

El Paso
Natural Gas Company

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

February 28, 1989

Bureau of Land Management
South Central Region
435 Montano, N.E.
Albuquerque, NM 87107

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

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

Re: San Juan 30-6 Unit #14-08-001-538
Rio Arriba County, New Mexico
1989 Drilling Program

Gentlemen:

By letters dated April 5, 1988, April 27, 1988 and October 19, 1988, El Paso Natural Gas Company, as Unit Operator, for the San Juan 30-6 Unit, filed a Drilling Program and First and Second Amendments to said Drilling Program concerning the captioned unit for the calendar year 1988. These programs provided for the drilling of thirty-nine (39) Fruitland formation wells of which twenty-six (26) wells were drilled.

As of this date, the total number of wells in the San Juan 30-6 Unit is as follows:

	Fruitland, Commercial	16
	Fruitland, Being Evaluated	26
*	Fruitland, Plugged & Abandoned	1
	Pictured Cliffs, Plugged & Abandoned	1
	Pictured Cliffs/Mesaverde, Commercial	1
	Mesaverde, Commercial	133
	Mesaverde/Dakota, Dakota, Non-Commercial	1
	Mesaverde, Plugged & Abandoned	7
	Pennsylvanian, Plugged & Abandoned	2
		<u>188</u>

* Formerly Abraham 1 Well

Pursuant to Section 10 of the San Juan 30-6 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting a Drilling Program providing for the drilling of the following Fruitland Coal wells during the calendar year 1989. These wells are being carried over from the 1988 Drilling Program.

CASE 9680

EXHIBIT 3

February 28, 1989

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 30-6 #401 R	W/2 Section 13, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #406 R	W/2 Section 15, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #422	W/2 Section 27, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #423	E/2 Section 28, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #424	W/2 Section 33, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #425	E/2 Section 33, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #428	W/2 Section 28, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #429	E/2 Section 32, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #442	E/2 Section 14, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #443	E/2 Section 36, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #444	W/2 Section 36, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #445	W/2 Section 13, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #461	W/2 Section 11, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #462	W/2 Section 12, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #463	E/2 Section 13, T-30-N, R-7-W	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 Fruitland, Pictured Cliffs and Mesaverde 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
Attorney-in-Fact

AA

AA:VLG:gm
Enclosures
San Juan 30-6 Unit, 3.0
Doc. 180+

cc: Mr. Antonio Martinez, Executive Director
New Mexico Oil & Gas Accounting Division
P.O. Box 2308

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

DATED: 3-31-89

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

DATED: 4-5-89

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

DATED: 3-20-89

The foregoing approvals for the 1989 Drilling Program for the San Juan 30-6
Unit, #14-08-001-538, Rio Arriba County, New Mexico.

SAN JUAN 30-6 UNIT WORKING INTEREST OWNERS

Mr. J. R. Abraham	James Montague & Anne M. Colwill Co-Executors Estate of C.W. Colwill
Amoco Production Company	Mr. Wayne Moore & Jo Ann Montgomery Moore
Arco Oil & Gas Company	Mr. Robert Mosbacher
Elizabeth Jeanne Turner Calloway	Northwest Pipeline Corporation
W. P. Carr, Ind. & as Trustee	Partnership Properties Inc.
Conoco, Inc.	
James Allison Cozby	Phillips Petroleum Company
Cross Timbers Production	PWG Partnership
Anne Home Emerson, Trustee	Mr. James M. Raymond, Ind. & as Exec & Trustee
FMP Operating Company	Mr. W. H. Sloan
Global Natural Resources Corp.	Southland Royalty Company c/o Meridian Oil
Graham Royalty	Tenneco Oil Company
T. H. & Nancy L. Harrington	Texaco Producing Inc.
Catherine Harvey	Mr. Frederick Eugene Turner
Tom Home, Executor of the Estate of Ina Belle Hightower	Mr. J. Glenn Turner, Jr.
Anna Lou Home	J. Glenn Turner, Jr. & MBank at Dallas, Texas, as Trustees
Teresa Home	Mr. John Lee Turner
Mr. Barron Kidd	Mr. Paul H. Umbach
Cassandra Keyser	Helen Ulmer Van Atta
Jean E. Keyser	
Koch Industries	The Wiser Oil Company
Matagorda Oil Company	
T. H. McElvain, Jr.	
T. H. McElvain Oil & Gas Properties	
Mesa Petroleum Company	
Mr. Morris Mizel	

MERIDIAN OIL

February 28, 1989

TO ALL WORKING INTEREST OWNERS

Re: San Juan 30-6 Unit
San Juan County, New Mexico
1989 Drilling Program

Dear Interest Owner:

Meridian Oil Inc., on behalf of El Paso Natural Gas Company, as Unit Operator, of the referenced Unit, submits for your approval the 1989 Drilling Program that we recommend for filing with the proper governmental agencies.

Meridian Oil Inc. has proposed that the fifteen (15) wells not drilled in 1988 under the 1988 Drilling Program be carried over to 1989. The carried over wells are listed below:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 30-6 #401 R	W/2 Section 13, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #406 R	W/2 Section 15, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #422	W/2 Section 27, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #423	E/2 Section 28, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #424	W/2 Section 33, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #425	E/2 Section 33, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #428	W/2 Section 28, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #429	E/2 Section 32, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #442	E/2 Section 14, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #443	E/2 Section 36, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #444	W/2 Section 36, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #445	W/2 Section 13, T-30-N, R-6-W	Fruitland Coal
San Juan 30-6 #461	W/2 Section 11, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #462	W/2 Section 12, T-30-N, R-7-W	Fruitland Coal
San Juan 30-6 #463	E/2 Section 13, T-30-N, R-7-W	Fruitland Coal

San Juan 30-6 Unit
Working Interest Owners

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February 28, 1989

Due care will be taken to protect the Unit from drainage, and if any wells are subsequently proposed, such wells will be drilled in accordance with the operation regulations as set out by the regulatory agencies.

Since the Bureau of Land Management has requested the Plans of Development to be filed prior to March 1 of each calendar year, we are going to file the above fifteen (15) well program by that date. Additional locations are currently under evaluation and if as a result subsequent wells are proposed, we will file an amended Plan of Development.

Please sign and return one (1) copy of this letter to the following address thereby evidencing your approval of this 1989 Drilling Program.

MERIDIAN OIL INC.
Attention: Land Department
P.O. Box 4289
Farmington, New Mexico 87499-4289

Yours very truly,



Van L. Goebel
Senior Landman

VLG:gm
Enclosure
San Juan 30-6 Unit, 3.0
Doc. 267+

1989 DRILLING PROGRAM FOR THE SAN JUAN 30-6 UNIT IS APPROVED.

By _____
Company _____
Date _____

SAN JUAN 30-6 UNIT WORKING INTEREST OWNERS

Mr. J. R. Abraham	James Montague & Anne M. Colwill Co-Executors Estate of C.W. Colwill
Amoco Production Company	
Arco Oil & Gas Company	Mr. Wayne Moore & Jo Ann Montgomery Moore
Elizabeth Jeanne Turner Calloway	Mr. Robert Mosbacher
W. P. Carr, Ind. & as Trustee	Northwest Pipeline Corporation
Conoco, Inc.	Partnership Properties Inc.
James Allison Cozby	Phillips Petroleum Company
Cross Timbers Production	PWG Partnership
Anne Home Emerson, Trustee	Mr. James M. Raymond, Ind. & as Exec & Trustee
FMP Operating Company	Mr. W. H. Sloan
Global Natural Resources Corp.	Southland Royalty Company c/o Meridian Oil
Graham Royalty	
T. H. & Nancy L. Harrington	
Catherine Harvey	Texaco Producing Inc.
Tom Home, Executor of the Estate of Ina Belle Hightower	Mr. Frederick Eugene Turner
Anna Lou Home	Mr. J. Glenn Turner, Jr.
Teresa Home	J. Glenn Turner, Jr. & MBank at Dallas, Texas, as Trustees
Mr. Barron Kidd	Mr. John Lee Turner
Cassandra Keyser	Mr. Paul H. Umbach
E. Jean Keyser	Helen Ulmer Van Atta
Koch Industries	
Matagorda Oil Company	The Wiser Oil Company
T. H. McElvain, Jr.	
T. H. McElvain Oil & Gas Properties	
Mesa Petroleum Company	
Mr. Morris Mizel	

El Paso
Natural Gas Company

P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499
PHONE 505-325-2844

October 19, 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 30-6 Unit #14-08-001-538
Rio Arriba County, New Mexico
SECOND AMENDMENT --
1988 Drilling Program

Gentlemen:

By letter dated April 5, 1988, and April 27, 1988 El Paso Natural Gas Company, as Unit Operator for the San Juan 30-6 Unit, filed a Drilling Program for the calendar year 1988.

Subsequent to the submittal of said letters of April 5, 1988, and April 27, 1988, additional wells have been proposed to be drilled under the 1988 Drilling Program. The wells proposed to be drilled are as follows:

<u>WELL</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#401R	W/2 Section 13, T30N, R7W	Fruitland Coal
#406R	W/2 Section 15, T30N, R7W	Fruitland Coal
#442	E/2 Section 14, T30N, R7W	Fruitland Coal
#443	E/2 Section 36, T30N, R6W	Fruitland Coal
#444	W/2 Section 36, T30N, R6W	Fruitland Coal
#445	W/2 Section 13, T30N, R6W	Fruitland Coal
#456	E/2 Section 22, T30N, R7W	Fruitland Coal

Bureau of Land Management,
Commissioner of Public Lands,
Oil Conservation Division

-2-

October 19, 1988

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,



Alan Alexander
Attorney-in-Fact WA

AA/VLG:gm
Attachments
San Juan 30-6 Unit, 3.0
Document 53+

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
Commissioner of Public Lands)

DATED: _____

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

DATED: _____

The foregoing approvals for the Second Amendment to the 1988 Drilling Program for the San Juan 30-6 Unit, #14-08-001-538, Rio Arriba County, New Mexico.

SAN JUAN 30-6 UNIT WORKING INTEREST OWNERS

Mr. J. R. Abraham	James Montague & Anne M. Colwill Co-Executors Estate of C.W. Colwill
Amoco Production Company	Mr. Wayne Moore & Jo Ann Montgomery Moore
Arco Oil & Gas Company	Mr. Robert Mosbacher
Elizabeth Jeanne Turner Calloway	Northwest Pipeline Corporation
W. P. Carr, Ind. & as Trustee	Partnership Properties Inc.
Conoco, Inc.	Phillips Petroleum Company
James Allison Cozby	PWG Partnership
Cross Timbers Production	Mr. James M. Raymond, Ind. & as Executor & Trustee
Anne Home Emerson, Trustee	Mr. W. H. Sloan
FMP Operating Company	Southland Royalty Company c/o Meridian Oil
Global Natural Resources Corp.	Tenneco Oil Company
T. H. & Nancy L. Harrington	Texaco Producing Inc.
Catherine Harvey	Mr. Frederick Eugene Turner
Tom Home, Executor of the Estate of Ina Belle Hightower	Mr. J. Glenn Turner, Jr.
Anna Lou Home	J. Glenn Turner, Jr. & MBank at Dallas, Texas, as Trustees
Teresa Home	Mr. John Lee Turner
Mr. Barron Kidd	Mr. Paul H. Umbach
Cassandra Keyser	Helen Ulmer Van Atta
Jean E Keyser	The Wiser Oil Company
Koch Industries	
Matagorda Oil Company	
T. H. McElvain, Jr.	
T. H. McElvain Oil & Gas Properties	
Mesa Petroleum Company	
Mr. Morris Mizel	

MERIDIAN OIL

PLEASE RETURN TO
LAND - FARMINGTON

October 19, 1988

TO SAN JUAN 30-6 UNIT
WORKING INTEREST OWNERS

Re: San Juan 30-6 Unit
Rio Arriba County, New Mexico
SECOND AMENDMENT
1988 DRILLING PROGRAM

Dear Interest Owners:

Meridian Oil Inc., on behalf of El Paso Natural Gas Company, as Unit Operator, submits for your approval a proposed Second Amendment to the 1988 Drilling Program which we recommend for filing with the proper governmental agencies.

Due to the new procedures implemented by the Bureau of Land Management concerning drilling permit approval, we will be submitting the Second Amendment to the regulatory agencies at this time. Please be assured that we will not commence drilling these wells until we receive the necessary working interest owner approval.

Therefore, it is proposed that the following wells be drilled under the Second Amendment to the 1988 Drilling Program.

<u>WELL</u>	<u>DRILLING BLOCK</u>	<u>FORMATION</u>
#401R	W/2 Section 13, T30N, R7W	Fruitland Coal
#406R	W/2 Section 15, T30N, R7W	Fruitland Coal
#442	E/2 Section 14, T30N, R7W	Fruitland Coal
#443	E/2 Section 36, T30N, R6W	Fruitland Coal
#444	W/2 Section 36, T30N, R6W	Fruitland Coal
#445	W/2 Section 13, T30N, R6W	Fruitland Coal
#466	E/2 Section 22, T30N, R7W	Fruitland Coal

SAN JUAN 30-6 UNIT #401R

This well will be drilled as a replacement well to the #401 well located within the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the Fruitland Participating Area working interest owners under the Sixth Expansion of the Fruitland Participating Area.

Estimated Cost \$458,120.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	69.45%
Tenneco (Amoco)	10.15%
Conoco Inc.	10.15%
T.H. McElvain Oil & Gas Properties	4.22%
James M Raymond, et al	4.23%
Global Natural Resources	1.41%
Matagorda Oil Company	<u>0.39%</u>
	100.00%

SAN JUAN 30-6 UNIT #406R

This well will be drilled as a replacement well to the #406 well located within the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the Fruitland Participating Area working interest owners under the Sixth Expansion of the Fruitland Participating Area.

Estimated Cost \$458,120.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	69.45%
Tenneco (Amoco)	10.15%
Conoco Inc.	10.15%
T.H. McElvain Oil & Gas Properties	4.22%
James M Raymond, et al	4.23%
Global Natural Resources	1.41%
Matagorda Oil Company	<u>0.39%</u>
	100.00%

SAN JUAN 30-6 UNIT #442

This well will be drilled outside the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the drill block owners as indicated.

Estimated Cost \$450,580.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	100.00%

SAN JUAN 30-6 UNIT #443

This well will be drilled outside the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the drill block owners as indicated.

Estimated Cost \$472,730.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	100.00%

SAN JUAN 30-6 UNIT #444

This well will be drilled outside the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the drill block owners as indicated.

Estimated Cost \$506,810.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	50.00%
Northwest Pipeline Corp.	<u>50.00%</u>
	100.00%

SAN JUAN 30-6 UNIT #445

This well will be drilled outside the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the drill block owners as indicated.

Estimated Cost \$444,870.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	25.00%
Global Natural Resources	19.50%
Matagorda Oil Company	5.50%
Northwest Pipeline Corp.	<u>50.00%</u>
	100.00%

SAN JUAN 30-6 UNIT #466

This well will be drilled outside the Fruitland Participating Area. The cost of drilling this well will be borne 100% by the drill block owners as indicated.

Estimated Cost \$429,370.00

<u>DRILL BLOCK OWNERS</u>	<u>WORKING INTEREST</u>
Meridian Oil Inc.	41.67%
T. H. McElvain Oil & Gas Properties	54.17%
James Raymond, et al	<u>4.16%</u>
	100.00%

Due care will be taken to protect the unit from drainage and if the Drilling Program of any subsequently proposed wells is approved, such wells will be drilled in accordance with the operating regulations as set by the regulatory agencies and in compliance with the Unit Agreements in the same manner as the above mentioned wells.

If you approve of the Second Amendment to the 1988 Drilling Program, please sign and return one (1) copy of this letter and one (1) copy of each of the Well Cost Estimates, covering the wells in which you have a working interest, to the undersigned as soon as possible so that we may begin drilling these wells in a timely manner.

Yours very truly,



Van L. Goebel
Senior Landman

VLG:gm

Enclosures
San Juan 30-6 Unit, 3.0

The undersigned hereby elects this ____ day of _____, 1988, to participate in and pay its proportionate share of the actual well costs for the drilling of above referenced wells in which I/we have a working interest.

By _____

Title _____

Company _____

SAN JUAN 30-6 UNIT WORKING INTEREST OWNERS

Mr. J. R. Abraham	James Montague & Anne M. Colwill Co-Executors Estate of C.W. Colwill
Amoco Production Company	Mr. Wayne Moore & Jo Ann Montgomery Moo
Arco Oil & Gas Company	Mr. Robert Mosbacher
Elizabeth Jeanne Turner Calloway	Northwest Pipeline Corporation
W. P. Carr, Ind. & as Trustee	Partnership Properties Inc.
Conoco, Inc.	Phillips Petroleum Company
James Allison Cozby	PWG Partnership
Cross Timbers Production	Mr. James M. Raymond, Ind. & as Executor & Trustee
Anne Home Emerson, Trustee	Mr. W. H. Sloan
FMP Operating Company	Southland Royalty Company c/o Meridian Oil
Global Natural Resources Corp.	Tenneco Oil Company
T. H. & Nancy L. Harrington	Texaco Producing Inc.
Catherine Harvey	Mr. Frederick Eugene Turner
Tom Home, Executor of the Estate of Ina Belle Hightower	Mr. J. Glenn Turner, Jr.
Anna Lou Home	J. Glenn Turner, Jr. & MBank at Dallas, Texas, as Trustees
Teresa Home	Mr. John Lee Turner
Mr. Barron Kidd	Mr. Paul H. Umbach
Cassandra Keyser	Helen Ulmer Van Atta
Jean E. Keyser	The Wiser Oil Company
Koch Industries	
Matagorda Oil Company	
T. H. McElvain, Jr.	
T. H. McElvain Oil & Gas Properties	
Mesa Petroleum Company	
Mr. Morris Mizel	