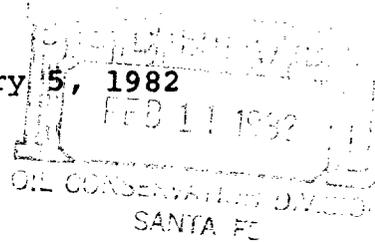


El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

February 5, 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,
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Mesaverde and Dakota Formations

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 two (2) additional wells capable of producing unitized substances from the Dakota Formation have been completed upon acreage committed to the Unit. One well, the #32A, is also capable of producing unitized substances from the Mesaverde Formation. These wells are as follows:

The San Juan 29-7 Unit #32A Well, located 1850' from the North line and 1770' from the West line of Section 32, Township 29 North, Range 7 West, N.M.P.M., was spudded on September 11, 1980, and completed on July 17, 1980, at a plugged back depth of 7827'. The Mesaverde Formation at the selected intervals between 4965' and 5874' was treated with a sand-water fracturing process on June 17, 1980. The well was shut-in on June 24, 1980, and after being shut-in for twenty-three (23) days, the Mesaverde Formation was tested on July 17, 1980, using the Pitot tube method with an after frac gauge of 9925 MCF/D, with an SIPC of 944 psia and an SIPT of 889 psia. The Dakota Formation at the selected intervals between 7575' and 7780' was treated with a sand-water fracturing process on June 16, 1980. The well was shut-in on June 24, 1980, and after being shut-in for fifteen (15) days, the Dakota Formation was tested on July 9, 1980, using the Pitot tube

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Regulatory Agencies
February 5, 1982
Page Two

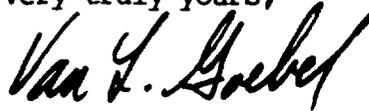
method with an after frac guage of 10738 MCF/D with an SIPT of 1006 psia. The spacing unit for this well is described as the W/2 of Section 32, Township 29 North, Range 7 West, N.M.P.M., containing 320.00 acres.

The San Juan 29-7 Unit #116 Well, located 800' from the South line and 1250' from the West line of Section 30, Township 29 North, Range 7 West, N.M.P.M., was spudded on September 6, 1979, and completed on March 25, 1980, at a plugged back depth of 7443'. The Dakota Formation at the selected intervals between 7209' and 7389' was treated with a sand-water fracturing process on March 16, 1980. The well was shut-in on June 18, 1980, and after being shut-in for nine (9) days, the Dakota Formation was tested on June 26, 1980, using the Pitot tube method with an after frac guage of 337 MCF/D, with an SIPC of 2512 psia and an SIPT of 760 psia. The spacing unit for this well is described as the W/2 of Section 30, Township 29 North, Range 7 West, N.M.P.M., containing 246.88 acres.

Both of the drilling blocks for the above-described wells are included within the existing Dakota and Mesaverde Participating Areas, therefore, the Dakota and Mesaverde Participating Areas are not enlarged by these wells.

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

Very truly yours,



Van L. Goebel
Landman
Land Department

VIG:jb
Attachment
San Juan 29-7, 4.2.1, 4.3.1

cc: Mr. Antonio Martinez

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company
Denver, Colorado
Attention: Land Department

Amoco Production Company
Denver, Colorado
Attention: Production Company

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

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. J. A. Pierce, Trust

Mr. James M. Raymond,
Individually and as Trustee

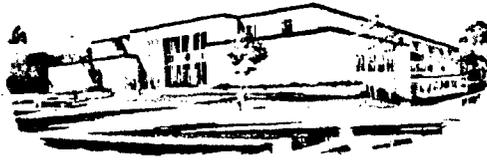
Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil

State of New Mexico



Commissioner of Public Lands

June 22, 1981

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



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
1981 Drilling Program

ATTENTION: Mr. Tom F. Hawkins

Gentlemen:

We are in receipt of your letter dated June 19, 1981, whereby, you advise this office that the well #117 did not contain the proper spacing unit on your 1981 plan of development filed with this office November 11, 1980.

This correction has been made on your 1981 Drilling Program.

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/s

encl.

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

June 19, 1981

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
1981 Drilling Program

Gentlemen:

The Drilling Program for 1981, which has been approved, contained the San Juan 29-7 Unit #117 Well. This well is to be drilled to the Dakota formation. It has come to our attention that the well did not contain the proper spacing unit on our Plan of Development dated November 11, 1980.

The proper spacing, per the Oil Conservation Commission ruling is 1967 for Case No. 3577, Order No. R-3246, is the W/2 of Section 19 and the NW/4 of Section 30, Township 29 North, Range 7 West, containing 361.64 acres, more or less.

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

Very truly yours,

Tom F. Hawkins

Tom F. Hawkins
Landman
Land Department

TFH/en
SJ 29-7 Unit, 3.0

674
OK
JH
6/24/81

San Juan 29-7 Unit
WORKING INTEREST OWNERS

Atlantic Richfield Company

American Petrofina Company of Texas

Amoco Production Company (3)

Mr. Tom Bolack

Mr. Tommy Bolack & Terry Bolack
Co-Personal Representatives of
the Est. of Alice S. Bolack

Mr. R. L. Bolin, Indep. Executor
to the Estate of D. H. Bolin

Conoco, Inc.

Getty Oil Company

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Tenneco Oil