

MAY 1 1982

MAY 1 2 1982

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

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Gentlemen:

Three approved copies of your 1982 plan of development for the Huerfano unit area, San Juan County, New Mexico, are enclosed. Such plan, proposing to drill no new wells during 1982, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility might exist of drainage by wells outside of the unit boundary. You will be contacted by our Development Unit about this possibility.

Sincerely yours,

(ORIG. SGD.) JOE G. LARA

FOR Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure

cc:
Comm of Public Lands, Santa Fe
NMOCD, Santa Fe
DS, Farmington (w/encl)

El Paso NATURAL GAS
COMPANY

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

APR 20 1982

CONSERVATION DIVISION
SANTA FE

April 19, 1982

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125

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

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

Re: Huerfano Unit, I Sec. No. 731
San Juan County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Dakota Formation

Gentlemen:

Pursuant to Section 10 of the Huerfano Unit Agreement, I Sec. No. 731, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that two (2) additional wells capable of producing unitized substances in commercial quantities have been completed upon acreage committed to the Unit. The wells are as follows:

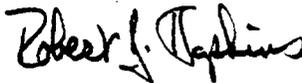
The Huerfano Unit #270 Well, located 800' from the South line and 1800' from the West line of Section 7, Township 26 North, Range 10 West, N.M.P.M., was spudded on February 16, 1980, and completed on April 1, 1980, at a plugged back depth of 6685'. The Dakota Formation at the selected intervals between 6432' and 6521' was treated with a sand-water fracturing process on March 21, 1980. The well was shut-in on March 25, 1980, and after being shut-in for seven (7) days, the Dakota Formation was tested on April 1, 1980, using the Pitot tube method with an after frac guage of 217 MCF/D, with an SIPC of 1383 psia and an SIPT of 731 psia. The spacing unit for this well is described as the W/2 of Section 7, Township 26 North, Range 10 West, N.M.P.M., containing 318.08 acres.

The Huerfano Unit #177R Well, located 900' from the South line and 1640' from the East line of Section 22, Township 26 North, Range 10 West, N.M.P.M., was spudded on October 3, 1980, and completed on November 19, 1980, at a plugged back depth of 6850'. The Dakota Formation at the selected intervals between 6644' and 6680' was treated with a sand-water fracturing process on November 9, 1980. The well was shut-in on November 12, 1980, and after being shut-in for seven (7) days, the Dakota Formation was tested on November 19, 1980, using the Pitot tube method with an after frac guage of 83 MCF/D, with an SIPC of 736 psia and an SIPT of 824 psia. The spacing unit for this well is described as the E/2 of Section 22, Township 26 North, Range 10 West, N.M.P.M., containing 320.00 acres.

Both of the drilling blocks for the above-described wells are included within the existing Dakota Participating Area; therefore, the Dakota Participating Area is not enlarged by these wells.

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

Very truly yours,



Robert J. Hopkins
Landman
Land Department

RJH/en
Attachment
SJ 28-6, 4.3.1

cc: Mr. Antonio Martinez

HUERFANO UNIT
DAKOTA WORKING INTEREST OWNERS

Amoco Production Company
Attn: Land Department
Denver, Colorado

Amoco Production Company
Attn: Production Department
Denver, Colorado 80202

Amoco Production Company
Farmington, New Mexico

B & M Construction Corp.

Benson-Montin-Greer
Drilling Corporation

Robert L. Breedlove

Barbara Ann Bruss

Mrs. Ola E. Callahan

Camille Chilcote

Children's Hospital

Consolidated Oil &
Gas, Inc.

Conoco, Inc.

Thomas G. Cornish

Crown Central Petroleum
Corporation

First National Bank in
Albuquerque, Trustee

Mr. and Mrs. Forrest Gelbke

Albert R. Greer

Mrs. Charleen K. Greer

Gross Oil Delaware
Corporation

Gulf Oil Corporation

Dr. and Mrs. James J.
Hamilton, Jr.

Mr. James J. Hamilton

G. W. Hannett

Mrs. Billie D. Hood

Sonia H. Hopkins

Corinne Roy Kelly

La Plata Gathering
System, Inc.

Everett S. Layman

Roteliz Corporation

Julia B. Lilly

K. E. McAfee

William H. McCartney

Barbara Irene McConnell

J. W. McConnell, Jr.

Mildred Moore

Integrated Energy, Inc.

Laina Mabel Saari

Gladys Sketch

J. C. Smith

Southern Union Exploration
Company

Sunland Refining Corporation

Tenneco Oil Company

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The Salvation Army

Sun Gas Division - Sun
Exploration & Production
Company (2)

Union Texas Petroleum

David William Walters

Dr. Sherman Wengerd