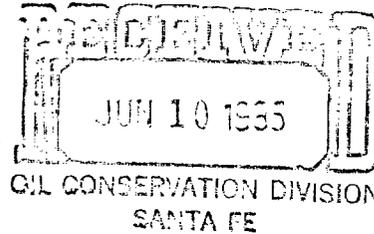
BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico

June 5, 1985

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Handwritten: X 674

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
EIGHTH EXPANDED PARTICIPATING AREA,
DAKOTA FORMATION,
Effective April 1, 1985.

Gentlemen:

Pursuant to Section 11(b) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit. The Participating Area for the Dakota Formation is expanded accordingly to include the following well and acreage:

EIGHTH EXPANDED PARTICIPATING AREA - Effective 4/1/85

<u>Drilling Block</u>	<u>Acres</u>	<u>Well No.</u>
<u>T-29-N, R-7-W</u>		
Sec. 26: All	640.00	San Juan 29-7 #123

The lands described above are proven productive by the following:

The San Juan 29-7 #123 well was completed on March 19, 1985. The Dakota Formation was tested with an absolute open flow of 3,718 MCFG/D. The spacing unit for this well is described as the E/2 of Section 26, T29N, R7W, N.M.P.M., containing 320.00 acres.

June 5, 1985

Attached hereto is Schedule IX which shows the proposed Eighth Expanded Participating Area for the Dakota Formation in the San Juan 29-7 Unit Area. This Schedule describes the pertinent Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the percentage of ownership in each tract.

If this Expanded Participating Area for the Dakota Formation meets with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

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

Yours very truly,


Alan Alexander *AMP*
District Land Manager

AA:DMP/tlm
Enclosures
San Juan 29-7 Unit, 4.3
Doc. #0356L

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 10-10-85

The foregoing approvals for the Eighth Expanded Participating Area,
Dakota Formation for the San Juan 29-7 Unit #14-08-001-1650, Rio Arriba
County, New Mexico.

SAN JUAN 29-7 UNIT
DAKOTA PARTICIPATING AREA OWNERS

American Petrofina Company of Texas

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Conoco, Inc.

Mr. Jerome P. McHugh

Mr. Morris Mizel

Petro-Lewis Corporation

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Texaco Producing Co.

Union Texas Petroleum

May 22, 1985

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
1985 Drilling Program

Gentlemen:

By letters dated September 28, 1984, and November 9, 1984, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program and a First Amendment to the Drilling Program for the calendar year 1984 providing for drilling of six (6) Dakota wells and one (1) Pictured Cliffs well. The six (6) Dakota wells have been drilled and the Pictured Cliffs well (#119, SW/4 32-29N-7W) was cancelled by working interest owners.

As of this date, the total number of wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs, Commercial	4
Dakota, Commercial	18
Mesaverde, Plugged & Abandoned	2
Mesaverde, Commercial	89
Mesaverde/Dakota Dual, Commercial	<u>13</u>
	126

May 22, 1985

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during 1985:

<u>WELL NO</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#126	SW/4 Sec. 7 & W/2 Sec. 18, T29N, R7W	Dakota
#127	E/2 Section 19, T29N, R7W	Dakota
#128	W/2 Section 27, T29N, R7W	Dakota
#129	S/2 Section 16, T29N, R7W	Dakota
#130	W/2 Section 21, T29N, R7W	Dakota

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 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 unitized substances and any other wells deemed necessary 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 the undersigned at the above address.

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

Yours very truly,

Alan Alexander
Alan Alexander *AM*
District Land Manager

AA:LD/tlm
Attachments
San Juan 29-7 Unit, 3.0
Doc. #0117L

APPROVED: _____
Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and the
Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and the
Commissioner of Public Lands)

DATED: 10-15-85

The foregoing approvals for the 1985 Drilling Program for the
San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Texaco Producing Inc.

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Union Texas Petroleum

May 22, 1985

Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit, #14-08-001-1650
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Dakota Formation

Gentlemen:

Pursuant to Section 11(a) of the captioned Agreement, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that five (5) additional wells capable of producing unitized substances from the Dakota formation have been completed upon acreage committed to the Unit. These wells are as follows:

The San Juan 29-7 Unit #30 E, located 1575 feet from the North line and 510 feet from the West line of Section 35, T29N, R7W, was spudded February 2, 1985, and completed on March 19, 1985, at a plug back depth of 8063 feet. The Dakota formation was tested with an absolute open flow of 3733 MCFGD. The spacing unit for this well is described as the E/2 of Section 35, T29N, R7W, containing 320.00 acres.

The San Juan 29-7 Unit #31 E, located 800 feet from the North line and 910 feet from the East line of Section 32, T29N, R7W, was spudded January 12, 1985, and completed on March 7, 1985, at a plug back depth of 7763 feet. The Dakota formation was tested with an absolute open flow of 3746 MCFGD. The spacing unit for this well is described as the E/2 of Section 32, T29N, R7W, containing 320.00 acres.

The San Juan 29-7 Unit #70 E, located 1040 feet from the South line and 1100 feet from the West line of Section 35, T29N, R7W, was spudded January 20, 1985, and completed on March 18, 1985, at a plug back depth of 7767 feet. The Dakota formation was tested with an absolute open flow of 1270 MCFGD. The spacing unit for this well is described as the W/2 of Section 35, T29N, R7W, containing 320.00 acres.

#674

May 22, 1985

The San Juan 29-7 Unit #77 E, located 1190 feet from the North line and 1140 feet from the East line of Section 33, T29N, R7W, was spudded January 24, 1985, and completed on March 18, 1985, at a plug back depth of 7740 feet. The Dakota formation was tested with an absolute open flow of 2264 MCFGD. The spacing unit for this well is described as the E/2 of Section 33, T29N, R7W, containing 320.00 acres.

The San Juan 29-7 Unit #124, located 1850 feet from the South line and 1170 feet from the West line of Section 28, T29N, R7W, was spudded January 2, 1985, and completed on March 19, 1985, at a plug back depth of 7802 feet. The Dakota formation was tested with an absolute open flow of 1930 MCFGD. The spacing unit for this well is described as the W/2 of Section 28, T29N, R7W, containing 320.00 acres.

All of the drilling blocks for the above described wells are included within the existing Dakota Participating Area, therefore the Dakota Participating Area is not enlarged by these wells.

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

Yours very truly,



David M. Poage
Senior Staff Landman

DMP/tlm
Enclosure
NM-401
NM-1009
San Juan 29-7 Tr. #7, 8, 29
Doc. #0166L

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Texaco Producing Inc.

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Oil Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

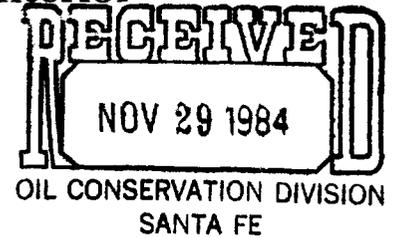
Union Texas Petroleum



United States Department of the Interior SJ 29-7 Unit (015)

BUREAU OF LAND MANAGEMENT
ALBUQUERQUE DISTRICT OFFICE

505 Marquette, N.W.
P.O. Box 6770
Albuquerque, New Mexico 87197-6770



NOV 27 1984

El Paso Natural Gas Company
Attention: Alan Alexander
P.O. Box 4289
Farmington, New Mexico 87499-4289

Gentlemen:

An approved copy of your first amended 1984 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico is enclosed. Such plan, proposing to drill unit well No. 119 in the Pictured Cliffs Formation, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) GARY A. STEPHENS

For District Manager

Enclosure

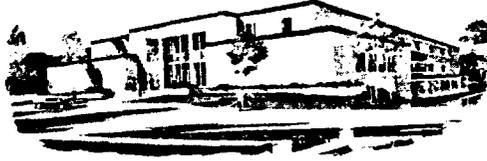
cc:
NMOC, Santa Fe
Comm. of Pub. Lands, Santa Fe
Micrographics 943B-4
Fluids Section FRAH
File: POD
O&G Chron

015:RBartel:tt:11/23/84:0245M

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

November 19, 1984

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

El Paso Exploration Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1984 Drilling Program and
First Amendment to 1984 Drilling Program

ATTENTION: Mr. Alan Alexander

Gentlemen:

The Commissioner of Public Lands has this date approved your 1984 Drilling Program and your First Amendment to the 1984 Drilling Program. Such programs call for the Drilling of Unit Well Nos. 77E, 124, 70E, 30E, 31E, 123 in the Dakota formation and the Unit Well No. 119 in the Pictured Cliffs formation.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

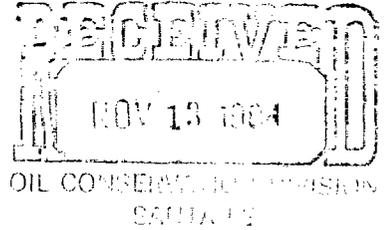
JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

El Paso
Exploration Company

P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499-4289
PHONE 505-325-2841

November 9, 1984



Bureau of Land Management
South Central Region
Post Office Box 6770
Albuquerque, New Mexico 87197-6770

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
First Amendment-1984 Drilling Program

Gentlemen:

By letter dated September 28, 1984, El Paso Natural Gas Company, as Unit Operator of the San Juan 29-7 Unit, filed a Drilling Program covering the subject Unit for the calendar year 1984 which has been approved by the various regulatory agencies.

Subsequent to the submittal of said letter of September 28, 1984, the following listed well has been proposed:

<u>Well No.</u>	<u>Drilling Block</u>	<u>Formation</u>
#119	SW/4 Section 32-29N-7W	Pictured Cliffs

All necessary working interest owners have been contacted and this addition to the 1984 Drilling Program reflect their desires. If this amendment to the 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 letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

Alan Alexander
Alan Alexander
District Land Manager

AWT

AA:DMP:ld
attachments
San Juan 29-7 Unit, 3.0

APPROVED: _____ DATE: _____

Area Oil & Gas Supervisor
Bureau of Land Management
(Subject to like approval by
the Commissioner of Public
Lands and the Oil Conservation
Division)

APPROVED: _____ DATE: _____

Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management
and the Oil Conservation
Division)

APPROVED:  _____ DATE: 11-13-84

Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management
and the Commissioner of Public
Lands)

The foregoing approvals are for the First Amendment to the San Juan 29-7 Unit #14-08-001-1605, 1984 Drilling Program.

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company

Arco Oil & Gas Company

Bolack Minerals Company

Mr. R. L. Bolin, Independent Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Petroleum Company

Mr. J. A. Pierce Trust

Mr. James A. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
and Maydell Miller Mast Trusts

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Company

Union Texas Petroleum

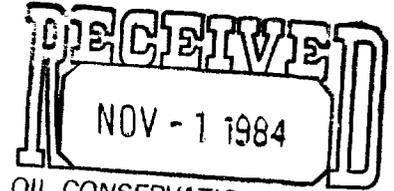


United States Department of the Interior

IN REPLY REFER TO:
SJ 29-7 (015)

BUREAU OF LAND MANAGEMENT ALBUQUERQUE DISTRICT OFFICE

505 Marquette, N.W.
P.O. Box 6770
Albuquerque, New Mexico 87197-6770



OIL CONSERVATION DIVISION
SANTA FE

OCT 30 1984

El Paso Natural Gas Company
Attention: Alan Alexander
P.O. Box 4289
Farmington, New Mexico 87499-4289

Gentlemen:

An approved copy of your 1984 Plan of Development for the San Juan 29-7 Unit area, Rio Arriba County, New Mexico is enclosed. Such plan, proposing to drill unit wells No. 77E, No. 124, No. 70E, No. 30E, No. 31E, and No. 123 in the Dakota Formation was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

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

Sincerely yours,

For District Manager

Enclosure

cc:
MMOCD, Santa Fe
Comm. of Pub. Lands, Santa Fe
Fluids Section FRAH
File: SJ 29-7 Unit (POD)
O&G Chron

015:RBartel:tt:10/25/84:0150M



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

October 2, 1984

El Paso Exploration Company
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Alan Alexander

Re: San Juan 29-7 Unit
#14-08-001-1650
Rio Arriba County,
New Mexico
1984 Drilling Program

Dear Mr. Alexander:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

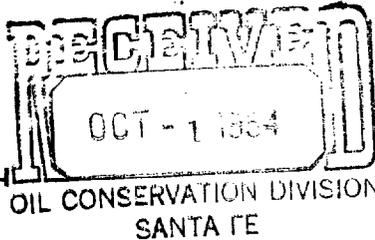
A handwritten signature in black ink, appearing to read "Roy E. Johnson".

ROY E. JOHNSON
Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque
OCD District Office - Aztec

El Paso
Exploration Company



P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499-4289
PHONE: 505-325-2841

#674

September 28, 1984

Bureau of Land Management
South Central Region
505 Marquette Avenue, Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1984 Drilling Program

Gentlemen:

By letter dated January 9, 1984, El Paso Natural Gas Company, as Unit Operator of the San Juan 29-7 Unit, filed a Drilling Program covering the subject Unit for the calendar year 1983 covering an amendment for a no well drilling program.

As of this date the total number of wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs	4
Dakota, Commercial	12
Mesaverde, Plugged & Abandoned	2
Mesaverde, Commercial	89
Mesaverde/Dakota Dual	13
	<u>120</u>

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1984:

Regulatory Agencies
September 28, 1984
Page Two

<u>Well Number</u>	<u>Drilling Block</u>	<u>Formation</u>
#77 E	E/2 33-29-7	Dakota
#124	W/2 28-29-7	Dakota
#70 E	W/2 35-29-7	Dakota
#30 E	E/2 35-29-7	Dakota
#31 E	E/2 32-29-7	Dakota
#123	E/2 26-29-7	Dakota

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 unitized 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 letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

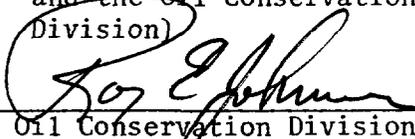


Alan Alexander
District Land Manager

AA:DMP:ld
attachments
San Juan 29-7 Unit, 3.0

APPROVED: _____ DATE: _____
Area Oil & Gas Supervisor
Bureau of Land Management
(Subject to like approval by
the Commissioner of Public
Lands and the Oil Conserva-
tion Division)

APPROVED: _____ DATE: _____
Commissioner of Public Lands
(Subject to like approval by
the Bureau of Land Management
and the Oil Conservation
Division)

APPROVED:  DATE: 10-2-84
Oil Conservation Division
(Subject to like approval by
the Bureau of Land Management
and the Commissioner of Public
Lands)

The foregoing approvals are for the San Juan 29-7 Unit #14-08-001-1605
1984 Drilling Program.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company

Atlantic Richfield Company

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Co.
Amarillo, Texas

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
Trust and Trustee for Maydell Miller
Mast Trust

Mr. Vincent E. Shryack

Southland Royalty Company

Tenneco Oil Exploration and Production

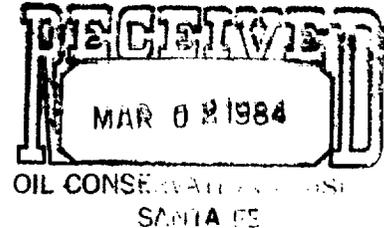
Union Texas Petroleum

February 27, 1984

Bureau of Land Management
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1983 Drilling Program

Gentlemen:

The 1983 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated:

Bureau of Land Management	1-24-84
Commissioner of Public Lands	1-26-84
Oil Conservation Commission	2-20-84

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,

A handwritten signature in cursive script that reads "Van L. Goebel".

Van L. Goebel
Landman
Land Department

VLG:cc
San Juan 29-7 Unit, 3.0

San Juan 29-7 Unit
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (4)

Atlantic Richfield Company

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Co. (2)
Amarillo, Texas

Mr. Morris Mizel

Northwest Pipeline Corporation

Petro-Lewis Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
Trust and Trustee for Maydell Miller
Mast Trust

Mr. Vincent F. Shryack

Southland Royalty Company

Tenneco Oil Exploration and Production

Union Texas Petroleum



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

February 20, 1984

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

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

Attention: D. N. Canfield

Re: San Juan - 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1983 Drilling Program

Dear Mr. Canfield:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roy E. Johnson", with a long horizontal flourish extending to the right.

ROY E. JOHNSON
Petroleum Geologist

REJ/sp

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque
OCD District Office - Aztec

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands
January 26, 1984

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

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1983 Drilling Program

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1983 Drilling Program for the San Juan 29-7 Unit Agreement, Rio Arriba County, New Mexico. Such plan calls for the drilling of no wells during the calendar year 1983, however, you have proposed to the working interest owners the drilling of the Unit Well No. 72A to test the Mesaverde/Dakota formation and if approved will be drilled under your 1984 Plan of Development. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

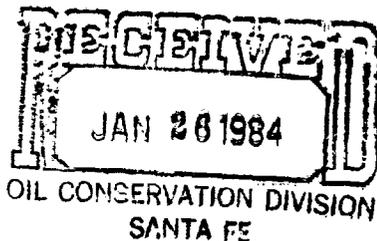
JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico

San Juan 29-7

#674

JAN 24 1984



El Paso Natural Gas Company
Attention: D. M. Casfield
PO Box 1497
El Paso, Texas 79978

Gentlemen:

Three approved copies of your 1983 plan of development for the San Juan 29-7 unit area, Rio Arriba County, New Mexico are enclosed. Such plan, proposing no additional drilling during 1983, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SHELTON

For District Manager

Enclosure

cc: Com of Public Lands
MPOCD
RA, Farmington (w/encl)
Files: San Juan 29-7
D&G Chrono

015:RKent:dg215P:1/20/84

ILLEGIBLE

El Paso
Natural Gas Company

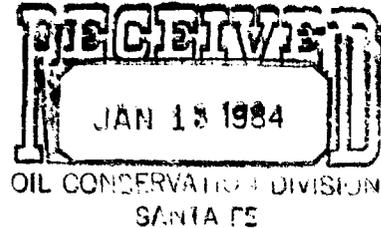
#674
P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

January 9, 1984

Bureau of Land Management
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1983 Drilling Program

Gentlemen:

By letter dated April 14, 1982, El Paso Natural Gas Company, as Unit Operator of the San Juan 29-7 Unit, filed a Drilling Program covering the subject Unit for the calendar year 1982, providing for the drilling of no wells which was later amended to cover the drilling of one (1) Pictured Cliffs well.

As of this date the total number of wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs	4
Dakota, Commercial	12
Mesaverde, Plugged and Abandoned	2
Mesaverde, Commercial	89
Mesaverde/Dakota Dual	13
	<u>120</u>

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of no wells during the calendar year 1983. However, please be advised that a dual Mesaverde/Dakota well was proposed by some of the working interest owners in the San Juan 29-7 Unit near the end of 1983. The Mesaverde/Dakota dual well proposed is the San Juan 29-7 Unit #72A well to be located in the E/2 of Section 26, T-29-N, R-7-W. The Dakota side of this well is located outside the Dakota participating area requiring drilling block approval and the Mesaverde side is located within the Mesaverde participating

Letter to Agencies
Page Two
January 9, 1984

area. In accordance with the Unit Operating Agreement, El Paso Natural Gas Company as Unit Operator is required to poll the votes of the participating area working interest owners and drilling block owners. This poll was initiated during 1983; however, we have not received all the votes at this time. If the drilling of this well is approved by the working interest owners it will be drilled under our 1984 Drilling Program. El Paso Natural Gas Company for this reason is submitting for your approval a no well Drilling Program for 1983.

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 unitized 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 letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,



D. N. Canfield
Attorney-in-Fact

WLL *DNR*

DNC:VLG:cc
Enclosures
SJ 29-7 Unit, 3.0

APPROVED:

Bureau of Land Management
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED:

Commissioner of Public Lands
(Subject to like approval by the
Bureau of Land Management and
the Oil Conservation Division)

DATED: _____

APPROVED:


Oil Conservation Division
(Subject to like approval by the
Bureau of Land Management and
the Commissioner of Public Lands)

DATED: 2-20-84

The foregoing approvals are for the 1983 Drilling Program for the San Juan 29-7
Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (4)

Atlantic Richfield Company

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond, Individually and
as Attorney-in-Fact for Mabelle McElvain
Miller, Trustee for Corinne Miller Gay
Trust and Trustee for Maydell Miller
Mast Trust

Mr. Vincent F. Shryack

Southland Royalty Company

Tenneco Oil

Unicon Producing Company

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

November 5, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

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

Case # 674

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
SECOND EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective August 1, 1981

ATTENTION: Mr. James R. Permenter

Gentlemen:

This will acknowledge receipt of your letter dated October 15, 1982, together with three copies of the Second Expanded Participating Area for the Pictured Cliffs Formation. The effective date of the Second Expanded Participating area is August 1, 1981.

Inasmuch as this needs no official approval the Commissioner of Public Lands has this date accepted these instruments and filed then in our unit file.

Enclosed is one copy reflecting the date this was received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

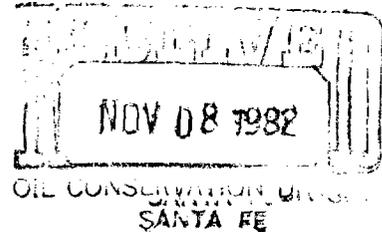
cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

October 15, 1982

Minerals Management Service
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

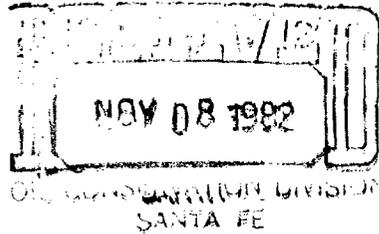
Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
SECOND EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective August 1, 1981

Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The San Juan 29-7 Unit #118 Well, located 910' from the South line and 1550' from the East line of Section 31, Township 29 North, Range 7 West, N.M.P.M., was spudded on June 20, 1981 and completed on July 27, 1981, at a plugged back depth of 3470'. The Pictured Cliffs Formation at the selected intervals between 3386' to 3416' was treated with a sand-water fracturing process on July 9, 1981. The well was shut-in on July 10, 1981, and after being shut-in for

United States Geological Survey
Minerals Management Service
Oil Conservation Division
Commissioner of Public Lands
Page Two



October 15, 1982

seventeen (17) days, the Pictured Cliffs Formation was tested on July 27, 1981, using the Pitot tube method with an after frac guage of 1811 MCF/D, with an SIPC of 0 psia and an SIPT of 658 psia. The spacing unit for this well is described as the E/2 of Section 31, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres.

Attached is Schedule III showing the Second Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 29-7 Unit Area. This describes the Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Second Expanded Participating Area will become effective as of August 1, 1981.

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

Very truly yours,

James R. Permenter
Director, Land Administration
Land Department

JRP:VLG:krm
Attachments
SJ 29-7, 4.1

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and
Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED:

Minerals Management Service
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED:

Commissioner of Public Lands
(Subject to like approval by the
Minerals Management Service and
the Oil Conservation Division)

DATED: _____

APPROVED:


Oil Conservation Division
(Subject to like approval by the
Minerals Management Service and
the Commissioner of Public Lands)

DATED: 11-19-82

The foregoing approvals are for the Second Expanded Participating Area of the Pictured Cliffs Formation for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Unicon Producing Company

Tenneco Oil

SCHEDULE III
 SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-7 UNIT AREA

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

SF 078503

<u>TRACT 9</u>							
	<u>T-29-N, R-7-W</u>	571.16	Royalty		12.50%	12.50%	69.820547%
	<u>Sec. 31: All</u>		Working Interest		84.50%	84.50%	
			El Paso Natural Gas Co.		3.00%	3.00%	
			ORRI				
			<u>TOTAL</u>		<u>100.00%</u>	<u>100.00%</u>	

TRACT 10A

SF 078503-A

<u>TRACT 10A</u>							
	<u>T-29-N, R-7-W</u>	246.88	Royalty		12.50%	12.50%	30.179453%
	<u>Sec. 30: Lots 5,</u>		Working Interest		41.75%	41.75%	
	<u>6, 7, 8, E/2 W/2</u>		El Paso Natural Gas Co.		41.75%	41.75%	
			D. H. Bolin		4.00%	4.00%	
			ORRI				
			<u>TOTAL</u>		<u>100.00%</u>	<u>100.00%</u>	

Effective August 1, 1981

SCHEDULE III
 SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-7 UNIT AREA

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

RECAPITULATION

Description of Lands in Participating Area:

Township 29 North, Range 7 West, N.M.P.M.
 Section 30: W/2
 Section 31: All

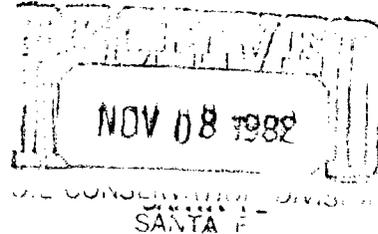
Total Number of Acres in Participating Area: 818.04
 Total Number of Acres Committed to Participating Area: 818.04
 Percent of Basic Royalty Committed: 100.00%
 Percent of Working Interest Committed: 100.00%
 Percent of ORRI Committed: 100.00%

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

October 15, 1982

Minerals Management Service
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

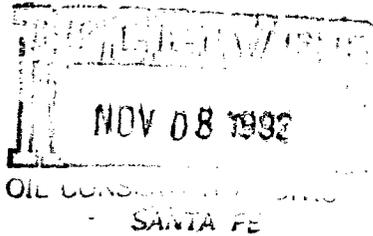
Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
SECOND EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective August 1, 1981

Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The San Juan 29-7 Unit #118 Well, located 910' from the South line and 1550' from the East line of Section 31, Township 29 North, Range 7 West, N.M.P.M., was spudded on June 20, 1981 and completed on July 27, 1981, at a plugged back depth of 3470'. The Pictured Cliffs Formation at the selected intervals between 3386' to 3416' was treated with a sand-water fracturing process on July 9, 1981. The well was shut-in on July 10, 1981, and after being shut-in for

United States Geological Survey
Minerals Management Service
Oil Conservation Division
Commissioner of Public Lands
Page Two



October 15, 1982

seventeen (17) days, the Pictured Cliffs Formation was tested on July 27, 1981, using the Pitot tube method with an after frac guage of 1811 MCF/D, with an SIPC of 0 psia and an SIPT of 658 psia. The spacing unit for this well is described as the E/2 of Section 31, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres.

Attached is Schedule III showing the Second Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 29-7 Unit Area. This describes the Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Second Expanded Participating Area will become effective as of August 1, 1981.

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

Very truly yours,

James R. Permenter
Director, Land Administration
Land Department

JRP:VLG:krm
Attachments
SJ 29-7, 4.1

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and
Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED:

Minerals Management Service
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED:

Commissioner of Public Lands
(Subject to like approval by the
Minerals Management Service and
the Oil Conservation Division)

DATED: _____

APPROVED:

Oil Conservation Division
(Subject to like approval by the
Minerals Management Service and
the Commissioner of Public Lands)

DATED: _____

The foregoing approvals are for the Second Expanded Participating Area of the Pictured Cliffs Formation for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Unicon Producing Company

Tenneco Oil

SCHEDULE III
 SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
<u>TRACT 9</u>						
SF 078503	T-29-N, R-7-W Sec. 31: All	571.16	Royalty Working Interest El Paso Natural Gas Co. ORRI			
				12.50%	12.50%	69.820547%
				84.50%	84.50%	
				3.00%	3.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	
<u>TRACT 10A</u>						
SF 078503-A	T-29-N, R-7-W Sec. 30: Lots 5, 6, 7, 8, E/2 W/2	246.88	Royalty Working Interest El Paso Natural Gas Co. D. H. Bolin ORRI			
				12.50%	12.50%	30.179453%
				41.75%	41.75%	
				41.75%	41.75%	
				4.00%	4.00%	
			TOTAL	<u>100.00%</u>	<u>100.00%</u>	

Effective August 1, 1981

SCHEDULE III
 SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-7 UNIT AREA

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

RECAPITULATION

Description of Lands in Participating Area:

Township 29 North, Range 7 West, N.M.P.M.

Section 30: W/2
 Section 31: A11

Total Number of Acres in Participating Area: 818.04

Total Number of Acres Committed to Participating Area: 818.04

Percent of Basic Royalty Committed: 100.00%

Percent of Working Interest Committed: 100.00%

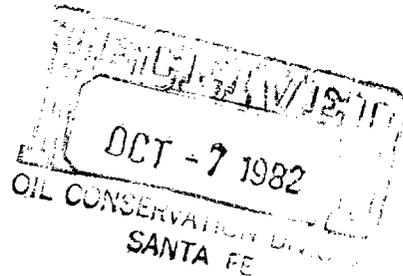
Percent of ORRI Committed: 100.00%

September 30, 1982

Minerals Management Service
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
Amendment to 1982 Drilling Program

Gentlemen:

The Amendment to the 1982 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated:

Minerals Management Service	9-13-82
Commissioner of Public Lands	9- 2-82
Oil Conservation Commission	9- 1-82

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,

Van L. Goebel
Landman
Land Department

VLG:cc
San Juan 29-7 Unit, 3.0

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
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Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Unicon Producing Company

Tenneco Oil



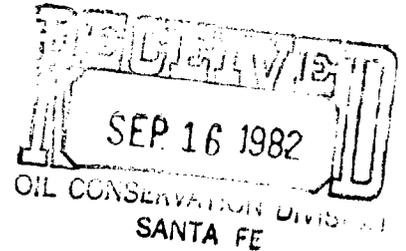
IN REPLY
REFER TO.

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
SOUTH CENTRAL REGION
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102

679
SEP 13 1982

El Paso Natural Gas Company
Attention: D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978



Gentlemen:

Four approved copies of your amended 1982 plan of development for the San Juan 29-7 unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing to drill a Pictured Cliffs well in W $\frac{1}{2}$ section 31, T. 29 N., R. 7 W., N.M.P.M., was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

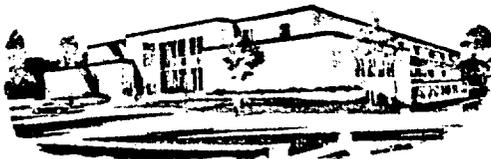
(ORIG. SGD.) JOE G. LARA

FOR Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

CC:
NMOCD
Comm. of Public Lands

State of New Mexico



674



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

September 2, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501
87504-1148

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

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
Amendment to 1982 Drilling Program

Gentlemen:

The Commissioner of Public Lands has this date approved your amendment to the 1982 Drilling Program for the San Juan 29-7 Unit Rio Arriba County, New Mexico. Such amendment calls for the drilling of the Unit Well No. 115 to be drilled in the W/2 of Section 31, Township 29 North, Range 7 West to test the Pictured Cliffs formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Minerals Management Service.

Enclosed is an approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

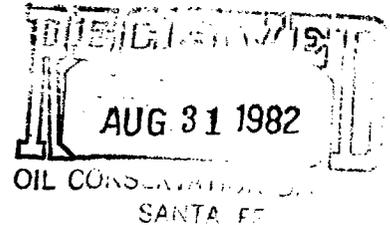
August 17, 1982

674

Minerals Management Service
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
Amendment to 1982 Drilling Program

Gentlemen:

The 1982 Drilling Program for the San Juan 29-7 Unit which was submitted to you by our letter of April 14, 1982 has been approved.

Subsequent to the submittal of said letter of April 14, 1982, one additional well has been proposed by El Paso Natural Gas Company, as Unit Operator. The additional well proposed to be drilled is:

<u>Well No.</u>	<u>Drilling Block</u>	<u>Formation</u>
115	W/2 Section 31, T-29-N, R-7-W	Pictured Cliffs

All necessary working interest owners have been contacted and this addition to the Drilling Program reflects their desires. If this amendment to the 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.

Regulatory Agencies
Page Two

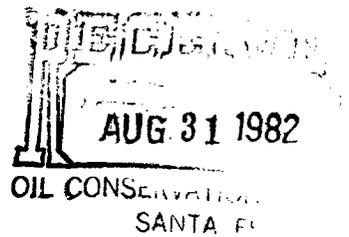
Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY,

D. N. Canfield
D. N. Canfield
Attorney-in-Fact *D.N.C.*

DNC/VLG/cc
Attachments
S.J. 29-7 Unit, 3.0



APPROVED: Minerals Management Service
United States Geological Survey
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

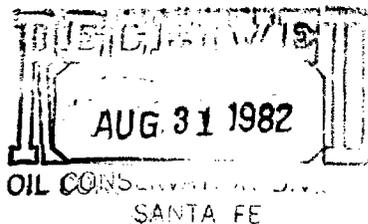
APPROVED: Commissioner of Public Lands
(Subject to like approval by the
United States Geological Survey
& the Oil Conservation Division)

DATED: _____

APPROVED: *W. Ben Ryan*
Oil Conservation Division
(Subject to like approval by the
United States Geological Survey
& the Commissioner of Public Lands)

DATED: *9/1/82*

The foregoing approvals are for the amended 1982 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.



San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

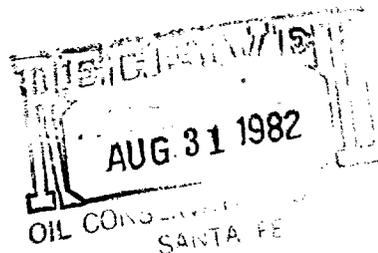
Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Unicon Producing Company

Tenneco Oil





IN REPLY
REFER TO:

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
SOUTH CENTRAL REGION
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102

OIL COALS

JUN 08 1982

SANTA FE

JUN 7 1982

El Paso Exploration Company
Attention: D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

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Gentlemen:

Three approved copies of your 1982 plan of development for the San Juan 29-7 unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing no drilling during 1982, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility might exist of drainage by wells outside of the unit boundary. You will be contacted by our Development Unit about this possibility.

Sincerely yours,

(ORIG. SIGNED) JAMES M. STELTON

Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

cc:
Comm. of Public Lands
NMOCD

State of New Mexico



Commissioner of Public Lands

May 3, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501
87504-1148

ALEX J. ARMIJO
COMMISSIONER

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

674

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
1982 Drilling Program

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Drilling Program for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. Such program calls for the drilling of no wells during the Calander year 1982. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Minerals Management Service.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

April 19, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

674

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

Attention: James R. Permenter

Re: 1982 Application for the Approval
of the Sixth and Seventh Expanded
Participating Areas, San Juan
29-7 Unit, Rio Arriba County,
New Mexico

Dear Mr. Permenter:

The New Mexico Oil Conservation Division has this date approved your application for the Approval of the Sixth and Seventh Expanded Participating Areas, San Juan 29-7 Unit, Rio Arriba County, New Mexico. Our approval is subject to like approval by the Minerals Management Service and the Commissioner of Public Lands of the State of New Mexico.

Sincerely,

W. PERRY PEARCE
General Counsel

WPP/dr

cc: Minerals Management Service - Albuquerque
Commissioner of Public Lands - Santa Fe

El Paso
Exploration Company

APR 26 1982
P. O. BOX 1482
EL PASO, TEXAS 79978
PHONE: 915-543-2600
SANTA FE

April 14, 1982

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
1982 Drilling Program

Gentlemen:

By letter dated November 11, 1980, El Paso Natural Gas Company, as Unit Operator of the San Juan 29-7 Unit, filed a Drilling Program covering the subject Unit for the calendar year 1981. This provided for the drilling of four (4) Mesaverde/Dakota Dual wells, three Mesaverde wells, one (1) Dakota well and one (1) Pictured Cliffs well.

As of this date, the total number of wells in the San Juan 29-7 Unit is as follows:

Pictured Cliffs	3
Dakota, Commercial	12
Mesaverde, Plugged and Abandoned	2
Mesaverde, Commercial	89
Mesaverde/Dakota Dual	13
	<u>119</u>

Pursuant to Section 10 of the San Juan 29-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of no wells during the calendar year 1982.

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Regulatory Agencies
Page 2

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 unitized 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 letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY



D. N. Canfield

Attorney-in-Fact *VLG*
JWA
DNA

DNC:VLG:jec
Attachments
SJ 29-7 Unit, 3.0

APPROVED: _____
Area Oil and Gas Supervisor
United States Geological Survey
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
United States Geological Survey
& the Oil Conservation Division)

DATED: _____

APPROVED:  _____
Oil Conservation Division
(Subject to like approval by the
United States Geological Survey
& the Commissioner of Public Lands)

DATED: 6/03/82

The foregoing approvals are for the 1982 Drilling Program for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil

State of New Mexico



Commissioner of Public Lands

March 18, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501
87504-1148



ALEX J. ARMIJO
COMMISSIONER

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

679

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR THE APPROVAL OF THE
SIXTH AND SEVENTH EXPANDED PARTICIPATING
AREAS-Dakota Formation, Effective
August 1, 1980 and September 1, 1980

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Sixth and Seventh Expanded Participating Areas, Dakota Formation for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. This approval is subject to like approval by the United States Minerals Management Service and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your records.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

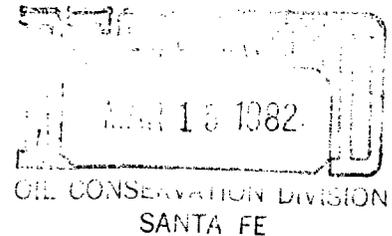
BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico

March 15, 1982

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

674

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 29-7 Unit #14-08-001-1650
Rio Arriba County, New Mexico
APPLICATION FOR THE APPROVAL OF THE
SIXTH AND SEVENTH EXPANDED PARTICIPATING
AREAS - Dakota Formation, Effective
August 1, 1980 and September 1, 1980
Respectively

Gentlemen:

Pursuant to Section 11(b) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Sixth and Seventh Expanded Participating Areas for the Dakota Formation, to wit:

SIXTH EXPANDED PARTICIPATING AREA - Effective August 1, 1980

<u>Description of Lands</u>	<u>Acres</u>
<u>Township 29 North, Range 7 West, N.M.P.M.</u> Section 28: All	640.00

The proposed Sixth Expanded Participating Area for the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 29-7 Unit No. 40A Well is capable of producing

unitized substances in paying quantities from the Dakota Formation. The spacing unit for this well is described as the E/2 of Section 28, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres.

SEVENTH EXPANDED PARTICIPATING AREA - Effective September 1, 1980

<u>Description of Lands</u>	<u>Acres</u>
Township 29 North, Range 7 West, N.M.P.M.	4744.07
Section 17, 18, 19, 20, 21, 22, 27: All	
Section 16: S/2	
Section 7: SW/4	

The proposed Seventh Expanded Participating Area for the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 29-7 Unit No. 44A, 49A, 65A Wells are capable of producing unitized substances in paying quantities from the Dakota Formation. The spacing unit for these wells are described as the E/2 of Section 17, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres for #44A, the E/2 of Section 20, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres, for #49A, and the E/2 of Section 22, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres, for the #65A.

In support of this application, the following listed Exhibits are made a part hereof:

- Exhibit "A" - Ownership map reflecting the boundaries of the Unit and the Sixth and Seventh Expanded Participating Areas for the Dakota Formation within the San Juan 29-7 Unit.
- Exhibit "B" - Geological Report on the Sixth and Seventh Expanded Participating Areas for the Dakota Formation within the San Juan 29-7 Unit.
- Exhibit "C" - Figure No. 1: San Juan 29-7 Dakota Structure Map
Figure No. 2: San Juan 29-7 Dakota Isopach Map
- Exhibit "D" - Schedule of Dakota Gas Production

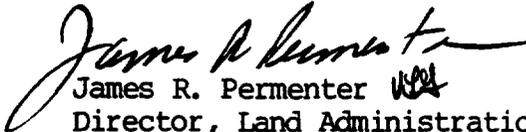
Regulatory Agencies
Page 3

Attached hereto are Schedules VII and VIII that show the proposed Sixth and Seventh Expanded Participating Areas for the Dakota Formation in the San Juan 29-7 Unit Area. Each Schedule describes the pertinent Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the percentage of ownership in each tract.

If these Expanded Participating Areas for the Dakota Formation meet with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

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

Very truly yours,


James R. Permenter
Director, Land Administration
Land Department

JRP:VLG:jec
Attachment
SJ 29-7, 4.3

cc: Mr. Antonio Martinez,
Executive Director
New Mexico Oil and Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

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

DATE: _____

APPROVED: *W. Dewey Rumm*
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public
Lands

DATE: 4/9/82

The foregoing approvals are for the Sixth and Seventh Expanded Participating Area of the Dakota Formation for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Attention: Land Department
Denver, Colorado

Amoco Production Company
Attention: Production Department
Denver, Colorado

Amoco Production Company
Farmington, New Mexico

Mr. Tom Bolack and Tommy
Bolack, General Partners
Bolack Minerals Company

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

T. H. McElvain Oil & Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company (2)
Amarillo, Texas

Mesa Petroleum Company
Denver, Colorado

James M. Raymond, Ind. and
as Attorney-in-Fact for
Mabelle McElvain Miller

James M. Raymond, Trustee
for Corinne Miller Gay Trust

James M. Raymond, Trustee for
Maydell Miller Mast Trust

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil

SCHEDULE VIII
SEVENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION
SAN JUAN 29-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
SF 078399	T-29-N, R-7-W Sec. 22: N/2	320.00		TRACT 2			
	Royalty:				12.500000%	12.500000%	2.825653%
	Working Interest in Gas:						
	E1 Paso Natural Gas Co.;				82.500000%	82.500000%	
	Working Interest in Oil:						
	Morris Mizel;				82.500000%	82.500000%	
	ORRI in Oil and Gas:				5.000000%	5.000000%	
	TOTAL				100.000000%	100.000000%	
				TRACT 3			
	Royalty:				12.500000%	12.500000%	5.651304%
	Working Interest:						
	Supron Energy Corp.;				62.630000%	62.630000%	
	Atlantic Richfield;				20.870000%	20.870000%	
	ORRI;				4.000000%	4.000000%	
	TOTAL				100.000000%	100.000000%	
SF 078423	T-29-N, R-7-W Sec. 17: All	640.00		TRACT 3			
	Royalty:				12.500000%	12.500000%	5.651304%
	Working Interest:						
	Supron Energy Corp.;				62.630000%	62.630000%	
	Atlantic Richfield;				20.870000%	20.870000%	
	ORRI;				4.000000%	4.000000%	
	TOTAL				100.000000%	100.000000%	
SF 078424	T-29-N, R-7-W Sec. 20: All Sec. 21: All Sec. 22: SE/4 Sec. 27: N/2 Sec. 28: E/2 NE/4	1840.00		TRACT 4			
	Royalty:				12.500000%	12.500000%	16.247499%
	Working Interest:						
	Supron Energy Corp.;				62.630000%	62.630000%	
	Atlantic Richfield;				20.870000%	20.870000%	
	ORRI;				4.000000%	4.000000%	
	TOTAL				100.000000%	100.000000%	
SF 078424-B	T-29-N, R-7-W Sec. 22: SW/4	160.00		TRACT 6			
	Royalty:				12.500000%	12.500000%	1.412826%
	Working Interest:						
	Getty Oil Co.;				82.500000%	82.500000%	
	ORRI;				5.000000%	5.000000%	
	TOTAL				100.000000%	100.000000%	

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
SF 078425	T-29-N, R-7-W Sec. 27: SW/4 Sec. 34: ALL Sec. 35: S/2, NE/4	1280.00		TRACT 7			
	Royalty;				12.500000%	12.500000%	
	Working Interest:						
	Supron Energy Corp.;				62.630000%	62.630000%	
	Atlantic Richfield;				20.870000%	20.870000%	
	ORRI;				4.000000%	4.000000%	
	TOTAL				100.000000%	100.000000%	
							<u>11.302608%</u>
SF 078425-A	T-29-N, R-7-W Sec. 35: NW/4	160.00		TRACT 8			
	Royalty;				12.500000%	12.500000%	
	Working Interest:						
	Getty Oil Company;				82.500000%	82.500000%	
	ORRI;				5.000000%	5.000000%	
	TOTAL				100.000000%	100.000000%	
							<u>1.412826%</u>
SF 078503	T-29-N, R-7-W Sec. 19: Lots 5, 6, 7, 8, E/2 W/2 Sec. 28: SW/4 SW/4 Sec. 29: W/2, SE/4 Sec. 30: E/2 Sec. 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (ALL) Sec. 33: W/2	1970.04		TRACT 9			
	Royalty;				12.500000%	12.500000%	
	Working Interest:						
	Tenneco Oil Co.;				42.250000%	42.250000%	
	Continental Oil Co.;				42.250000%	42.250000%	
	ORRI;				3.000000%	3.000000%	
	TOTAL				100.000000%	100.000000%	
							<u>17.395773%</u>

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
SF 078503-A	T-29-N, R-7-W Sec. 19: E/2	320.00				
			<u>TRACT 10</u>			
	Royalty;		12.500000%		12.500000%	
	Working Interest;					
	El Paso Natural Gas Co.;		73.062500%		62.630000%	
	Continental Oil Co.;		10.437500%		20.870000%	
	ORRI;		4.000000%		4.000000%	
	TOTAL		100.000000%		100.000000%	
						<u>2.825653%</u>
SF 078503-A	T-29-N, R-7-W Sec. 30: Lots 5, 6, 7, 8, E/2 W/2	246.88				
			<u>TRACT 10-A</u>			
	Royalty;		12.500000%		12.500000%	
	Working Interest in Gas Rights;					
	El Paso Natural Gas Co.;		73.062500%		73.062500%	
	Continental Oil Co.;		10.437500%		10.437500%	
	Working Interest in Oil Rights;					
	El Paso Natural Gas Co.;		62.625000%		62.625000%	
	Continental Oil Co.;		20.875000%		20.875000%	
	ORRI in Gas and Oil Rights;		4.000000%		4.000000%	
	TOTAL		100.000000%		100.000000%	
						<u>2.179990%</u>
SF 078943	T-29-N, R-7-W Sec. 6: Lots 8, 9, 10, 11, 12, 13, 14, SE/4 NW/4, E/2 SW/4, S/2 NE/4, SE/4 (All)	530.15				
			<u>TRACT 12</u>			
	Royalty;		12.500000%		12.500000%	
	Working Interest;					
	Southland Royalty;		61.250000%		61.250000%	
	Jerome P. McHugh;		7.000000%		7.000000%	
	Vincent E. Shryack;		1.750000%		1.750000%	
	ORRI;		17.500000%*		17.500000%*	
	TOTAL		100.000000%		100.000000%	
						<u>4.681311%</u>

*Overriding Royalty Interest will increase to 25% after payout and Working Interest will be proportionately reduced.

SCHEDULE VIII

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

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
3F 078943-A	T-29-N, R-7-W Sec. 7: Lots 5, 6, 7, 8, E/2 W/2, E/2 (All)	546.72			
			Royalty:	12.500000%	12.500000%
			Working Interest:		
			Southland Royalty:	61.250000%	61.250000%
			Jerome P. McHugh:	7.000000%	7.000000%
			Vincent E. Shryack:	1.750000%	1.750000%
			ORRI:	17.500000%*	17.500000%*
			TOTAL	100.000000%	100.000000%
					<u>4.827626%</u>

3F 078945	T-29-N, R-7-W Sec. 18: Lots 5, 6, NE/4, E/2 NW/4	1075.11			
			Royalty:	12.500000%	12.500000%
			Working Interest:		
			Tenneco Oil Co.:	41.500000%	41.500000%
			Continental Oil Co.:	41.500000%	41.500000%
			ORRI:	4.500000%*	4.500000%*
			TOTAL	100.000000%	100.000000%
					<u>9.493396%</u>

Sec. 28: W/2 NE/4, NW/4,
N/2 SW/4,
SE/4 SW/4, SE/4

Sec. 29: NE/4

***Overriding Royalty Interest will decrease to 4% upon recovery of a certain amount and Working Interest will be proportionately increased.**

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
3F 079514	T-29-N, R-7-W Sec. 18: Lots 7, 8, SE/4, E/2 SW/4	595.92			
			Royalty:	12.500000%	12.500000%
			Working Interest:		
			EI Paso Natural Gas Co.:	41.250000%	41.250000%
			Bolack Minerals Co.:	41.250000%	41.250000%
			ORRI:	5.000000%	5.000000%
			TOTAL	100.000000%	100.000000%
					<u>5.262070%</u>

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
E 3642-14	T-29-N, R-7-W Sec. 32: NW/4 SW/4	40.00			
			<u>TRACT 20</u>		
	Royalty:		12.500000%	12.500000%	<u>.353206%</u>
	Working Interest:		84.500000%	84.500000%	
	American Petrofina Co. of Texas; ORRI:		<u>3.000000%</u>	<u>3.000000%</u>	
	TOTAL		<u>100.000000%</u>	<u>100.000000%</u>	
					<u>5.651304%</u>
E 5111-4	T-29-N, R-7-W Sec. 36: All	640.00			
			<u>TRACT 21</u>		
	Royalty:		12.500000%	12.500000%	<u>2.825653%</u>
	Working Interest:		80.000000%	80.000000%	
	EI Paso Natural Gas Co.; ORRI:		<u>7.500000%</u>	<u>7.500000%</u>	
	TOTAL		<u>100.000000%</u>	<u>100.000000%</u>	
B 10037-58	T-29-N, R-7-W Sec. 16: S/2	320.00			
			<u>TRACT 23</u>		
	Royalty:		12.500000%	12.500000%	<u>2.825653%</u>
	Working Interest:		80.000000%	80.000000%	
	Southland Royalty; ORRI:		<u>7.500000%</u>	<u>7.500000%</u>	
	TOTAL		<u>100.000000%</u>	<u>100.000000%</u>	
B 10037-74	T-29-N, R-7-W Sec. 32: S/2 NW/4	80.00			
			<u>TRACT 24</u>		
	Royalty:		12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation; ORRI:		<u>7.500000%</u>	<u>7.500000%</u>	
	TOTAL		<u>100.000000%</u>	<u>100.000000%</u>	

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
3 10037-69	T-29-N, R-7-W Sec. 32: NE/4 NW/4, SE/4 NE/4	80.00			
			<u>TRACT 25</u>		
	Royalty:		12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation:		7.500000%	7.500000%	
	ORRI:		100.000000%	100.000000%	
	TOTAL				
			<u>TRACT 26</u>		
	Royalty:		12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation:		7.500000%	7.500000%	
	ORRI:		100.000000%	100.000000%	
	TOTAL				
			<u>TRACT 27</u>		
	Royalty:		12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation:		7.500000%	7.500000%	
	ORRI:		100.000000%	100.000000%	
	TOTAL				
			<u>TRACT 28</u>		
	Royalty:		12.500000%	12.500000%	<u>.353206%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation:		7.500000%	7.500000%	
	ORRI:		100.000000%	100.000000%	
	TOTAL				
3 10037-73	T-29-N, R-7-W Sec. 32: NE/4 SW/4	40.00			
			<u>TRACT 28</u>		
	Royalty:		12.500000%	12.500000%	<u>.353206%</u>
	Working Interest:		80.000000%	80.000000%	
	Supron Energy Corporation:		7.500000%	7.500000%	
	ORRI:		100.000000%	100.000000%	
	TOTAL				

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
B 10037-72	T-29-N, R-7-W Sec. 32: NE/4 NE/4 SW/4 NE/4	80.00		<u>TRACT 29</u>			
	Royalty;				12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:				80.000000%	80.000000%	
	Supron Energy Corporation;				7.500000%	7.500000%	
	ORRI;				100.000000%	100.000000%	
	TOTAL						
B 10037-75	T-29-N, R-7-W Sec. 32: NW/4 NE/4	40.00		<u>TRACT 30</u>			
	Royalty;				12.500000%	12.500000%	<u>.353206%</u>
	Working Interest:				80.000000%	80.000000%	
	Supron Energy Corporation;				7.500000%	7.500000%	
	ORRI;				100.000000%	100.000000%	
	TOTAL						
B 10037-48	T-29-N, R-7-W Sec. 32: NW/4 NW/4	40.00		<u>TRACT 31</u>			
	Royalty;				12.500000%	12.500000%	<u>.353206%</u>
	Working Interest:				82.500000%	82.500000%	
	El Paso Natural Gas Co.;				5.000000%	5.000000%	
	ORRI;				100.000000%	100.000000%	
	TOTAL						
B 10037-70	T-29-N, R-7-W Sec. 32: S/2 SE/4	80.00		<u>TRACT 32</u>			
	Royalty;				12.500000%	12.500000%	<u>.706413%</u>
	Working Interest:				82.500000%	82.500000%	
	Supron Energy Corporation;				5.000000%	5.000000%	
	ORRI;				100.000000%	100.000000%	
	TOTAL						

SCHEDULE VIII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
Fee	T-29-N, R-7-W Sec. 27: SE/4 SE/4	40.00		TRACT 43			.353206%
	Royalty;				12.500000%	12.500000%	
	Working Interest;				87.500000%	87.500000%	
	Amoco Production Co.;				.000000%	.000000%	
	ORRI;						
	TOTAL				<u>100.000000%</u>	<u>100.000000%</u>	

SCHEDULE VIII

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

R E C A P I T U L A T I O N

Description of Lands in Participating Area:

Township 29 North, Range 7 West, N.M.P.M.

- Section 6: Lots 8, 9, 10, 11, 12, 13, 14, SE/4 NW/4
E/2 SW/4, S/2 NE/4, SE/4 (A11)
- Section 7: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
- Section 16: S/2
- Section 18: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
- Section 19: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
- Section 30: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
- Section 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
- Sections 17, 20, 21, 22, 27, 28, 29, 32, 33, 34, 35, 36: A11

Total Number of Proven Acres:

11,324.82

Total Number of Committed Acres in Participating Area:

11,324.82

Percent of Basic Royalty Interest Committed:

100.000000%

Percent of Working Interest Committed:

100.000000%

Percent of ORRI Committed:

100.000000%

SCHEDULE VII
SIXTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION
SAN JUAN 29-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION		
			OWNERSHIP	PERCENTAGE			
SF 078424	T-29-N, R-7-W Sec. 28: E/2 NE/4	80.00	TRACT 4		1.215667%		
			Royalty:	12.500000%		12.500000%	
			Working Interest:				
			Supron Energy Corp.:	62.630000%		62.630000%	
			Atlantic Richfield:	20.870000%		20.870000%	
			ORRI:	4.000000%		4.000000%	
			TOTAL	100.000000%		100.000000%	
			TRACT 7				
			Royalty:	12.500000%		12.500000%	
			Working Interest:				
Supron Energy Corp.:	62.630000%	62.630000%					
Atlantic Richfield:	20.870000%	20.870000%					
ORRI:	4.000000%	4.000000%					
TOTAL	100.000000%	100.000000%					
					17.019337%		
SF 078425	T-29-N, R-7-W Sec. 34: All Sec. 35: S/2, NE/4	1120.00	TRACT 8		2.431334%		
			Royalty:	12.500000%		12.500000%	
			Working Interest:				
			Getty Oil Company:	82.500000%		82.500000%	
			ORRI:	5.000000%		5.000000%	
			TOTAL	100.000000%		100.000000%	
			TRACT 9				
			Royalty:	12.500000%		12.500000%	
			Working Interest:				
			Tenneco Oil Co.:	42.250000%		42.250000%	
Continental Oil Co.:	42.250000%	42.250000%					
ORRI:	3.000000%	3.000000%					
TOTAL	100.000000%	100.000000%					
					26.306424%		
SF 078503	T-29-N, R-7-W Sec. 28: SW/4 SW/4 Sec. 29: W/2, SE/4 Sec. 30: E/2 Sec. 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (All) Sec. 33: W/2	1731.16	TRACT 9		26.306424%		
			Royalty:	12.500000%		12.500000%	
			Working Interest:				
			Tenneco Oil Co.:	42.250000%		42.250000%	
			Continental Oil Co.:	42.250000%		42.250000%	
			ORRI:	3.000000%		3.000000%	
			TOTAL	100.000000%		100.000000%	

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION				
			OWNERSHIP	PERCENTAGE					
SF 078503-A	T-29-N, R-7-W Sec. 30: Lots 5, 6, 7, 8, E/2 W/2	246.88	TRACT 10-A		3.751548%				
			Royalty:	12.500000%		12.500000%			
			Working Interest in Gas Rights:						
			E1 Paso Natural Gas Co.:	73.062500%		73.062500%			
			Continental Oil Co.:	10.437500%		10.437500%			
			Working Interest in Oil Rights:						
			E1 Paso Natural Gas Co.:	62.625000%		62.625000%			
			Continental Oil Co.:	20.875000%		20.875000%			
			ORRI in Gas and Oil Rights:	4.000000%		4.000000%			
			TOTAL	100.000000%		100.000000%			
SF 078943	T-29-N, R-7-W Sec. 6: Lots 8, 9, 10, 11, 12, 13, 14, SE/4 NW/4, E/2 SW/4, S/2 NE/4, SE/4 (A11)	530.15	TRACT 12		8.056073%				
			Royalty:	12.500000%		12.500000%			
			Working Interest:						
			Shenandoah Oil Corp.:	61.250000%		61.250000%			
			Jerome P. McHugh:	7.000000%		7.000000%			
			Vincent E. Shryack:	1.750000%		1.750000%			
			ORRI:	17.500000%*		17.500000%*			
			TOTAL	100.000000%		100.000000%			
			SF 078943-A	T-29-N, R-7-W Sec. 7: Lots 5, 6 E/2 NW/4, E/2		432.56	TRACT 12-A		6.573111%
							Royalty:	12.500000%	
Working Interest:									
Shenandoah Oil Corp.:	61.250000%	61.250000%							
Jerome P. McHugh:	7.000000%	7.000000%							
Vincent E. Shryack:	1.750000%	1.750000%							
ORRI:	17.500000%*	17.500000%*							
TOTAL	100.000000%	100.000000%							

*Overriding royalty interest will increase to 25% after payout and working interest will be proportionately reduced.

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
SF 078945	T-29-N, R-7-W Sec. 28: W/2 NE/4, NW/4, N/2 SW/4, SE/4 SW/4, SE/4 Sec. 29: NE/4	680.00			
			TRACT 13		10.333169%
			Royalty;	12.500000%	12.500000%
			Working Interest:	41.500000%	41.500000%
			Tenneco Oil Co.;	41.500000%	41.500000%
			Continental Oil Co.;	4.500000%*	4.500000%*
			ORRI;		
			TOTAL	100.000000%	100.000000%

*Overriding royalty will decrease to 4% upon recovery of a certain amount and working interest will be proportionately increased.

SF 079514	T-29-N, R-7-W Sec. 33: E/2	320.00			
			TRACT 15-B		4.862668%
			Royalty;	12.500000%	12.500000%
			Working Interest:	41.250000%	41.250000%
			El Paso Natural Gas Co.;	41.250000%	41.250000%
			Tom Bolack;	5.000000%	5.000000%
			ORRI;		
			TOTAL	100.000000%	100.000000%

SF 3642-14	T-29-N, R-7-W Sec. 32: NW/4 SW/4	40.00			
			TRACT 20		607833%
			Royalty;	12.500000%	12.500000%
			Working Interest:	84.500000%	84.500000%
			American Petrofina Company of Texas;	3.000000%	3.000000%
			ORRI;		
			TOTAL	100.000000%	100.000000%

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
E 5111-4	T-29-N, R-7-W Sec. 36: A11	640.00	Royalty;	12.500000%	9.725335%
			Working Interest:	80.000000%	
			E1 Paso Natural Gas Co.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 21		
B 10037-74	T-29-N, R-7-W Sec. 32: S/2 NW/4	80.00	Royalty;	12.500000%	1.215667%
			Working Interest:	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 24		
3 10037-69	T-29-N, R-7-W Sec. 32: NE/4 NW/4, SE/4 NE/4	80.00	Royalty;	12.500000%	1.215667%
			Working Interest:	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 25		
3 10037-68	T-29-N, R-7-W Sec. 32: N/2 SE/4	80.00	Royalty;	12.500000%	1.215667%
			Working Interest:	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 26		

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
3 10037-71	T-29-N, R-7-W Sec. 32: S/2 SW/4	80.00	Royalty;	12.500000%	12.500000%
			Working Interest;	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 27		1.215667%
3 10037-72	T-29-N, R-7-W Sec. 32: NE/4 SW/4	80.00	Royalty;	12.500000%	12.500000%
			Working Interest;	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 29		1.215667%
3 10037-75	T-29-N, R-7-W Sec. 32: NW/4 NE/4	40.00	Royalty;	12.500000%	12.500000%
			Working Interest;	80.000000%	
			Supron Energy Corp.;	7.500000%	
			ORRI;	100.000000%	
			TOTAL	100.000000%	
			TRACT 30		.607833%

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTU PARTICIPATIO	
			OWNERSHIP	PERCENTAGE		
B 10037-48	T-29-N, R-7-W Sec. 32: NW/4 NW/4	40.00			<u>.607833%</u>	
			Royalty;	12.500000%		12.500000%
			Working Interest;	82.500000%		82.500000%
			El Paso Natural Gas Co.;	5.000000%		5.000000%
	ORRI;		<u>100.000000%</u>	<u>100.000000%</u>		
	TOTAL					
			<u>TRACT 31</u>			
B 10037-70	T-29-N, R-7-W Sec. 32: S/2 SE/4	80.00			<u>1.215667%</u>	
			Royalty;	12.500000%		12.500000%
			Working Interest;	82.500000%		82.500000%
			Supron Energy Corp.;	5.000000%		5.000000%
	ORRI;		<u>100.000000%</u>	<u>100.000000%</u>		
	TOTAL					
			<u>TRACT 32</u>			

SCHEDULE VII

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

R E C A P I T U L A T I O N

Description of Lands in Participating Area:

Township 29 North, Range 7 West, N.M.P.M.
 Section 6: Lots 8, 9, 10, 11, 12, 13, 14, SE/4 NW/4, E/2 SW/4
 S/2 NE/4, SE/4 (A11)
 Section 7: Lots 5, 6, E/2 NW/4 E/2
 Section 28: A11
 Section 29: A11
 Section 30: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
 Section 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)
 Section 32: A11
 Section 33: A11
 Section 34: A11
 Section 35: A11
 Section 36: A11

Total Number of Proven Acres: 6,580.75
 Total Number of Acres in Participating Area: 6,580.75
 Percent of Basic Royalty Interest Committed: 100.000000%
 Percent of Working Interest Committed: 100.000000%
 Percent of ORRI Committed: 100.000000%

EXHIBIT "B"
SAN JUAN 29-7 UNIT
RIO ARriba COUNTY, NEW MEXICO
GEOLOGIC REPORT
DAKOTA PRODUCING INTERVAL
PROPOSED SIXTH AND SEVENTH EXPANSIONS
OF THE DAKOTA PARTICIPATING AREA

EL PASO NATURAL GAS COMPANY

By: 
D. E. Adams, Director
Reservoir Engineering Dept.

EXHIBIT "B"

SAN JUAN 29-7 UNIT
RIO ARRIBA COUNTY, NEW MEXICO

GEOLOGIC REPORT
DAKOTA PRODUCING INTERVAL

PROPOSED SIXTH AND SEVENTH EXPANSIONS
OF THE DAKOTA PARTICIPATING AREA

INTRODUCTION

The San Juan 29-7 Unit is located in the northeast quadrant of the San Juan Basin and is composed of 22,500.14 surface acres. The unit boundaries are contained within Township 29 North and Range 7 West.

Within the San Juan 29-7 Unit, the "Dakota Producing Interval" has been tested by 18 wells, all of which are interpreted to be capable of producing unitized substances in commercial quantities. The "Dakota Producing Interval" as defined by the New Mexico Oil Conservation Commission in Rule 25, Order No. R-1670-C, is "...from the base of the Greenhorn limestone to a point 400 feet below the base of the said formation and consisting of the Graneros formation, the Dakota formation and the productive upper portion of the Morrison formation".

Included as a part of this report are two maps entitled Exhibit "C". Exhibit "C", Figure No. 1 shows the subsurface structure of the "Dakota Producing Interval" as reflected by using the base of the Greenhorn limestone as the mapping horizon and mean sea level as the datum plane. The present structural control indicates a gentle northeast, or basinward, dip. However, the accumulation of hydrocarbons in this unit, as well as the San Juan in general, is primarily stratigraphically rather than structurally controlled. Exhibit "C", Figure No. 2 is an isopachous map showing the number of feet of net reservoir sandstone which is interpreted to be present within the "Dakota Producing Interval". A detailed discussion of the lithology and stratigraphy of the Dakota interval in the general area of the San Juan 29-7 Unit may be found in geologic reports which have been previously submitted for Dakota Participating area expansions in the San Juan 29-6 Unit, San Juan 28-6 Unit and the San Juan 28-7 Unit.

Also included with this report as Exhibit "D", Table No. 1 is a tabulation of the San Juan 29-7 Unit Dakota gas production. This tabulation shows by well the absolute open flow potential, date of first delivery into the pipeline, cumulative production to January 1, 1980, production by months for 1980 through August, 1980, 1980 annual production to September 1, 1980 and cumulative production to September 1, 1980. The San Juan 29-7 Unit has produced a cumulative total of 4,108,877 Mcf of gas from the "Dakota Producing Interval" as of September 1, 1980.

PROPOSED SIXTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA

Effective Date: August 1, 1980

The proposed Sixth Expansion of the Dakota Participating Area is based upon the completion of the San Juan 29-7 Unit No. 40-A well by El Paso Natural Gas Company, the Unit operator. This well is located 1,540 feet from the south line and 1,180 feet from the east line, Section 28, T-29-N, R-7-W, Rio Arriba County, New Mexico.

On July 21, 1980, the San Juan 29-7 Unit No. 40-A had an AOF of 1,202 Mcf/D. Shut-in pressure was 1,837 psia tubing.

Proposed Expanded Acreage:

Township 29 North, Range 7 West

Section 28: All

The subject well produces from the sandstone development within the Graneros shale and from the Dakota "A" and "B" zones, all of which correlate with the producing zones in adjacent areas. The proposed expanded acreage is inferred to be capable of producing unitized substances in commercial quantities from the abovementioned sand zones. Exhibit "C", Figure No. 2 shows the net reservoir sand which is interpreted to be present under the acreage proposed for admission to the Dakota Participating Area by the Sixth Expansion.

PROPOSED SEVENTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA

Effective Date: September 1, 1980

The proposed Seventh Expansion of the Dakota Participating Area is based upon the completions of the San Juan 29-7 Unit No. 44A, 49A and 65A wells by El Paso Natural Gas Company, the Unit Operator.

On September 25, 1980, the San Juan 29-7 Unit No. 44-A well had an AOF of 1,147 Mcf/D. Shut-in tubing pressure was 2,530 psia. The San Juan 29-7 Unit No. 44-A well is located 1,640 feet from the south line and 1,120 feet from the east line, Section 17, T-29-N, R-7-W, Rio Arriba County, New Mexico.

The San Juan 29-7 Unit No. 49-A well is located 1,840 feet from the south line and 900 feet from the east line, Section 20, T-29-N, R-7-W, Rio Arriba County, New Mexico. On September 2, 1980, the 49-A well had an AOF of 251 Mcf/D. Shut-in tubing pressure was 2,002 psia.

PROPOSED SEVENTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA
(Continued)

The San Juan 29-7 Unit No. 65-A well is located 1,840 feet from the south line and 1,760 feet from the east line, Section 22, T-29-N, R-7-W, Rio Arriba County, New Mexico.

On September 2, 1980, the San Juan 29-7 Unit No. 65-A well had an AOF of 204 Mcf/D. Shut-in tubing pressure was 1,800 psia.

Concerning the San Juan Unit No. 49-A and 65-A wells, where the absolute open flow potentials might be interpreted as wells not capable of producing in commercial quantities, it appears that subject wells were not sufficiently cleaned up prior to flow tests. January, 1981 monthly average production attests to this assumption as they are producing 780 and 345 Mcf/D, respectively.

Proposed Expanded Acreage

Township 29 North, Range 7 West

Section 17:	All
Section 18:	All
Section 19:	All
Section 20:	All
Section 21:	All
Section 22:	All
Section 27:	All
Section 16:	S/2
Section 7:	SW/4

The subject wells produce from the sandstone development within the Graneros shale and from the Dakota "A" and "B" zones, all of which correlate with the producing zones in adjacent areas. Sections 21, 27 and S/2 Section 16 are included within the Proposed Seventh Expansion since they are directly offset on three sides by producing wells in Sections 17, 20, 22, 28 and 33 of San Juan 29-7 Unit. In addition, Sections 18, 19, SW/4 Section 7, W/2 Sections 17 and 20 are included within the Proposed Seventh Expansion since they are directly offset to the west by producing wells in Sections 12, 13, 24 and 25 of Township 29 North, Range 8 West. The proposed expanded acreage is inferred to be capable of producing unitized substances in commercial quantities from the abovementioned sand zones. Exhibit "C", Figure No. 2 shows the net reservoir sand which is interpreted to be present under the acreage proposed for admission to the Dakota Participating Area by the Seventh Expansion.

EXHIBIT ***
 TABLE NO. 1
 SAN JUAN 29-7 DK
 RIO ARriba COUNTY, NEW MEXICO

VOLUMES IN MCF AT 13.025 PSIA AND 60 DEGREES F.

WELL NAME AND NO.	AOF MCF/D	DATE OF FIRST DELIVERY	1-1-80		1980 MONTHLY PRODUCTION												1980 PROD	CUM PROD 01-1-80
			CUM PROD	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.							
SJ 29-7 UNIT #100	8456	57/06/29	375734	990	160	3	0	3886	2790	2651	2052	12529	343263					
SJ 29-7 UNIT #101	4089	68/03/07	334644	1135	340	2283	1745	1778	1707	1785	2063	12849	347493					
SJ 29-7 UNIT #106	4845	73/09/21	539935	4686	4859	4065	2950	4387	3519	3239	2544	30149	570084					
SJ 29-7 UNIT # 105	3633	73/12/22	681121	4373	4792	5722	5641	5891	5522	5688	5532	44161	725282					
SJ 29-7 UNIT #110	1841	77/10/27	151377	2678	2658	2655	2140	3174	1951	2870	2279	20406	171743					
SJ 29-7 UNIT #109	1445	77/11/03	254108	8279	8010	7169	8064	8303	7742	8631	7040	63237	317345					
SJ 29-7 UNIT #112	215	77/11/03	409191	8533	14467	12721	11486	11619	10905	11884	11306	92921	502112					
SJ 29-7 UNIT #113	0	79/03/28	345771	44130	39401	41972	40026	51185	46716	35281	18812	317523	563274					
SJ 29-7 UNIT #111	0	79/03/28	134772	15572	12061	11491	9737	9406	6729	10855	8031	83882	218554					
SJ 29-7 UNIT #114	0	79/07/24	90185	9991	8340	10402	8714	8841	5793	8681	7712	68474	158659					
SJ 29-7 UNIT #116	10738	80/05/06	0	0	0	0	0	13825	10499	11182	10402	45908	45308					
SJ 29-7 UNIT #32A DK	590	80/10/08	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #31A DK	204	80/10/31	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #65A DK	251	80/11/05	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #49A DK	1202	80/11/06	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #40A DK	1147	80/11/06	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #44A DK	1271	80/11/25	0	0	0	0	0	0	0	0	0	0	0					
SJ 29-7 UNIT #77A DK																		
TOTALS			3316838	100367	95088	99486	90403	122295	103873	102743	77779	792039	4108877					

* After loss groups