

RECAPITULATION

Description of lands in Participating Area:

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

Sections 7, 10, 15 and 29: W/2

Sections 1, 2, 3, 4, 5, 6, 9, 16, 18, 19, 30, 31, and 33: All

Total number of acres in Participating Area: 9,060.14

Percent of Working Interest and Royalty Interest committed: 100.00%

A. proved: 1954

Subject to like approval by the appropriate State Officials, effective Sept. 3, 1954, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Approved: 1954

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective September 3, 1954, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Approved: 11/15 1954

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective Sept. 3, 1954, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

Oil Conservation Commission of the State of New Mexico

Original signed by W. B. Mearns

674
MAIN OFFICE OCC

RECEIVED 11 AM 8:32

FOSTER MORRELL
PETROLEUM CONSULTANT
NICKSON HOTEL BUILDING
ROSWELL, NEW MEXICO

October 8, 1954

Mr. W. B. Macey
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: San Juan 29-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Macey:

On behalf of El Paso Natural Gas Company, I am forwarding herewith for your files an executed copy of the unit agreement and an executed copy of the unit operating agreement for the San Juan 29-7 Unit. These papers are being filed with you pursuant to Section 4 of your Order No. R-421.

The subject unit agreement was approved by the Commissioner of Public Lands of the State of New Mexico on March 29, 1954, by the Oil Conservation Commission of New Mexico by Order No. R-421 in Case No. 674, dated April 1, 1954, and by the Acting Director, United States Geological Survey on September 3, 1954. The contract is designated by the Geological Survey as number 14-08-001-1650, and is effective as of September 3, 1954, the date of final approval.

Very truly yours,

Foster Morrell
Foster Morrell

FM/fbp
Encls.

cc: Mr. R. L. Hamblin
El Paso Natural Gas Company
Box 1492
El Paso, T e x a s

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 20, 1954

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 29-7 Unit Area
No. 14-08-001-1650
Rio Arriba County, New Mexico
Notice of Discovery
Mesaverde Formation

Gentlemen:

Pursuant to Section 11, paragraph 2, of the above numbered Unit Agreement you are hereby informed of the discovery of unitized substances in paying quantities from the Mesaverde Formation on lands committed to said Unit Agreement.

As of September 3, 1954, the effective date of this Unit Agreement, there were twenty-seven (27) committed wells already completed in the Mesaverde Formation. Attached hereto is Schedule #1 showing these completed wells, their locations and the data on which this conclusion is based.

These drilling blocks are fully committed to the Unit Agreement. El Paso Natural Gas Company as Unit Operator hereby determines that there are wells within the Unit Area capable of producing unitized substances in paying quantities. A determination of the commerciability or non commerciability of the individual wells will be made at a later date.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH/BG/mp
cc: attached list

Working Interest Owners in San Juan 29-7 Unit

Southern Union Gas Company
1104 Burt Building
Dallas, Texas
Attention: Mr. Howard McDade

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. J. W. Loofbourrow

Three States Natural Gas Company
Seventeenth Floor
Corrigan Tower
Dallas, Texas
Attention: Mr. R. B. Slay

San Jacinto Petroleum Corporation
630 Fifth Avenue
New York 20, New York
Attention: Mr. B. G. Martin

Mr. D. H. Bolin
1120 Oil and Gas Building
Wichita Falls, Texas

Mr. Morris Mizel
905 Kennedy Building
Tulsa, Oklahoma

Delhi Oil Corporation
Corrigan Tower
Dallas, Texas
Attention: Mr. Aaron L. Colvin

Mr. R. W. Bolack
210 Massachusetts
Winfield, Kansas

Mr. Tom Bolack
1010 N. Dustin St.
Farmington, New Mexico

Phillips Petroleum Company
10th Floor Phillips Building
Bartlesville, Oklahoma
Attention: Mr. R. N. Richey

Bolack Oil and Gas Company
Sunshine Building
Albuquerque, New Mexico

Pubco Development, Inc.
P. O. Box 1360
Albuquerque, New Mexico
Attention: Mr. Frank Gorham, Jr.

The Bay Petroleum Corporation
1655 Grant Street
Denver, Colorado
Attention: Mr. N. B. Venus

Mr. Leo R. Manning
2321 Candelaria Rd.
Albuquerque, New Mexico

Mr. J. A. Pierce
Aztec, New Mexico

Stanolind Oil and Gas Company
P. O. Box 1410
Fort Worth, Texas
Attention: Mr. C. F. Bedford

Mr. Forrest B. Miller
220 Shelby Street
Santa Fe, New Mexico

SCHEDULE NO. 1
SAN JUAN 29-7 UNIT
COMPLETED WELLS AS OF SEPTEMBER 3, 1953

Name of Well	Drilling Block	Spud Date	Completed	Initial Potential	SIPC	SIPT	Date of Tie-in
<u>El Paso Natural Gas</u> <u>Company</u>							
Bolack #1	W/2 18-29-7	12-19-51	9-6-52	3460 MCF 6HR. Blowdown	1071	1071	10-6-52
R. W. Bolack #2	E/2 33-29-7	9-21-53	10-7-53	4640 MCF 3HR. Blowdown	1092	1080	4-13-54
Daum 1-A	E/2 18-29-7	11-11-52	12-22-52	3460 MCF 6HR. Blowdown	1059	1050	4-9-53
Daum 2-A	E/2 4-29-7	7-1-53	7-23-53	3500 MCF 3HR. Blowdown	1028	1018	8-16-53
Daum 3-A	E/2 3-29-7	7-22-53	8-22-53	3020 MCF 3HR. Blowdown	1041	1035	10-15-53
Daum 4-A	E/2 1-29-7	8-25-53	9-27-53	3780 MCF 3HR. Blowdown	979	975	11-10-53
Daum 5-A	W/2 1-29-7	9-30-53	11-4-53	3780 MCF 3HR. Blowdown	987	972	11-15-53
Hardie 1-B	W/2 30-29-7	1-23-53	5-6-53	3120 MCF 3HR. Blowdown	958	946	6-8-53
Hardie 1-C	E/2 19-29-7	8-21-53	9-14-53	4160 MCF 3HR. Blowdown	1043	1037	1-11-54
D. H. Bolin Hodges #1	W/2 5-29-7	1-31-53	4-3-53	2130 MCF 6HR. Blowdown	1046	1043	4-23-53
Hodges #1	E/2 5-29-7	7-25-53	8-14-53	4260 MCF 3HR. Blowdown	1091	1088	9-4-53
Marshall #1	W/2 19-29-7	12-12-53	1-26-53	2630 MCF 6HR. Blowdown	930	927	4-24-53
Marshall #2	E/2 31-29-7	8-10-53	8-28-53	3020 MCF 3HR. Blowdown	1051	1051	4-6-54
Marshall #3	W/2 31-29-7	8-29-53	9-19-53	3210 MCF 3HR. Blowdown	991	976	4-6-54
Marshall #4	W/2 33-29-7	9-16-53	10-20-53	2830 MCF 3HR. Blowdown	863	860	4-13-54
Marshall #5	E/2 30-29-7	10-23-53	11-10-53	5878 MCF 3HR. Blowdown	1054	1042	12-8-53

Name of Well	Drilling Block	Spud Date	Completed	Initial Potential	SIPC	SIPT	Date of Tie-in
Marshall #6	W/2 29-29-7	11-13-53	12-3-53	3020 MCF 3HR. Blowdown	1061	1055	4-13-54
Nye #1	W/2 3-29-7	12-14-52	2-16-53	3710 MCF 6HR. Blowdown	1008	1011	3-14-53
Pierce #1	W/2 10-29-7	11-2-52	12-16-52	1694 MCF 3HR. Blowdown	976	-----	2-18-53
<u>Southern Union Gas Company</u>							
Dawson #1	W/2 17-29-7	9-19-52	11-7-52	728 MCF 6HR. Blowdown	1090	-----	1-9-53
Hoxsey-State #1	E/2 16-29-7	4-27-52	10-9-52	2830 MCF 3HR. Blowdown	1082	-----	1-8-53
Hoxsey-State #2	W/2 16-29-7	5-22-52	12-17-52	3050 MCF 3HR. Blowdown	1088	-----	8-17-53
Luce #1	W/2 15-29-7	11-10-52	12-24-52	2410 MCF 6HR. Blowdown	1077	-----	1-17-53
Candelaria #1	W/2 9-29-7	5-12-53	7-18-53	3540 MCF 3HR. Blowdown	1068	-----	12-7-53
<u>Skelly Oil Company</u>							
Hickman #1	W/2 6-29-7	3-23-52	10-18-52	2500 MCF 6HR. Blowdown	1057	1057	3-11-53
Hickman #2	W/2 7-29-7	5-13-53	7-4-53	4012 MCF 3HR. Blowdown	900	-----	-----
<u>Bay Petroleum Corp.</u>							
Manning #1	W/2 2-29-7	10-18-52	1-28-53	1250 MCF 6HR. Blowdown	954	-----	11-23-53

SCHEDULE NO. 1
SAN JUAN 29-7 UNIT
COMPLETED WELLS AS OF APRIL 30, 1953

El Paso Natural Gas Company	19 Wells
Southern Union Gas Company	5 Wells
Skelly Oil Company	2 Wells
Bay Petroleum Corporation	1 Well
Total Completed Mesaverde Wells	27

PHILLIPS PETROLEUM COMPANY

MAIN OFFICE OCC

BARTLESVILLE, OKLAHOMA

1954 SEP 30th Floor West Wing - Phillips Building

9:59

September 14, 1954

file case 674

Re: San Juan 29-7 Unit
Participating Area Proposal
Rio Arriba County, New Mexico

El Paso Natural Gas Company
10th Floor Executive Tower
El Paso, Texas

ATTENTION: Mr. R. L. Nashlin

Gentlemen:

This will acknowledge receipt of your letter of September 9, 1954, directed to the attention of the working interest owners in San Juan 29-7 Unit, Rio Arriba County, New Mexico, to which you requested an answer on or before September 17, 1954.

As we understand your letter, you propose that wells should be admitted to the participating area of the Unit on the basis of potential tests, and that wells testing below 1250 MCFGPD be excluded.

In checking the list of wells attached to your letter against our recent files we note that twelve of the potential tests were taken after a six hour blow down while the remaining fifteen wells were tested after a three hour blow down. Since the basis of the potential test varies between wells and since a production history of most, if not all wells, should be available to you as Unit Operator, we believe that these and all other pertinent factors should be examined and weighed in respect to each well.

We do not believe that the language of the Unit Agreement contemplates the determination of commerciality on the basis of average production within the Unit, and we do not concur in your proposition that the minimum standard for admittance to a participating area should be arbitrarily set at a 1250 MCFGPD uncorrected potential figure.

We believe that El Paso Natural Gas Company, as Unit Operator, should exercise its best judgment in making individual well determinations. As we do not now have at hand complete data in regard to 29-7 Unit wells we are unable to say at this time whether or not we will agree with your determinations as to particular wells.

Very truly yours

PHILLIPS PETROLEUM COMPANY

ORIGINAL SIGNED BY

R. N. RICHEY

By

R. N. Richey - San Juan Division

RNR:pw

cc: Mr. John A. Anderson - U.S.G.S.

Mr. Duncan - U.S.G.S.

Commissioner of Public Lands

Oil Conservation Commission ← COPY FOR

Mr. Allen B. Hilt

Mr. Lloyd H. Conroy

All Working Interest Owners

El Paso Natural Gas Company

MAIL OFFICE CCC

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 13, 1954

1954 SEP 20 AM 10:01

Commissioner of Public Lands of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 29-7 Unit Agreement
No. 14-08-001-1650

Gentlemen:

Enclosed for your files is a copy of the letter of transmittal by which the Director of the United States Geological Survey sent us the approved copies of the above numbered Unit Agreement.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

TWB/mas
Enclosure
cc: Attached List

Working Interest Owners in San Juan 29-7 Unit

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Mr. Forrest B. Miller
220 Shelby Street
Santa Fe, New Mexico



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

SEP 7 1954

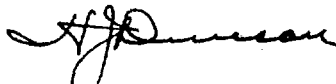
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas

Gentlemen:

On September 3, 1954, Acting Director of the Geological Survey, Thomas B. Nolan, approved the San Juan 29-7 unit agreement, Rio Arriba County, New Mexico, filed by your company as unit operator. This agreement has been designated No. 14-08-001-1650, and is effective as of the date of approval.

Enclosed are two copies of the approved unit agreement for your records. It is requested that you furnish the State of New Mexico or any other interested principal with whatever evidence of this approval is deemed appropriate.

Very truly yours,


For the Director

Enclosures 2