

**El Paso** NATURAL GAS  
COMPANY

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

October 3, 1979

Regional Oil & 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 87501

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

Gentlemen:

The 1979 Drilling Program for the San Juan 29-7 Unit was approved by the regulatory bodies on the dates indicated:

United States Geological Survey	September 28, 1979
Commissioner of Public Lands	September 10, 1979
Oil Conservation Commission	July 2, 1979

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

Very truly yours,

*R. H. Nordhausen*

R. H. Nordhausen  
Senior Landman  
Land Department  
Exploration

RHN:pw  
San Juan 29-7 Unit, 3.0

SAN JUAN 29-7 UNIT  
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (3)

Atlantic Richfield Company

Mr. Tom Bolack

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

The Citizens Bank, Trustee of the  
J. A. Pierce Trust

Continental Oil Company

Getty Oil Company

T. H. McElvain Oil and Gas Properties

Jerome P. McHugh

Mesa Petroleum Company

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. James M. Raymond

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company

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Very truly yours,



R. H. Nordhausen  
Senior Landman  
Land Department  
Exploration

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San Juan 29-7 Unit, 3.0

SAN JUAN 29-7 UNIT  
WORKING INTEREST OWNERS

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Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company



# United States Department of the Interior

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

SEP 28 1979

*Carl*  
*674*

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

Gentlemen:

The 1979 plan of development submitted for the San Juan 29-7 unit area, San Juan County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes the drilling of six dual Mesaverde-Dakota wells and one single Dakota well, with the obligation to drill any offset wells required to prevent drainage.

Two approved copies are enclosed.

Sincerely yours,

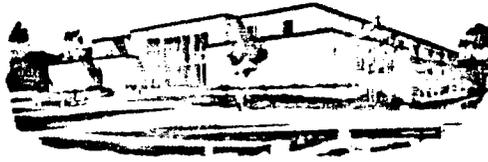
(ORIG. SGD.) JACK WILLOCK

Jack Willock  
Acting Oil and Gas Supervisor, SRMA

Enclosures 2

cc:  
NMOCD, Santa Fe  
Comm. Public Lands, Santa Fe

State of New Mexico



Commissioner of Public Lands

September 10, 1979

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

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  
1979 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Drilling Program for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. Such plan calls for the drilling of six Mesaverde/Dakota wells and one Dakota Well. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

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/s  
encls.

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

**El Paso** NATURAL GAS  
COMPANY

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

August 31, 1979

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 Commission  
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

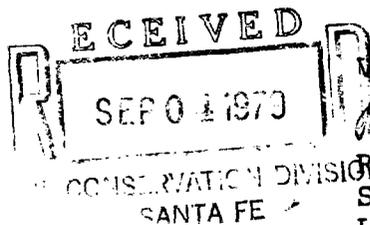
Gentlemen:

By letter dated September 15, 1978, we advised that the Third Revision of the Participating Area for the Dakota Formation 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

On September 25, 1978, Continental Oil Company and Tenneco Oil Company appealed from the September 1, 1978 Order of the Oil and Gas Supervisor approving said Third Revision.

On June 1, 1979, the Director of the United States Geological Survey denied the appeals of Continental Oil Company and Tenneco Oil Company. Copies of the letter are being sent to the working interest owners of the San Juan 29-7 Unit.



Very truly yours,

*R. H. Nordhausen*

R. H. Nordhausen  
Senior Landman  
Land Department  
Exploration

RHN:pw  
Attachment  
SJ 29-7 Unit 4.3

cc: Mr. Antonio Martinez

SAN JUAN 29-7 UNIT  
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (3)

Mr. Tom Bolack

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

The Citizens Bank, Trustee of the  
J. A. Pierce Trust

Continental Oil Company

Getty Oil Company

T. H. McElvain Oil and Gas Properties

Jerome P. McHugh

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Northwest Pipeline Corporation

Phillips Petroleum Company

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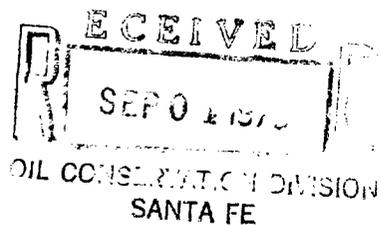
Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company



August 21, 1979

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 87501

Oil Conservation Commission  
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 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 sixteen (16) additional wells capable of producing unitized substances from the Mesaverde formation have been completed upon acreage committed to the Unit. These wells are as follows:

Unit Well No. 33-A, located 1640' from the South line and 950' from the East line of Section 13, Township 29 North, Range 7 West, N.M.P.M., was spudded on November 26, 1978, and completed on February 12, 1979, at a plugged back total depth of 5957'. The Mesaverde formation at the intervals of 5072', 5078', 5084', 5090', 5096', 5108', 5117', 5126', 5129', 5133', 5146', 5152', 5234', 5263', 5279', 5309', 5360', 5384', 5493', 5499', 5507', 5518', 5522', 5528', 5534', 5540', 5546', 5557', 5563', 5569', 5575', 5590', 5608', 5618', 5645', 5669', 5683', 5693', 5715', 5733', 5785', 5809', 5859', 5866', 5897', 5914', was treated with

a sand-water fracturing process on January 31, 1979. The well was shut-in on February 2, 1979, and after being shut-in for ten (10) days, the Mesaverde Formation was tested on February 12, 1979, using the Pitot tube method with an after frac gauge of 2264 MCF/D, with an SIPC of 869 psia and an SIPT of 867 psia. The spacing unit for this well is described as the E/2 of Section 13, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 35-A, located 1750' from the South line and 980' from the East line of Section 9, Township 29 North, Range 7 West, N.M.P.M., was spudded on August 14, 1978, and completed on October 9, 1978, at a plugged back total depth of 5631'. The Mesaverde formation at the intervals of 4523', 4645', 4720', 4726', 4732', 4744', 4750', 4770', 4800', 4807', 4814', 4821', 4828', 4866', 4873', 4895', 4902', 4936', 5028', 5034', 5040', 5063', 5149', 5184', 5191', 5198', 5205', 5212', 5219', 5226', 5233', 5240', 5270', 5272', 5295', 5302', 5314', 5350', 5387', 5414', 5450', 5460', 5518', 5548', was treated with a sand-water fracturing process on September 27, 1978. The well was shut-in on September 30, 1978, and after being shut-in for nine (9) days, the Mesaverde Formation was tested on October 9, 1978, using the Pitot tube method with an after frac gauge of 3999 MCF/D, with an SIPC of 900 psia and an SIPT of 532 psia. The spacing unit for this well is described as the E/2 of Section 9, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 38-A, located 1740' from the South line and 850' from the East line of Section 12, Township 29 North, Range 7 West, N.M.P.M., was spudded on November 16, 1978, and completed on February 6, 1979, at a plugged back total depth of 5808'. The Mesaverde formation at the intervals of 5004', 5010', 5015', 5027', 5045', 5063', 5068', 5073', 5077', 5181', 5187', 5209', 5345', 5375', 5382', 5419', 5425', 5431', 5437', 5451', 5456', 5469', 5475', 5485', 5492', 5499', 5516', 5534', 5547', 5608', 5651', 5671', 5724', 5747', 5780', was treated with a sand-water fracturing process on January 26, 1979. The well was shut-in on January 29, 1979, and after being shut-in for eight (8) days, the Mesaverde Formation was tested on February 6, 1979, using the Pitot tube method with an after frac gauge of 2902 MCF/D, with an SIPC of 857 psia and an SIPT of 647 psia. The spacing unit for this well is described as the E/2 of Section 12, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 47-A, located 1160' from the South line and 1680' from the East line of Section 2, Township 29 North, Range 7 West, N.M.P.M., was spudded on October 28, 1978, and completed on January 29, 1979, at a plugged back total depth of 6035'.

The Mesaverde formation at the intervals of 5176', 5180', 5184', 5195', 5220', 5230', 5235', 5240', 5244', 5253', 5257', 5297', 5303', 5378', 5383', 5429', 5433', 5547', 5584', 5589', 5594', 5599', 5613', 5621', 5631', 5641', 5650', 5658', 5665', 5671', 5681', 5737', 5770', 5779', 5815', 5833', 5839', 5855', 5887', 5913', 5948', 6001', was treated with a sand-water fracturing process on January 18, 1979. The well was shut-in on January 21, 1979, and after being shut-in for eight (8) days, the Mesaverde Formation was tested on January 29, 1979, using the Pitot tube method with an after frac gauge of 5200 MCF/D, with an SIPC of 961 psia and an SIPT of 404 psia. The spacing unit for this well is described as the E/2 of Section 2, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 48-A, located 1720' from the South line and 800' from the East line of Section 8, Township 29 North, Range 7 West, N.M.P.M., was spudded on October 11, 1978, and completed on April 30, 1979, at a plugged back total depth of 6139'. The Mesaverde formation at the intervals of 5174', 5192', 5258', 5270', 5276', 5283', 5289', 5300', 5306', 5312', 5391', 5490', 5497', 5504', 5518', 5524', 5530', 5547', 5551', 5594', 5717', 5723', 5729', 5735', 5741', 5748', 5758', 5762', 5783', 5789', 5795', 5801', 5828', 5843', 5886', 5933', 5962', 5982', 6041', 6070', 6095', was treated with a sand-water fracturing process on April 25 and April 26, 1979. The well was shut-in on April 28, 1979, and after being shut-in for nine (9) days, the Mesaverde Formation was tested on April 30, 1979, using the Pitot tube method with an after frac gauge of 2967 MCF/D, with an SIPC of 828 psia and an SIPT of 305 psia. The spacing unit for this well is described as the E/2 of Section 8, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 55-A, located 910' from the South line and 790' from the East line of Section 36, Township 29 North, Range 7 West, N.M.P.M., was spudded on June 17, 1978, and completed on October 26, 1978, at a plugged back total depth of 6220'. The Mesaverde formation at the intervals of 5272', 5282', 5366', 5378', 5384', 5390', 5512', 5526', 5532', 5552', 5586', 5686', 5692', 5805', 5810', 5815', 5820', 5846', 5862', 5876', 5891', 5898', 5916', 5932', 5942', 5966', 5992', 6016', 6030', 6058', 6150', 6162', 6210', was treated with a sand-water fracturing process on October 16, 1978. The well was shut-in on October 19, 1978, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on October 26, 1978, using the Pitot tube method with an after frac gauge of 1126 MCF/D, with an SIPC of 695 psia and an SIPT of 638 psia. The spacing unit for this well is described as the E/2 of Section 36, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 64-A, located 1590' from the South line and 1655' from the East line of Section 11, Township 29 North, Range 7 West, N.M.P.M., was spudded on November 7, 1978, and completed on February 1, 1979, at a plugged back total depth of 5853'. The Mesaverde formation at the intervals of 4865', 4979', 4987', 4995', 5029', 5036', 5043', 5051', 5058', 5073', 5078', 5089', 5119', 5127', 5145', 5153', 5223', 5230', 5237', 5280', 5285', 5359', 5364', 5377', 5384', 5420', 5425', 5430', 5441', 5447', 5450', 5467', 5475', 5483', 5493', 5501', 5508', 5541', 5571', 5612', 5646', 5662', 5670', 5693', 5808', was treated with a sand-water fracturing process on January 22, 1979. The well was shut-in on January 25, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on February 1, 1979, using the Pitot tube method with an after frac gauge of 6400 MCF/D, with an SIPC of 915 psia and an SIPT of 640 psia. The spacing unit for this well is described as the E/2 of Section 11, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 69-A, located 1460' from the South line and 1180' from the East line of Section 25, Township 29 North, Range 7 West, N.M.P.M., was spudded on June 7, 1978, and completed on October 19, 1978, at a plugged back total depth of 6165'. The Mesaverde formation at the intervals of 5236', 5242', 5264', 5305', 5312', 5325', 5332', 5339', 5346', 5612', 5640', 5660', 5750', 5756', 5762', 5768', 5774', 5780', 5793', 5800', 5830', 5838', 5862', 5868', 5888', 5906', 5926', 5960', 6023', 6030', 6092', 6120', 6134', was treated with a sand-water fracturing process on October 9, 1978. The well was shut-in on October 12, 1978, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on October 19, 1978, using the Pitot tube method with an after frac gauge of 2167 MCF/D, with an SIPC of 788 psia and an SIPT of 788 psia. The spacing unit for this well is described as the E/2 of Section 25, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 71-A, located 2170' from the South line and 790' from the East line of Section 24, Township 29 North, Range 7 West, N.M.P.M., was spudded on August 23, 1978, and completed on October 12, 1978, at a plugged back total depth of 5715'. The Mesaverde formation at the intervals of 4851', 4858', 4872', 4882', 4894', 4906', 4920', 4926', 4932', 4945', 4952', 4966', 5022', 5032', 5047', 5073', 5078', 5092', 5300', 5306', 5312', 5318', 5324', 5330', 5389', 5394', 5404', 5410', 5440', 5458', 5490', 5554', 5558', 5625', 5632', 5668', was treated with a sand-water fracturing process on October 1, 1978. The well was shut-in on October 4, 1978, and after being shut-in for eight (8) days, the Mesaverde Formation was tested on October 12,

1978, using the Pitot tube method with an after frac gauge of 3304 MCF/D, with an SIPC of 772 psia and an SIPT of 309 psia. The spacing unit for this well is described as the E/2 of Section 24, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 76-A, located 1786' from the North line and 850' from the West line of Section 18, Township 29 North, Range 7 West, N.M.P.M., was spudded on October 23, 1978, and completed on May 2, 1979, at a plugged back total depth of 6178'. The Mesaverde formation at the intervals of 5087', 5202', 5213', 5223', 5238', 5286', 5304', 5312', 5320', 5328', 5336', 5354', 5450', 5490', 5527', 5554', 5560', 5566', 5605', 5632', 5658', 5746', 5752', 5765', 5771', 5776', 5783', 5792', 5800', 5808', 5833', 5842', 5854', 5862', 5882', 5898', 5924', 5940', 5962', 6000', 6007', 6026', 6042', 6058', 6088', 6096', 6138', 6159', was treated with a sand-water fracturing process on April 22 and April 23, 1979. The well was shut-in on April 25, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on May 2, 1979, using the Pitot tube method with an after frac gauge of 3600 MCF/D, with an SIPC of 795 psia and an SIPT of 395 psia. The spacing unit for this well is described as the W/2 of Section 18, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 78-A, located 820' from the North line and 1180' from the West line of Section 30, Township 29 North, Range 7 West, N.M.P.M., was spudded on September 9, 1978, and completed on November 20, 1978, at a plugged back total depth of 5669'. The Mesaverde formation at the intervals of 4629', 4635', 4641', 4662', 4670', 4675', 4722', 4734', 4740', 4746', 4770', 4781', 4788', 4928', 4993', 5001', 5008', 5014', 5022', 5102', 5193', 5200', 5207', 5213', 5219', 5239', 5252', 5259', 5267', 5273', 5287', 5293', 5321', 5334', 5389', 5404', 5423', 5471', 5514', 5541', 5552', 5605', was treated with a sand-water fracturing process on November 5, 1978. The well was shut-in on November 7, 1978, and after being shut-in for thirteen (13) days, the Mesaverde Formation was tested on November 20, 1978, using the Pitot tube method with an after frac gauge of 4133 MCF/D, with an SIPC of 977 psia and an SIPT of 457 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.

Unit Well No. 79-A, located 950' from the North line and 1840' from the West line of Section 5, Township 29 North, Range 7 West, N.M.P.M., was spudded on April 24, 1978, and completed on September 21, 1978, at a plugged back total depth of 5539'. The Mesaverde formation at the intervals of 4562', 4636', 4653',

4660', 4667', 4674', 4711', 4718', 4725', 4734', 4796', 4821', 4830', 4845', 4900', 4916', 4922', 4928', 5114', 5120', 5126', 5132', 5138', 5144', 5150', 5156', 5162', 5168', 5188', 5198', 5236', 5275', 5326', 5382', 5489', 5495', was treated with a sand-water fracturing process on September 12, 1978. The well was shut-in on September 14, 1978, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on September 21, 1978, using the Pitot tube method with an after frac gauge of 4503 MCF/D, with an SIPC of 949 psia and an SIPT of 0 psia. The spacing unit for this well is described as the W/2 of Section 5, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 82-A, located 890' from the South line and 1630' from the East line of Section 4, Township 29 North, Range 7 West, N.M.P.M., was spudded on May 1, 1978, and completed on July 24, 1978, at a plugged back total depth of 5633'. The Mesaverde formation at the intervals of 4667', 4708', 4720', 4761', 4782', 4792', 4804', 4844', 4854', 4864', 4874', 4889', 4939', 4952', 5030', 5047', 5057', 5066', 5083', 5124', 5130', 5158', 5257', 5263', 5269', 5275', 5281', 5287', 5292', 5303', 5309', 5316', 5344', 5371', 5387', 5420', 5428', 5476', 5522', 5530', 5551', 5584', 5598', was treated with a sand-water fracturing process on July 12, 1978. The well was shut-in on July 15, 1978, and after being shut-in for nine (9) days, the Mesaverde Formation was tested on July 24, 1978, using the Pitot tube method with an after frac gauge of 5066 MCF/D, with an SIPC of 984 psia and an SIPT of 737 psia. The spacing unit for this well is described as the E/2 of Section 4, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 88-A, located 1050' from the North line and 900' from the West line of Section 6, Township 29 North, Range 7 West, N.M.P.M., was spudded on August 5, 1978, and completed on August 31, 1978, at a plugged back total depth of 5613'. The Mesaverde formation at the intervals of 4625', 4664', 4676', 4743', 4748', 4753', 4759', 4769', 4776', 4795', 4803', 4836', 4885', 4928', 4963', 5000', 5138', 5196', 5209', 5215', 5221', 5227', 5233', 5239', 5245', 5252', 5258', 5275', 5293', 5325', 5337', 5369', 5409', 5426', 5474', 5490', 5538', 5545', 5560', 5567', 5586', was treated with a sand-water fracturing process on August 20, 1978. The well was shut-in on August 24, 1978, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on August 31, 1978, using the Pitot tube method with an after frac gauge of 4133 MCF/D, with an SIPC of 836 psia and an SIPT of 809 psia. The spacing unit for this well is described as the W/2 of Section 6, Township 29 North, Range 7 West, N.M.P.M.

Unit Well No. 89-A, located 2020' from the North line and 390' from the West line of Section 7, Township 29 North, Range 7 West, N.M.P.M., was spudded on April 17, 1978, and completed on September 6, 1978, at a plugged back total depth of 5711'. The Mesaverde formation at the intervals of 4751', 4772', 4798', 4837', 4852', 4863', 4871', 4878', 4885', 4890', 4900', 4913', 5017', 5024', 5082', 5088', 5143', 5149', 5157', 5185', 5291', 5298', 5306', 5312', 5317', 5324', 5330', 5336', 5342', 5351', 5359', 5374', 5397', 5408', 5441', 5456', 5482', 5534', 5557', 5588', 5630', 5650', 5659', was treated with a sand-water fracturing process on August 25, 1978. The well was shut-in on August 27, 1978, and after being shut-in for ten (10) days, the Mesaverde Formation was tested on September 6, 1978, using the Pitot tube method with an after frac gauge of 3038 MCF/D, with an SIPC of 882 psia and an SIPT of 347 psia. The spacing unit for this well is described as the W/2 of Section 7, Township 29 North, Range 7 West, N.M.P.M.

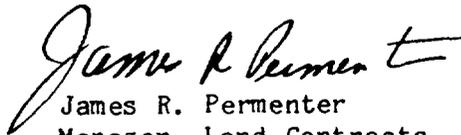
Unit Well No. 94-A, located 1790' from the North line and 800' from the West line of Section 19, Township 29 North, Range 7 West, N.M.P.M., was spudded on November 7, 1978, and completed on April 26, 1979, at a plugged back total depth of 6029'. The Mesaverde formation at the intervals of 5052', 5060', 5077', 5084', 5090', 5119', 5137', 5144', 5150', 5166', 5172', 5183', 5188', 5201', 5208', 5348', 5370', 5378', 5442', 5464', 5601', 5606', 5617', 5621', 5627', 5660', 5666', 5672', 5678', 5684', 5690', 5720', 5726', 5732', 5742', 5748', 5754', 5790', 5810', 5847', 5914', 5931', 5939', 5974', 6000', was treated with a sand-water fracturing process on April 17, 1979. The well was shut-in on April 19, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on April 26, 1979, using the Pitot tube method with an after frac gauge of 4000 MCF/D, with an SIPC of 826 psia and an SIPT of 524 psia. The spacing unit for this well is described as the W/2 of Section 19, Township 29 North, Range 7 West, N.M.P.M.

All sixteen (16) of the drilling blocks for the above-described wells are included within the existing San Juan 29-7 Unit Mesaverde Participating Area; therefore, the Mesaverde Participating Area is not enlarged by these wells.

Regulatory Agencies  
August 21, 1979  
Page 8

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

Very truly yours,

A handwritten signature in cursive script, reading "James R. Permenter". The signature is written in black ink and is positioned above the typed name and title.

James R. Permenter  
Manager, Land Contracts  
and Titles  
Land Department  
Exploration

JRP:RHN:pw  
Attachment  
San Juan 29-7 4.3.1.

cc: Mr. Antonio Martinez

SAN JUAN 29-7 UNIT  
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Aztec Oil & Gas Co.

Mr. Tom Bolack

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

The Citizens Bank, Trustee of the  
J. A. Pierce Trust

Getty Oil Company

Mesa Petroleum Company

Northwest Pipeline Corporation

Supron Energy Corporation

Tenneco Oil Company

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 29, 1979

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  
1979 Drilling Program

Gentlemen:

We hereby approve the 1979 Drilling Program 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.

Two approved copies of the Drilling Program are returned herewith.

Yours very truly,

JOE D. RAMEY  
Director

JDR/EP/fd  
enc.

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

C

O

P

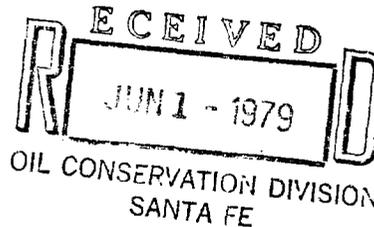
Y

May 29, 1979

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 87501

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



*Case*  
*6/1/79*  
*11/1/79*

Re: San Juan 29-7 Unit #14-08-001-1650  
Rio Arriba County, New Mexico  
1979 DRILLING PROGRAM

Gentlemen:

By letter dated January 11, 1978, 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 1978 providing for the drilling of sixteen (16) Mesaverde wells within the existing Mesaverde Participating Area and for the drilling of Dakota Well No. 111 within the existing Dakota Participating Area and Dakota Wells #113 and #114 outside of the existing Dakota Participating Area.

All of the Mesaverde Wells and Dakota Well # 111 have been completed as wells capable of producing unitized substances.

Dakota Wells #113 and #114 are being evaluated to determine whether or not either of them is capable of producing unitized substances in paying quantities so as to cause an expansion of the Dakota Participating Area.

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

Dakota, being evaluated	2
Pictured Cliffs	2
Dakota, Commercial	8
Mesaverde, Plugged & Abandoned	2
Mesaverde, Commercial	88
	<u>102</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 1979.

<u>Well No.</u>	<u>Location</u>	<u>Formation</u>
31-A	E/2 of Section 32	Mesaverde/Dakota
32-A	W/2 of Section 32	Mesaverde/Dakota
40-A	E/2 of Section 28	Mesaverde/Dakota
44-A	E/2 of Section 17	Mesaverde/Dakota
49-A	E/2 of Section 20	Mesaverde/Dakota
65-A	E/2 of Section 22	Mesaverde/Dakota
116	W/2 of Section 30	Dakota

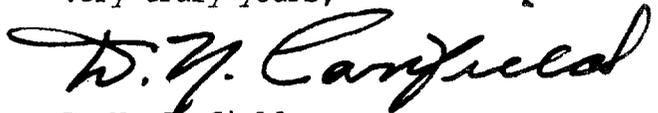
All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners, believe that all current obligations have been satisfied.

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.

Very truly yours,



D. N. Canfield  
Director of Land  
Exploration

DNC:RHN:pw  
Attachments  
SJ 29-7 Unit, 3.0

SAN JUAN 29-7 UNIT  
WORKING INTEREST OWNERS

American Petrofina Company of Texas

Amoco Production Company (3)

Mr. Tom Bolack

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

The Citizens Bank, Trustee of the  
J. A. Pierce Trust

Continental Oil Company

Getty Oil Company

T. H. McElvain Oil and Gas Properties

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Phillips Petroleum Company

Mr. James M. Raymond

Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Southland Royalty Company

Supron Energy Corporation

Tenneco Oil Company

APPROVED: Acting Area Oil & Gas Supervisor  
United States Geological Survey  
(Subject to like approval by the  
Commissioner of Public Lands and  
the Oil Conservation Commission)

DATED: \_\_\_\_\_

APPROVED: Commissioner of Public Lands  
(Subject to like approval by the  
United States Geological Survey  
& the Oil Conservation Commission)

DATED: \_\_\_\_\_

APPROVED:   
Oil Conservation Commission  
(Subject to like approval by the  
United States Geological Survey  
& the Commissioner of Public Lands)

DATED: 7/2/79

The foregoing approvals are for the 1979 Drilling Program for the San Juan 29-7 Unit #14-08-001-1650, Rio Arriba County, New Mexico.

State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



Commissioner of Public Lands

March 22, 1979

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

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

no. 674

Re: San Juan 29-7 Unit  
Rio Arriba County, New Mexico  
APPLICATION FOR APPROVAL OF THE  
FOURTH AND FIFTH EXPANDED PARTICIPATING AREAS,  
Dakota Formation, Effective November 1, 1978  
and December 1, 1978 Respectively and  
NOTICE OF COMPLETION OF ADDITIONAL WELL

ATTENTION: Mr. James R. Permenter

Gentlemen:

In view of your letter of March 19, 1979, whereby, you advise that you wish to withdraw your application filed March 1, 1979 for approval of the above expansions, this is to advise you that the Commissioner of Public Lands is hereby rescinding his approval of March 13, 1979.

As per your request, enclosed herewith are all copies of the above application and the exhibits.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

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

AJA/RDG/s  
encls.

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

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 21, 1979

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

Attention: James R. Permenter

Re: Case No. 674  
San Juan 29-7 Unit  
Fourth and Fifth  
Expanded Participating  
Areas

Gentlemen:

Pursuant to your request dated March 19, 1979, we herewith return El Paso's application for approval of the Fourth and Fifth Expanded Participating Areas for the Dakota Formation.

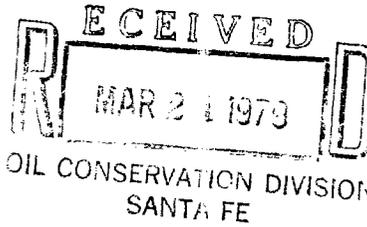
Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

C  
O  
P  
Y

**El Paso** NATURAL GAS  
COMPANY



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

March 19, 1979

Regional Oil & 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 87501

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

*No. 674*

Re: San Juan 29-7 Unit #14-08-001-1650  
Rio Arriba County, New Mexico  
APPLICATION FOR APPROVAL OF THE  
FOURTH AND FIFTH EXPANDED PARTICIPATING AREAS,  
Dakota Formation, Effective November 1, 1978  
and December 1, 1978 Respectively and  
NOTICE OF COMPLETION OF ADDITIONAL WELL

Gentlemen:

El Paso Natural Gas Company (El Paso), as Unit Operator, hereby respectfully requests the withdrawal of its application filed March 1, 1979 for approval of the above expansions for the following reasons:

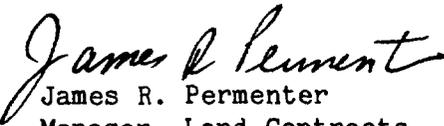
1. Tenneco Oil has objected to El Paso's failure to include certain acreage in the Fourth expansion and, to its inclusion of certain acreage in the Fifth expansion.
2. The USGS has advised that it will not act on the application until it has observed the wells' performance for at least two months.

Regulatory Agencies  
March 19, 1979  
Page Two

In view of the above, El Paso may wish to revise said application; accordingly, El Paso hereby requests the return of the above application and the exhibits thereto.

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

Very truly yours,

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

JRP:RHN:jm  
Attachment  
SJ 29-7, 4.3

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

SAN JUAN 29-7 UNIT  
DAKOTA WORKING INTEREST OWNERS

American Petrofina Company of Texas

Mr. Tom Bolack

Continental Oil Company

Getty Oil Company

Mr. Jerome P. McHugh

Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Supron Energy Corporation

Tenneco Oil Company

# State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



## Commissioner of Public Lands

March 13, 1979

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

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

*no. 674*

Re: San Juan 29-7 Unit  
Rio Arriba County, New Mexico  
APPLICATION FOR APPROVAL OF THE  
FOURTH AND FIFTH EXPANDED PARTICIPATING  
AREA, Dakota Formation, Effective  
November 1, 1978 and December 1, 1978  
Respectively and NOTICE OF COMPLETION  
OF ADDITIONAL WELL

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Fourth and Fifth Expanded Participating Areas, Dakota Formation, for the San Juan 29-7 Unit, Rio Arriba County, New Mexico. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files. Two extra copies, with no Exhibits, are being returned to you. We did not receive the Notice of Completion of Additional Wells.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

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

AJA/RDG/s  
encls.

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

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 7, 1973

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  
Director

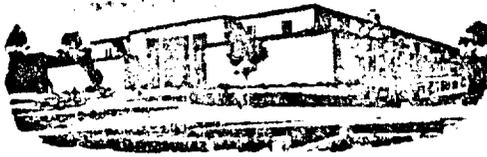
JDR/LT/fd  
enc.

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

C  
O  
P  
Y



# State of New Mexico



## Commissioner of Public Lands

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, Director  
Oil and Gas Division

PRL/RDG/s  
encls.  
cc:

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



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124  
Albuquerque, New Mexico 87125

SEP 01 1978

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

*W. 674*

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 these 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 NE $\frac{1}{4}$  sec. 29, all secs. 30, 31 and NE $\frac{1}{4}$  sec. 32, T. 29 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 3,320.75 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	70,836
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,

(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  
Attention: Mr. Willard F. Carr  
The Galleria-Penthouse  
720 South Colorado Blvd.  
Denver, Colorado 80222

BLM, Santa Fe (w/cy appln.)  
NMOCD, Santa Fe (ltr. only)  
Com. Pub. Lands, Santa Fe (ltr. only)

THIS COPY FOR

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.

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

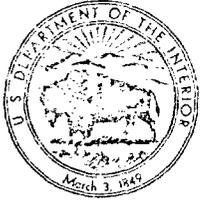
SAN JUAN 29-7 UNIT  
THIRD DAKOTA PARTICIPATION AREA REVISION  
AUGUST 3, 1978

<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

Aug 3, 1978

San Juan 29-7 Unit

Name	Company	Location
Wallace Sutherland	USGS	Albuquerque
MILLARD F. CARP	TENNECO	DENVER
<b>R. H. CASTLE</b>	TENNECO	<b>DENVER</b>
Hugh Ingram	CONOCO	HOBBS
PAUL THOMPSON	"	"
Ronald McWilliams	"	"
Nayne Edm El Paso	El Paso	El Paso.
Jim Penner	El Paso Nat Gas	"
Chuck Crowley	"	"
Lynn Dexhender	NMOC	Santa Fe
M. E. Williams	Shenandoah Oil Corp.	1500 Commerce Bldg Fort Worth 76102
CARL TRAYWICK	USGS	ROSWELL NM
JACK WILLOCK	USGS	Albuquerque
JOE RAMEY	EXMD-OCD	SANTA FE
RAY GRAHAM	STATE LAND OFFICE	SANTA FE.
JIM GILLHAM	U.S.G.S.	ROSWELL



# United States Department of the Interior

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

JUL 18 1978

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

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

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

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

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

JUL 18 1978

*(Addressee per attached cover sheet)*

Gentlemen:

The March 14, 1978 application filed by the unit operator requesting approval of the Third Revision of the Dakota Participating Area for the San Juan 29-7 unit, Rio Arriba County, New Mexico, has been formally objected to by two working interest owners.

An informal meeting for the resolution of this problem is scheduled for all parties of interest in the San Juan 29-7 unit who wish to participate with the New Mexico Conservation Division and the Commissioner of Public Lands in the offices of the U. S. Geological Survey at:

Date: Thursday, August 3, 1978  
Time: 9:30 a.m.  
Place: 8th Floor  
Western Bank Building  
505 Marquette Avenue, NW

Albuquerque, New Mexico

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

**OIL CONSERVATION COMMISSION**

**P. O. BOX 2088**

**SANTA FE, NEW MEXICO 87501**



**GEOLOGICAL SURVEY**

**P. O. Box 26124**

**Albuquerque, New Mexico 87125**

**JUL 18 1978**

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

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

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

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

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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 5, 1978

Mr. R. H. Nordhausen  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79978

Re: Case No. 674  
San Juan 29-7 Unit  
Rio Arriba County

Dear Mr. Nordhausen:

It is my understanding that the United States Geological Survey is waiting for further information from Conoco before making a decision in this matter. Until their geologists review all documents, we will be unable to confer with them as to whether or not your application should be approved.

Very truly yours,

(Ms.) LYNN TESCHENDORF  
General Counsel

LT/fd

June 2, 1978

Regional Oil & 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 87501

*no. 674*

Oil Conservation Commission  
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 APPROVAL OF THE  
THIRD EXPANDED PARTICIPATING AREA,  
DAKOTA FORMATION  
Effective September 1, 1977

Gentlemen:

Reference is made to our application dated March 14, 1978 for approval of the Third Expanded Participating Area for the Dakota Formation of the San Juan 29-7 Unit #14-08-001-1650, Rio Arriba County, New Mexico. We would appreciate your advice as to when we might expect notice of your disposition of this matter.

Yours very truly,



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

RHN:jm  
San Juan 29-7, 4.3

# 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

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

No. 674

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

April 20, 1978

Regional Oil & 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 87501

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

*Ms. 674*

Gentlemen:

The 1978 Drilling Programs for the below listed units were approved by the regulatory bodies on the dates indicated:

<u>Unit</u>	<u>USGS</u>	<u>CPL</u>	<u>OCC</u>
San Juan 28-5	2-3-78	N/A	1-26-78
San Juan 28-7	2-3-78	1-25-78	1-26-78
San Juan 29-7	3-6-78	1-19-78	1-17-78
San Juan 30-6	1-27-78	1-19-78	1-17-78
San Juan 32-9	1-27-78	1-19-78	2-8-78
Canyon Largo	3-6-78	1-19-78	1-17-78
Rincon	1-31-78	1-19-78	1-16-78

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

Very truly yours,

*RH Nordhausen*

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

RHN:paw

SJ 28-5, 3.0; SJ 28-7, 3.0; SJ 29-7, 3.0;  
SJ 30-6, 3.0; SJ 32-9, 3.0; Canyon Largo 3.0;  
Rincon, 3.0

SAN JUAN 29-7 UHII  
Working Interest Owners

American Petrofina Company of Texas

Anoco Production Company

Aztec Oil & Gas Company

Mr. Tom Bolack

Mr. D. H. Bolin

Continental Oil Company

Mrs. Catherine B. McElvain

Mr. Jerome P. McHugh

Mesa Petroleum Company

Mabelle M. Miller

Mr. Morris Mizel

Northwest Pipeline Corporation

Northwest Production Corporation

Phillips Petroleum Company

Mr. J. A. Pierce

Shenandoah Oil Corporation

Mr. Vincent F. Shryack

Skelly Oil Company

Southern Union Production Company

Tenneco Oil Company



L. P. Thompson  
Division Manager

E. L. Oshlo  
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

April 7, 1978

Regional Oil & Gas Supervisor  
U.S. Geological Survey  
Drawer 1857  
Roswell, New Mexico 88201

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

✓ Department of Energy & Minerals  
Oil Conservation Division  
State of New Mexico  
Box 2088  
Santa Fe, New Mexico 87501

*no. 674*

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

It has been called to our attention that the letter dated March 28, 1978 on the above subject could possibly be misconstrued in regard to the alternate request in the next to the last paragraph.

It has been a strict policy of the regulatory agencies to include in participating areas only that acreage which is reasonably proven to be productive in paying quantities. In the strictest sense, expansions are limited to the proration unit on which a well is drilled; and even in some cases, less than the proration unit for the well. In other instances, where geological and engineering evidence is available to provide a very strong presumption of productivity, several proration units may be included in a single expansion. Considering the amount of paperwork required to accomplish the expansion of a participating area, we lean toward the broadest interpretation of guidelines for expansions.

Regional Oil & Gas Supervisor, USGS,  
Commissioner of Public Lands, and  
Department of Energy & Minerals, NMOCD  
April 7, 1978  
Page Two

As pointed out in our March 28 letter, Continental was not furnished the geologic and engineering information which accompanied El Paso's application for the third enlargement of the Dakota participating area. Our suggestion of an alternative expansion procedure was in response to El Paso's statement (letter of February 6, 1978), "that all elements of the Dakota producing interval are present in all unit wells . . ." This observation does not, of itself, justify connecting the newly developed area to the previously developed participating areas. If El Paso has evidence to show conclusively that the southwest area of the unit is actually in pressure communication with the other producing areas, we believe that the expansion area could be connected to the other Dakota producing areas in the unit by contiguous and continuous acreage. Considering the distance between the producing areas, we consider this alternative to be so unlikely as to be unworthy of serious consideration. Such an expansion would also represent a departure of considerable magnitude from past practices in administering participating areas.

After reflecting on this situation, we should like to withdraw our alternate request for the treatment of a participating area in the southwest portion of the San Juan 29-7 Unit. We request that this area be considered a separate participating area until such time as it is proved to be connected to the other areas by actual drilling and producing operations.

Yours very truly,



VTL/jj

cc:

El Paso Natural Gas Company, Box 1492, El Paso, Texas 79978  
Tenneco Oil Company, 720 South Colorado Boulevard, Denver, Colorado 80222  
C. F. Ellis, Houston  
D. M. Goodfellow, Midland



L. P. Thompson  
Division Manager

E. L. Oshlo  
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

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

700-674

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.



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

**El Paso** NATURAL GAS  
COMPANY

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

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

*Approved  
No. 1174*

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

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

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

APPROVED: \_\_\_\_\_

Regional Oil & Gas Supervisor  
United States Geological Survey  
Subject to like approval by the  
Commissioner of Public Lands and  
the Oil Conservation Commission

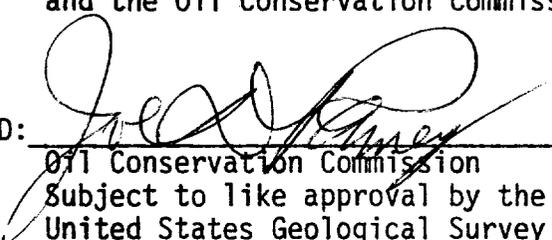
DATE: \_\_\_\_\_

APPROVED: \_\_\_\_\_

Commissioner of Public Lands  
Subject to like approval by the  
United States Geological Survey  
and the Oil Conservation Commission

DATE: \_\_\_\_\_

APPROVED: \_\_\_\_\_

  
Oil Conservation Commission  
Subject to like approval by the  
United States Geological Survey  
and the Commissioner of Public Lands

DATE: 9/7/78

The foregoing approvals are for the Third Expanded Participating Area of the Dakota Formation for the San Juan 29-7 Unit, #14-08-001-1650, Rio Arriba County, New Mexico.

SCHEDULE IV  
THIRD 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 078503	T-29-N, R-7-W	1,211.16			<u>35.825187%</u>	
	Sec. 29: W/2		Royalty	12.50%		12.50%
	Sec. 30: E/2		Working Interest:	42.25%		42.25%
	Sec. 31: Lots 5, 6, 7, 8, E/2 W/2, E/2 (A11)		Tenneco Oil Co. Continental Oil Co. ORRI	42.25% 3.00%		42.25% 3.00%
	TOTAL			100.00%	100.00%	
			<u>TRACT 9</u>			
SF 078503-A	T-29-N, R-7-W	246.88			<u>7.302522%</u>	
	Sec. 30: Lots 5, 6, 7, 8, E/2 W/2		Royalty	12.50%		12.50%
			Working Interest in Gas Rights:	73.0625%		73.0625%
			EPNG Co. Continental Oil Co. Working Interest in Oil Rights: EPNG Co. Continental Oil Co. ORRI in gas and oil rights	10.4375% 62.6250% 20.8750% 4.0000%		10.4375% 62.6250% 20.8750% 4.0000%
	TOTAL			100.0000%	100.0000%	
			<u>TRACT 10-A</u>			
SF 078943	T-29-N, R-7-W	530.15			<u>15.681432%</u>	
	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)		Royalty	12.50%		12.50%
			Working Interest:	61.25%		61.25%
			Shenandoah Oil Comp. Jerome P. McHugh Vincent E. Shryack ORRI	7.00% 1.75% 17.50% *		7.00% 1.75% 17.50% *
	TOTAL			100.00%	100.00%	

\* 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		
B 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:		80.00%		80.00%	
	Southern Union Production Co. ORRI		<u>7.50%</u>		<u>7.50%</u>	
	TOTAL		<u>100.00%</u>		<u>100.00%</u>	
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:		80.00%		80.00%	
	Southern Union Production Co. ORRI		<u>7.50%</u>		<u>7.50%</u>	
	TOTAL		<u>100.00%</u>		<u>100.00%</u>	
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:		80.00%		80.00%	
	Southern Union Production Co. ORRI		<u>7.50%</u>		<u>7.50%</u>	
	TOTAL		<u>100.00%</u>		<u>100.00%</u>	
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:		80.00%		80.00%	
	Southern Union Production Co. ORRI		<u>7.50%</u>		<u>7.50%</u>	
	TOTAL		<u>100.00%</u>		<u>100.00%</u>	

Effective: September 1, 1977

SCHEDULE IV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
3 10037-48	T-29-N, R-7-W Sec. 32: NW/4 NW/4	40.00				
			<u>TRACT 31</u>			
	Royalty Working Interest: EPNG Co. ORRI			12.50%	12.50%	1.183169%
				82.50%	82.50%	
				5.00%	5.00%	
				<u>100.00%</u>	<u>100.00%</u>	
	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