

# El Paso Natural Gas Company

El Paso, Texas

February 17, 1955

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

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

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

*file*

Re: Allison Unit  
I Sec. No. 752  
San Juan County, New Mexico  
La Plata and Archuleta Counties,  
Colorado

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Gentlemen:

This is to advise that the Drilling Program for the Calendar year 1955, regarding this Unit, was approved by the appropriate State and Federal Authorities as follows:

1. Approved February 4, 1955, by the Regional Oil and Gas Supervisor of the United States Geological Survey.
2. Approved January 21, 1955, by the Commissioner of Public Lands of the State of New Mexico.
3. Approved February 10, 1955, by the Oil Conservation Commission of the State of New Mexico.

Very truly yours,

*T. W. Bittick*

T. W. Bittick  
Area Landman  
Lease Department

*hu*

TWB/DEM/mas  
cc: Attached List

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 8, 1955

El Paso Natural Gas Company  
El Paso, Texas

Attention: Mr. R. L. Hamblin

*File  
Case 224*

Re: Allison Unit  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado  
1955 Drilling Program

Gentlemen:

This is to advise that the Plan of Development for calendar year 1955, incorrectly captioned Plan of Development for calendar year 1954, for the subject unit, dated December 29, 1954, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

In addition, adequate measures must be taken to protect subject unit from drainage.

No part of this approval of Plan of Development shall be construed to be an approval or a disapproval of any Plans for the Development and Operation of that part of the Allison Unit Area lying within the State of Colorado.

One approved copy of the Plan is herewith returned.

Very truly yours,

*W. B. Macey*  
W. B. MACEY, Secretary-Director

CC: USGS - Roswell  
Commissioner of Public Lands - Santa Fe

jb

# El Paso Natural Gas Company

El Paso, Texas

December 29, 1954

Mr. John A. Anderson, Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Box 997  
Roswell, New Mexico

Mr. E. S. Walker  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

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

PLEASE RETURN TO  
LEASE DEPARTMENT

Re: Allison Unit, I Sec No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado

REQUEST FOR APPROVAL of a  
PLAN OF DEVELOPMENT for  
Calendar Year 1954

1955

Gentlemen:

On May 3, 1954 a Plan of Development for the above Unit for the calendar year 1954 was sent to you for approval. Each of you subsequently approved such Plan of Development. This Plan of Development provided for the drilling of four wells in this Unit in 1954. These four wells have been completed, as follows:

## Dakota Wells

(1) Allison Unit #1 Well  
NW/4 Section 17 - 32N - 6W

This original well was cleaned out and Dakota Formation was treated with a sand oil fracturing process. The well was recompleted on 8-16-54 with an initial potential of 2,326 MCF. Total depth of this well is still 8660'.

(2) Allison Unit #7 Well  
SE/4 Section 10 - 32N - 7W

This well was completed on 10-10-54 with an initial potential of 4,385 MCF. Total depth of this well is 8443'.

Mr. John A. Anderson  
Mr. E. S. Walker  
Mr. William B. Macey

Page 2  
December 29, 1954  
Re: Allison Unit

PLEASE RETURN TO  
LEASE DEPARTMENT

Mesaverde Wells

- |  |  |
|--|--|
| (3) Allison Unit #5 Well<br>NE/4 Section 16 - 32N - 7W | This well was completed on 7-29-54 with an initial potential of 1,091 MCF, at a total depth of 5,842'. |
| (4) Allison Unit #6 Well<br>SW/4 Section 16 - 32N - 6W | This well was completed on 9-17-54 with an initial potential of 1,174 MCF, at a total depth of 5450'.  |

With the completion of these wells there are five Mesaverde wells completed in the Unit, together with two Dakota wells. The five Mesaverde wells, #2, #3, #4, #5 and #6, are producing into El Paso Natural Gas Company's gathering system. The #2, #3 and #4 wells are included in the present Mesaverde Participating Area.

El Paso Natural Gas Company, as Unit Operator, plans to drill one additional Dakota well and one additional Mesaverde well in this Unit during the calendar year 1955. A tentative location for the Dakota well has been selected in the NE/4 of Section 13, T-32-N, R-7-W, and a tentative location for the Mesaverde well has been selected in the NE/4 of Section 15, T-32-N, R-7-W. The producing formation in both wells will be drilled in with gas and will be treated with a sand-oil fracturing process.

All Working Interest Owners in this Unit have been contacted and this drilling program, insofar as is practicable, incorporates their requests.

Approval of this drilling program, which will constitute all of our drilling obligations in this Unit for the calendar year 1955, is hereby respectfully requested.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By   
R. L. Hamblin, Manager  
Lease Department

RLH:ms

cc: All Working Interest Owners  
Allison Unit

Mr. John A. Anderson  
Mr. E. S. Walker  
Mr. William B. Macey

Page 3  
December 29, 1954  
Re: Allison Unit

APPROVED \_\_\_\_\_ Date \_\_\_\_\_  
Supervisor, United States Geological  
Survey

Subject to like approval by the appropriate State officials.

APPROVED \_\_\_\_\_ Date \_\_\_\_\_  
Commissioner of Public Lands

Subject to like approval by the U.S.G.S. and Oil Conservation  
Commission.

APPROVED  
~~APPROVED~~ \_\_\_\_\_ Date 2/9/55  
*/s/ W.B.M.*  
Oil Conservation Commission

Subject to like approval by the U.S.G.S. and Commissioner of  
Public Lands.

\* Approved only insofar as plans for the Development and Operation of  
that part of the Allison Unit lying within the State of New Mexico are  
concerned.

PLEASE RETURN TO  
LEASE DEPARTMENT

Copies of the foregoing letter have been sent to the following working interest owners:

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
1711 Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms

# El Paso Natural Gas Company

El Paso, Texas

December 29, 1954

Mr. John A. Anderson, Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Box 997  
Roswell, New Mexico

Mr. E. S. Walker  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

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

PLEASE RETURN TO  
LEASE DEPARTMENT

Re: Allison Unit, I Sec No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado

REQUEST FOR APPROVAL of a  
PLAN OF DEVELOPMENT for  
Calendar Year 1954

1955

Gentlemen:

On May 3, 1954 a Plan of Development for the above Unit for the calendar year 1954 was sent to you for approval. Each of you subsequently approved such Plan of Development. This Plan of Development provided for the drilling of four wells in this Unit in 1954. These four wells have been completed, as follows:

## Dakota Wells

(1) Allison Unit #1 Well  
NW/4 Section 17 - 32N - 6W

This original well was cleaned out and Dakota Formation was treated with a sand oil fracturing process. The well was recompleted on 8-16-54 with an initial potential of 2,326 MCF. Total depth of this well is still 8660'.

(2) Allison Unit #7 Well  
SE/4 Section 10 - 32N - 7W

This well was completed on 10-10-54 with an initial potential of 4,385 MCF. Total depth of this well is 8443'.



IN REPLY REFER TO

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

February 4, 1955

El Paso Natural Gas Company  
El Paso Natural Gas Building  
El Paso, Texas

Gentlemen:

The plan of development dated December 29, 1954, for the Allison unit area, New Mexico, I-Sec. No. 752, has been approved on this date, subject to like approval by the appropriate State officials.

In addition to the proposed wells listed in the plan of development, adequate offset wells must be drilled to protect the unit area from drainage as provided in the unit agreement.

One approved copy of said plan is returned herewith.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Copy to:  
✓ N.M.O.G.C., Santa Fe (ltr only)



# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 3, 1954

Director  
United States Geological Survey  
Department of the Interior  
Washington 25, D. C.

Thru: Mr. John A. Anderson  
Regional Oil & Gas Supervisor  
United States Geological Survey  
Post Office Box 997  
Roswell, New Mexico

Commissioner of Public Lands  
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: Allison Unit  
I Sec. No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado  
Approval of Initial Participating  
Area and First Expanded Participating Area - Mesaverde Formation

Gentlemen:

This is to advise that the Initial Participating Area and First Expanded Participating Area, Mesaverde Formation, of the Allison Unit was approved by the Acting Director of the United States Geological Survey on August 27, 1954, by the Commissioner of Public Lands of the State of New Mexico on May 11, 1954, and by the Oil Conservation Commission of the State of New Mexico on April 28, 1954.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick  
Area Landman  
Lease Department

Allison Unit

Copies of the foregoing letter have been sent to the following working interest owners:

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
1711 Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms

**U. S. CONSERVATION COMMISSION**

P. O. BOX 871

SANTA FE, NEW MEXICO

June 17, 1954

**Mr. E. H. Canfield  
U. S. Geological Survey  
Roswell, New Mexico**

**Re: Approval of Initial Participating  
Area and First Expanded Participating  
Area; Allison Unit**

**Dear Mr. Canfield:**

Please be advised that on April 28, 1954, the New Mexico Oil Conservation Commission approved the request of El Paso Natural Gas Company for the establishment of the initial and the first expanded participating area for the Mesaverde formation in the above captioned unit.

Although the two areas described in the application are not contiguous, we can foresee no difficulties arising from this condition.

**Very truly yours,**

**R. R. SPURRIER,  
Secretary Director**

**HNR/ir**

C  
O  
P  
Y

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

MAIN OFFICE COO  
JUL 15 1954  
10:47

*A* *Anders*  
Mr. John A. Anderson, Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Box 6721  
Roswell, New Mexico

Mr. E. S. Walker  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Mr. R. R. Spurrier, Secretary  
Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Allison Unit Area  
I-Sec. No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado

Notice of Approval of a  
Plan of Development for  
Calendar Year 1954

Gentlemen:

This is to advise that the Plan of Development, Allison Unit Area, for the calendar year of 1954, was approved as follows:

- (1) Regional Supervisor, United States Geological Survey, May 20, 1954.
- (2) Commissioner of Public Lands, State of New Mexico, May 11, 1954.
- (3) Oil Conservation Commission, State of New Mexico, May 24, 1954.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By: *Robert O. Baldwin*  
Robert O. Baldwin  
Lease Department

ROB/ab

cc: Working Interest Owners  
Allison Unit Area  
Mr. W. T. Hollis

Copies of the foregoing letter have been sent to the following working interest owners:

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
1711 Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MAIN OFFICE OCC  
GEOLOGICAL SURVEY

1954 MAY 24 AM 9:23 P. O. Box 6721  
Roswell, New Mexico

May 20, 1954

El Paso Natural Gas Company  
Tenth Floor Bassett Tower  
El Paso, Texas

Gentlemen:

The plan of development dated May 3, 1954, for the calendar year 1954, for the Allison unit area, New Mexico, I-Sec. No. 752 has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico and the New Mexico Oil Conservation Commission.

One approved copy of said plan is returned herewith.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Enclosure

Copy to: Cons.Div.Wash.D.C. (w/1 copy of plan)

Farmington (w/1 copy of plan)  
✓ NMOCC, Santa Fe (ltr. only)  
Comm. of Public Lands, Santa Fe (ltr. only)

*El Paso Natural Gas Company* MAIN OFFICE 000

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

May 3, 1954

Mr. John A. Anderson, Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Box 997  
Roswell, New Mexico

Mr. E. S. Walker  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Mr. R. R. Spurrier, Secretary  
Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Allison Unit Area  
I-Sec. No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado

Request for Approval of a  
Plan of Development for  
Calendar Year 1954

Gentlemen:

On July 15, 1953, John A. Anderson, Regional Supervisor of the United States Geological Survey, approved a Plan of Development submitted by the Amerada Petroleum Corporation, as Unit Operator, covering operations on the Allison Unit Area until December 31, 1953.

On January 13, 1954, Acting Director of the United States Geological Survey, Thomas B. Nolan, approved the instrument dated September 25, 1953 whereby El Paso Natural Gas Company became the new Unit Operator under the Allison Unit Agreement.

Mr. John A. Anderson  
Mr. E. S. Walker  
Mr. R. R. Spurrier

Page 2  
May 3, 1954  
Re: Allison Unit Area

Mr. J. Glenn Turner, as assignee of the Squire Production Company, has notified the working interest owners of the Allison Unit Agreement of his desire to drill two Mesaverde wells on the Unit Area during the year 1954. El Paso Natural Gas Company, as Unit Operator, has delayed filing a new Plan of Development until a determination had been made by the working interest owners of the Allison Unit Agreement whether they desire to participate in the costs and expenses of these two wells. This determination has now been made, and therefore, pursuant to Section 9 of the Allison Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits for your consideration and approval a Plan of Development for the Allison Unit Area for the calendar year of 1954.

El Paso Natural Gas Company, as Unit Operator, plans to rework and complete the Allison Unit # 1 well for gas production from the Dakota Formation and in addition drill another Dakota test well to be located in the SE/4, Section 10, Township 32 North, Range 7 West N.M.P.M., San Juan County, New Mexico.

In addition to the completion of these two Dakota wells, Mr. J. Glenn Turner as assignee of Squire Production Company, plans to drill two Mesaverde wells on the Allison Unit Area during the year 1954. These two wells are to be located in the E/2 Section 16, Township 32 North, Range 7 West and in the W/2 Section 16, Township 32 North, Range 6 West, N.M.P.M., San Juan County, New Mexico. Pursuant to Section 9 of the Allison Unit Operating Agreement dated November 15, 1949, all the working interest owners in the Allison Unit have been invited to participate in the drilling of these two Mesaverde wells. Due to the fact that a majority of the working interest owners have advised us that they did not care to participate in the drilling of these two wells, El Paso Natural Gas Company, as Unit Operator, has determined that J. Glenn Turner may drill these two Mesaverde wells at his sole cost, risk and expense, pursuant to Section 12 of the Allison Unit Agreement.



Mr. John A. Anderson  
Mr. E. S. Walker  
Mr. R. R. Spurrier

Page 3  
May 3, 1954  
Re: Allison Unit Area

We respectfully request your approval of these four wells to constitute the Allison Unit Plan of Development for the calendar year of 1954.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By Robert O. Baldwin  
Robert O. Baldwin  
Lease Department

ROB/ab  
cc: All Working Interest Owners  
Allison Unit Area

APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_  
Supervisor, United States Geological Survey

Subject to like approval by the appropriate State officials.

APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_  
Commissioner of Public Lands

Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED: R. R. Spurrier Date: 24 May 54  
Oil Conservation Commission

Subject to like approval by the U.S.G.S. and Commissioner of Public Lands.

Copies of the foregoing letter have been sent to the following working interest owners:

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
1711 Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms

Memc

From

To Tpurrier -

Suggest approval this  
development plan. U.S.G.S.

Concurs - .

Hub.

4/1/6  
4/1/6

*El Paso Natural Gas Company* MAIN OFFICE 000

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

April 16, 1954

1954 APR 23 AM 11:30

Director  
United States Geological Survey  
Department of the Interior  
Washington 25, D. C.

Thru: Mr. John A. Anderson  
Regional Oil & Gas Supervisor  
United States Geological Survey  
P. O. Box 997  
Roswell, New Mexico

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: Allison Unit  
I Sec. No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado  
Request for Approval of Initial  
Participating Area and First  
Expanded Participating Area -  
Mesaverde Formation

Gentlemen:

Pursuant to the provisions of Section 10 of the Allison Unit Agreement, I Sec. No. 752, approved August 22, 1950, El Paso Natural Gas Company, as Unit Operator, hereby submits for your approval the following selection of lands reasonably estimated to be productive in paying quantities to constitute the Initial Participating Area for the Mesaverde Formation, and the First Expanded Participating Area for the Mesaverde Formation, all located in San Juan County, New Mexico:

Initial Participating Area:

Proved Productive By:

Allison Unit #2 Well located NW/4 SW/4, Section 17,

Township 32 North, Range 6 West, San Juan County, New Mexico. This well was spudded April 25, 1952, and was completed July 13, 1952 at a total depth of 5904'. The pay section between 5704' and 5904' was shot with 800 quarts of nitroglycerine. This well was tested on September 25, 1952, and after a six hour open blow test, gauged an IP of 1532 MCFGPD with an SIPC of 1213#. The El Paso Natural Gas Company, as Unit Operator, has determined that this well was capable of producing unitized substances on July 13, 1952.

Acreage Description:

SW/4, S/2 NW/4, Sec. 17, E/2 SE/4, SE/4 NE/4, Sec. 18, T-32-N, R-6-W, containing 360.00 acres, more or less.

First Expanded Participating Area:

Proved Productive By:

1. Allison Unit #3 Well located 1650 feet North of the South line and 990 feet East of the West line of Section 14, Township 32 North, Range 7 West, San Juan County, New Mexico. This well was spudded June 26, 1952, and was completed October 26, 1952, at a total depth of 6314'. The pay section between 5936' and 6314' was shot with 1302 quarts of nitroglycerine. The well was tested December 11, 1952, and after a six hour open blow test, gauged an IP of 3,000 MCFGPD with an SIPC of 1115#. The El Paso Natural Gas Company, as Unit Operator, has determined that this well was capable of producing unitized substances on December 11, 1952.
2. Allison Unit #4 Well located 990 feet South of the North line and 990 feet East of the West line of Section 11, Township 32 North, Range 7 West, San Juan County, New Mexico. This well was spudded on August 3, 1952 and completed September 8, 1952 at a total depth of 5985'. The pay section between 5642' and 5982' was shot with 1344 quarts of nitroglycerine. The well was tested on December 11, 1952, and after a six hour open blow test, gauged an IP of 1100 MCFGPD with an SIPC of 980#. The El Paso Natural Gas Company, as Unit Operator, has determined that this well was capable of producing unitized substances in paying quantities on December 11, 1952.

Director, U.S.G.S.  
Commissioner of Public Lands  
Oil Conservation Commission

Page 3  
April 16, 1954  
Re: Allison Unit

Acreage Description:

Lot 1, E/2 SE/4, Sec. 10, Lots 3, 4, SW/4, Sec. 11, W/2,  
Sec. 14, E/2 E/2, Sec. 15, T-32-N, R-7-W; containing 778.44  
acres, more or less.

Attached hereto and made a part of this application is a map marked Exhibit "A" showing thereon the Allison Unit Area, the submitted Initial Participating Area for the Mesaverde Formation, and the submitted First Expanded Participating Area for the Mesaverde Formation. We also attach and make a part hereof our schedules marked Exhibit "B" and "B-1", describing the participating areas and showing the percentage of unitized substances allocated to each unitized tract and the exact breakdown of percentage allocated to each unitized tract according to the various ownerships in said tracts.

The Applicant respectfully requests that the Director of the United States Geological Survey approve this selection of lands for the Initial Participating Area for the Mesaverde Formation, and the First Expanded Participating Area for the Mesaverde Formation, to be effective as follows:

Initial Participating Area effective as of July 13, 1952  
First Expanded Participating Area effective as of January 1, 1953

If this Initial Participating Area for the Mesaverde Formation, and the First Expanded Participating Area for the Mesaverde Formation, meet with your approval, please indicate such approval in the space provided on Exhibits "B" and "B-1" and return an approved copy for our files.

Copies of this letter and schedules are being sent to all working interest owners, as indicated on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By Robert O. Baldwin  
Robert O. Baldwin  
Lease Department

ROB/mas  
cc: Attached List  
Enclosures

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
17th Floor Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms

EXHIBIT "B"  
 INITIAL PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
 ALLISON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP AND PERCENTAGE		MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
			COMMITTED			
NM 04207	T-32-N, R-6-N, 200.00 Sec.17: S/2 SW/4, SE/4 NW/4, NE/4 SW/4 Sec.18: SE/4 SE/4					
	<u>Tract 7</u>					
	Royalty Owner: United States of America; Working Interest Owners:		12.50000%	12.50000%	6.94445%	6.94445%
	EI Paso Natural Gas Company;		41.00000%	41.00000%	22.77778%	22.77778%
	Amerada Petro- leum Corp.;		41.00000%	41.00000%	22.77778%	22.77778%
	ORRI Owners: Sunshine Royalty Company;		5.00000%	5.00000%	2.77778%	2.77778%
	J. D. Long, et ux;		.50000%	.50000%	.27777%	.27777%
	<b>TOTAL</b>		<b>100.00000%</b>	<b>100.00000%</b>	<b>55.55556%</b>	<b>55.55556%</b>

Allison Unit #2 Well

PLEASE RETURN TO  
 EL PASO NATURAL GAS COMPANY  
 LEASE DEPARTMENT



EXHIBIT "B"  
INITIAL PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
ALLISON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
Fee	T-32-N, R-6-W Sec.17: SW/4 NW/4, NW/4 SW/4	80.00				
			<u>Tract 27</u>			
	Royalty Owners:				<u>22.222222%</u>	<u>22.222222%</u>
	Tirzah Smouse;	3.12500%	3.12500%		.69445%	.69445%
	C.H. Nye, et ux;	3.12500%	3.12500%		.69445%	.69445%
	Brookhaven Oil Company;	.58595%	.58595%		.13022%	.13022%
	Dacresa Oil Corporation;	.19531%	.19531%		.04340%	.04340%
	Robert A. Arnold and C. R. Smith;	.19531%	.19531%		.04340%	.04340%
	Rosa Stewart;	.19531%	.19531%		.04340%	.04340%
	Morris Garvin;	.19531%	.19531%		.04340%	.04340%
	H. N. McClain;	4.88281%	4.88281%		1.08506%	1.08506%
	Working Interest Owners:					
	El Paso Natural Gas Company;	43.75000%	43.75000%		9.722222%	9.722222%
	Amerada Petroleum Corp.;	43.75000%	43.75000%		9.722222%	9.722222%
	ORRI Owner:					
	None;	.00000%	.00000%		.00000%	.00000%
	TOTAL	100.00000%	100.00000%		22.222222%	22.222222%

Allison Unit #2 Well

EXHIBIT "B"  
INITIAL PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
ALLISON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>PARTICIPATION</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 37</u>							
Fee	T-32-N, R-6-W Sec.18: SE/4 NE/4, NE/4 SE/4,	80.00	Royalty Owners: Ada B. McCristal, et vir; Southland Royalty Company; C. H. Nye, et ux; Brookhaven Oil Company; Dacresa Oil Corporation; Tingley Russell Cochran; Henry Hyle Cochran, et ux; Working Interest Owners: El Paso Natural Gas Company; Amerada Petro- leum Corp.; ORRI Owner: None;	4.66968%	4.66968%	1.03771%	1.03771%
				22.22222%	22.22222%	22.22222%	22.22222%
				43.75000%	43.75000%	9.722222%	9.722222%
				43.75000%	43.75000%	9.722222%	9.722222%
			TOTAL	100.00000%	100.00000%	22.22222%	22.22222%

Allison Unit #2 Well

Effective July 13, 1952

PLEASE RETURN TO  
EL PASO NATURAL GAS COMPANY  
LEASE DEPARTMENT

EXHIBIT "B"  
 INITIAL PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
 ALLISON UNIT AREA

RECAPITULATION

Description of lands in Participating Area:  
 Township 32 North, Range 6 West, N.M.P.M.  
 Section 17: SW/4, S/2 NW/4  
 Section 18: E/2 SE/4, SE/4 NE/4

Total number of acres in Participating Area:  
 Percent of Working Interest and Royalty Interest  
 committed:

360.00  
 100.00%

Approved: \_\_\_\_\_ 1954

Subject to like approval by the appropriate State Officials, effective Date of First Production, pursuant to the pertinent provisions of Sec. 10 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 Date of First Production, pursuant to the pertinent provisions of Sec. 10 of the Unit Agreement.

Approved: April 28 1954

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective Date of First Production, pursuant to the pertinent provisions of Sec. 10 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

*R. P. [Signature]*

*[Faint handwritten notes and signatures at the bottom of the page]*

EXHIBIT "B-1"  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
ALLISON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP AND PERCENTAGE	COMMITTED		MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
NM 04207	T-32-N, R-6-W	200.00				<u>17.56790%</u>	<u>17.56790%</u>
	Sec.17: S/2 SW/4, SE/4 NW/4, NE/4 SW/4		Royalty Owner: United States of America; Working Interest Owners:	12.50000%	12.50000%	2.19598%	2.19598%
	Sec.18: SE/4 SE/4		El Paso Natural Gas Company; Amerada Petro- leum Corp.;	41.00000%	41.00000%	7.20284%	7.20284%
			ORRI Owners: Sunshine Royalty Company;	5.00000%	5.00000%	.87840%	.87840%
			J. D. Long, et ux;	.50000%	.50000%	.08784%	.08784%
			TOTAL	100.00000%	100.00000%	<u>17.56790%</u>	<u>17.56790%</u>

Allison Unit #2 Well

Effective January 1, 1953

PAGE 1

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LEASE DEPARTMENT

EXHIBIT "B-1"  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERT DEFORMATION  
ALLISON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP AND PERCENTAGE		MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
			COMMITTED	PARTICIPATION		
<u>Tract 27</u>						
Fee	T-32-N, R-6-W Sec. 17: SW/4 NW/4, NW/4 SW/4	80.00				
	Royalty Owners:				<u>7.02716%</u>	<u>7.02716%</u>
	Tirzah Smouse;		3.12500%	3.12500%	.21959%	.21959%
	C.H. Nye, et ux;		3.12500%	3.12500%	.21959%	.21959%
	Brookhaven Oil Company;		.58595%	.58595%	.04118%	.04118%
	Dacres Oil Corporation;		.19531%	.19531%	.01373%	.01373%
	Robert A. Arnold and C.R. Smith;		.19531%	.19531%	.01373%	.01373%
	Rosa Stewart;		.19531%	.19531%	.01373%	.01373%
	Morris Garvin;		.19531%	.19531%	.01373%	.01373%
	H. N. McClain;		4.88281%	4.88281%	.34312%	.34312%
	Working Interest Owners:					
	El Paso Natural Gas Company;		43.75000%	43.75000%	3.07438%	3.07438%
	Amerada Petroleum Company;		43.75000%	43.75000%	3.07438%	3.07438%
	ORRI Owner:					
	None;		.00000%	.00000%	.00000%	.00000%
	TOTAL		<u>100.00000%</u>	<u>100.00000%</u>	<u>7.02716%</u>	<u>7.02716%</u>

Allison Unit #2 Well

Effective January 1, 1953

EXHIBIT "B-1"  
 FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
 ALLISON UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 37</u>						
Fee	T-32-N, R-6-W Sec. 18: SE/4 NE/4, NE/4 SE/4	80.00	Royalty Owners: Ada B. McCristal, et vir.; Southland Royalty Company; C. H. Nye, et ux; Brookhaven Oil Company; Dacresa Oil Corp.; Tingley Russell Cochran; Henry Hyle Cochran, et ux; Working Interest Owners: El Paso Natural Gas Company; Amerada Petro- leum Corp.; ORRI Owner: None;	4.66968%  1.95870% 3.52565%  .58760% .19587%  .78125%  .78125%	4.66968%  1.95870% 3.52565%  .58760% .19587%  .78125%  .78125%	7.02716%  3.2815% 1.3765% .24776%  .04129% .01377%  .05489%  .05489%
						7.02716%
						3.2815%
						1.3765%
						.24776%
						.04129%
						.01377%
						.05489%
						.05489%
						3.07438%
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						7.02716%
						7.02716%
						7.02716%

Allison Unit #2 Well

Effective January 1, 1953

PAGE 3

PLEASE RETURN TO  
 EL PASO NATURAL GAS COMPAN  
 LEASE DEPARTMENT

EXHIBIT "B-1"  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
ALLISON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP AND PERCENTAGE		MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
			COMMITTED			
<u>Tract 1</u>						
SF 078459-B	T-32-N, R-7-W Sec.10: Lot 1, E/2 SE/4 Sec.11: Lots 3,4, N/2 SW/4 Sec.14: SW/4, SW/4 NW/4 Sec.15: E/2 E/2	578.44				
	Royalty Owner: United States of America; Working Interest Owners: El Paso Natural Gas Company; Amerada Petro- leum Corp.;		12.500000%	12.500000%	6.35123%	6.35123%
	ORRI Owners: Ora R. Hall, et ux; Sunshine Royalty Company; J. D. Long, et ux;		41.000000%	41.000000%	20.83205%	20.83205%
	TOTAL		100.000000%	100.000000%	50.80988%	50.80988%

Allison Unit #3 Well  
Allison Unit #4 Well

EXHIBIT "B-1"  
FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
ALLISON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP AND PERCENTAGE	COMMITTED	MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION	
<u>Tract 44</u>							
7	T-32-N, R-7-W Sec. 11: S/2 SW/4 Sec. 14: N/2 NW/4, SE/4 NW/4	200.00	Royalty Owners: The North Central Texas Oil Company, Inc.; T. H. McElvain, et ux; N. H. Mackey, et ux; J. L. Tatum, et ux; Emil Mosbacher, Jr.; Carl R. McElvain; Harold Payne; Working Interest Owners: El Paso Natural Gas Company; Amerada Petro- leum Corp.; ORRI Owner: None;	1.09375% 4.68750% .78125% 1.56250% .46875% 3.12500% .78125%	1.09375% 4.68750% .78125% 1.56250% .46875% 3.12500% .78125%	17.56790% .19215% .82349% .13725% .27450% .08235% .54899% .13725%	17.56790% .19215% .82349% .13725% .27450% .08235% .54899% .13725%
			TOTAL	<u>100.000000%</u>	<u>100.000000%</u>	<u>17.56790%</u>	<u>17.56790%</u>

Allison Unit #3 Well  
Allison Unit #4 Well

Effective January 1, 1953

PLEASE RETURN TO  
EL PASO NATURAL GAS COMPAN  
LEASE DEPARTMENT



EXHIBIT "B-1"  
 FIRST EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
 ALLISON UNIT AREA

RECAPITULATION

Description of lands in Participating Area:  
 Township 32 North, Range 6 West, N.M.P.M.  
 Section 17: SW/4, S/2 NW/4  
 Section 18: E/2 SE/4, SE/4 NE/4  
 Township 32 North, Range 7 West, N.M.P.M.  
 Section 10: Lot 1, E/2 SE/4  
 Section 11: Lots 3, 4, SW/4  
 Section 14: W/2  
 Section 15: E/2 E/2

Total number of acres in Participating Area: 1138.44  
 Percent of Working Interest and Royalty Interest committed: 100.00%

Approved: _____ 1954 Subject to like approval by the appropriate State Officials, effective Date of First Production, pursuant to the pertinent provisions of Sec. 10 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 Date of First Production, pursuant to the pertinent provisions of Sec. 10 of the Unit Agreement.	Approved: _____ April 28 _____ 1954 Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective Date of First Production, pursuant to the pertinent provision of Sec. 10 of the Unit Agreement.
---	--	---

Director - United States Geological Survey	Commissioner of Public Lands of the State of New Mexico	<i>A. R. E. Spencer</i> Oil Conservation Commission of the State of New Mexico
--	---	---

PL 55-101  
 APR 10 1954  
 U.S. GEOLOGICAL SURVEY

EL PASO NATURAL GAS COMPANY  
EL PASO, TEXAS MAIN OFFICE 600

1954 APR 16 AM 10 10

224

April 16, 1954

Mr. John A. Anderson  
Regional Oil & Gas Supervisor  
United States Geological Survey  
P. O. Box 997  
Roswell, New Mexico

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: Allison Unit  
I Section No. 752  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado

Gentlemen:

Pursuant to Section 2 of the Allison Unit Agreement, please find enclosed herewith revised copies of the Exhibits "A" and "B" to the Allison Unit Agreement, showing the amended percentage and kind of ownership of oil and gas interests in all land in the Allison Unit Area.

Copies of the revised exhibits have been furnished all the committed working interest owners and committed royalty interest owners in the Allison Unit Area.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By Robert O. Baldwin  
Robert O. Baldwin  
Lease Department

ROB/mas  
Encls.

C O P Y

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

224

April 9, 1957

C  
O  
P  
Y

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

Attention: Mr. Joe W. Cherry

*file*

Gentlemen:

Enclosed herewith are additional signed copies of 1957 Allison Unit Plan of Development, 1956 29-7 Unit Supplemental Drilling Program, and your October 8, 1956, Determination that Allison Unit Well No. 10 was incapable of producing in paying quantities, which you recently requested.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary - Director

ga  
Encl.

# El Paso Natural Gas Company

El Paso, Texas

March 1, 1957

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

Re: Allison Unit  
I Sec. No. 752  
San Juan County, New Mexico  
La Plata & Archuleta Counties, Colorado  
Well #10 (Dakota Formation)

Gentlemen:

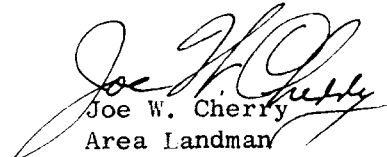
Under date of February 8, 1957 your office approved the determination that the Allison Unit #10 Well is incapable of producing unitized substances in paying quantities from the Dakota Formation.

Herewith enclosed is a copy of the original request which it is requested that you execute in order that we may send an executed copy to the United States Geological Survey, which they have requested.

Inasmuch as the original approval was dated February 8, 1957, we have inserted that date in the enclosure.

Your cooperation in forwarding this executed copy will be greatly appreciated.

Very truly yours,

  
Joe W. Cherry  
Area Landman  
Lease Department

JWC:GBL:nn  
Enclosure

# El Paso Natural Gas Company

El Paso, Texas

March 4, 1957

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

Re: San Juan 29-7 Unit  
Rio Arriba County, New Mexico  
SUPPLEMENTAL DRILLING PROGRAM, 1956

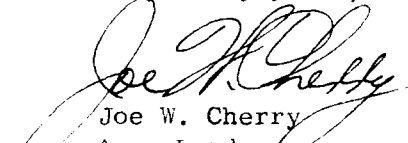
Gentlemen:

We are in receipt of your letter of February 28, 1957, approving captioned program. You stated you received only one copy of our program and therefore could not send us an approved copy.

Enclosed you will find another copy of our supplemental program which we respectfully request you sign and return to us for our files.

Thank you for your cooperation in this matter.

Very truly yours,

  
Joe W. Cherry  
Area Landman  
Lease Department

JWC:RDJ:nn  
Enclosure

# El Paso Natural Gas Company

El Paso, Texas

March 6, 1957

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

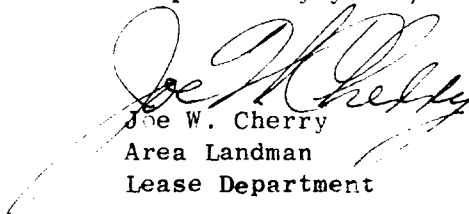
Re: Allison Unit Area  
San Juan County, New Mexico  
La Plata & Archuleta Counties,  
Colorado  
1957 PLAN OF DEVELOPMENT

Gentlemen:

Reference is made to your letter of March 1, 1957, approving the above captioned Plan of Development, dated December 31, 1956, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

As only one copy of the Plan of Development was sent to you, we herewith enclose another copy of same with the request that you execute the Approval and return to us to be used as a file copy, and as evidence of your approval of same.

Respectfully yours,



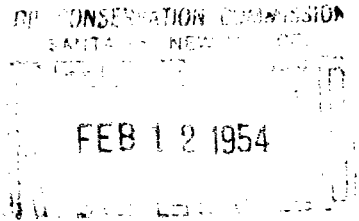
Joe W. Cherry  
Area Landman  
Lease Department

JWC:GBL:mm  
enclosures

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas  
January 26, 1954



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

In Re: Allison Unit Area  
San Juan County, New Mexico  
La Plata and Archuleta  
Counties, Colorado  
I-Sec. No. 752

Gentlemen:

Enclosed herewith please find for your files and information a photostatic copy of Designation of Successor Unit Operator executed September 25, 1953 by and between El Paso Natural Gas Company and the Working Interest Owners of the above captioned unit. This designation was approved by the Commissioner of Public Lands, State of New Mexico, December 11, 1953 and by the Director of the United States Geological Survey, January 13, 1954.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By: Robert O. Baldwin  
Robert O. Baldwin  
Lease Department

ROB:rf  
Enc.  
cc: Attached List

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Amerada Petroleum Corp.  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention: F. W. Hulsizer

Stanolind Oil and Gas Company  
Oil and Gas Bldg.  
Fort Worth, Texas  
Attention: Mr. C. F. Bedford

Three States Natural Gas Company  
Corrigan Tower  
Dallas, Texas  
Attention: Mr. J. C. Gordon

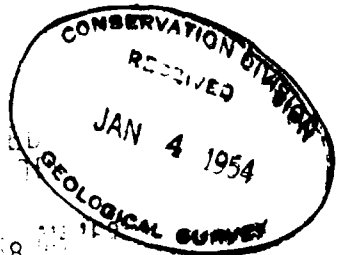
San Jacinto Petroleum Corporation  
San Jacinto Building  
Houston 2, Texas  
Attention: Mr. George A. Works, Jr.

Squire Production Company  
17th Floor Mercantile Bank Building  
Dallas, Texas  
Attention: Mr. J. Glenn Turner

Western Natural Gas Company  
1006 Main Street  
Houston 2, Texas  
Attention: Mr. K. P. Moore

Mr. H. H. Phillips  
306 Milam Building  
San Antonio, Texas  
Attention: Mr. Morris Elms





DESIGNATION OF SUCCESSOR UNIT OPERATOR

ALLISON UNIT AREA

COUNTIES OF SAN JUAN, NEW MEXICO,  
LAPLATA AND ARCHULETA, COLORADO

I - SEC. NO. 752

RECEIVED STATE LAND  
DEC 3 8 58 AM '53  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

This indenture, dated as of the 25th day of September, 1953, by and between El Paso Natural Gas Company, hereinafter designated as "First Party, and the owners of unitized working interests, hereinafter designated as "Second Parties,

WITNESSETH: WHEREAS under the provisions of the act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181, et seq., as amended by the act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 22nd day of August, 1950, approved a unit agreement for the Allison Unit Area, wherein Amerada Petroleum Corporation is designated as Unit Operator; and

WHEREAS said Amerada Petroleum Corporation has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said unit agreement.

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the Allison unit agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Director of the Geological Survey, and the Commissioner of Public Lands of the State of New Mexico, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

ATTEST:

[Signature]  
Secretary

EL PASO NATURAL GAS COMPANY

By [Signature]  
The President

ATTEST:

[Signature]  
Assistant Secretary

AMERADA PETROLEUM CORPORATION

By [Signature]  
EXECUTIVE Vice President

ATTEST:

[Signature]  
Secretary

STANOLIND OIL AND GAS COMPANY

By [Signature]  
President

LEB  
INC

ATTEST:

[Signature]  
Secretary

WESTERN NATURAL GAS COMPANY

By [Signature]  
Vice President

ATTEST:

[Signature]  
Secretary

THREE STATES NATURAL GAS COMPANY

By [Signature]  
President

ATTEST:

[Signature]  
Vice Secretary

SAN JACINTO PETROLEUM CORPORATION

By [Signature]  
President

[Signature]  
[Signature]  
(Witnesses)

[Signature]  
H. H. Phillips

I hereby approve the foregoing indenture designating El Paso Natural Gas Company as Unit Operator under the unit agreement for the Allison Unit Area, this 13<sup>th</sup> day of Jan, 1954.

[Signature]  
Acting Director of the Geological Survey

I hereby approve the foregoing indenture designating El Paso Natural Gas Company as Unit Operator under the unit agreement for the Allison Unit Area, this 11<sup>th</sup> day of December, 1953.

[Signature]  
Commissioner of Public Lands of the State of New Mexico.



*Row*  
IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

July 15, 1953

Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa, Oklahoma

Gentlemen:

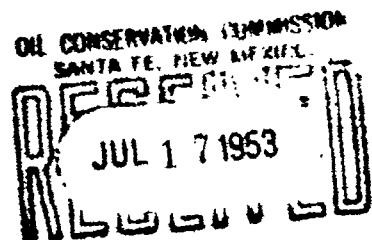
The plan of development dated March 2, 1953, for the Allison Unit Area, I-Sec. No. 752, San Juan County, New Mexico, and Archuleta and LaPlata Counties, Colorado, for the year ending December 31, 1953, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico and the New Mexico Oil Conservation Commission.

Two approved copies of the plan are returned herewith.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Copy to: Commissioner of Public Lands, Santa Fe, (w/copy of plan)  
Oil Conservation Commission, Santa Fe

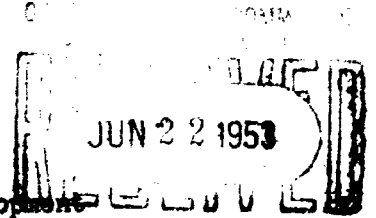


GENERAL OFFICES  
120 BROADWAY, NEW YORK

**AMERADA PETROLEUM CORPORATION**  
BEACON BUILDING

P. O. BOX 2040  
TULSA 2, OKLA.

June 18, 1953



RE: Plan for Further Development  
Allison Unit Area  
San Juan County, New Mexico,  
LaPlata and Archuleta  
Counties, Colorado  
I - Sec. No. 752

Mr. John A. Anderson  
Supervisor, Southwestern Region  
United States Geological Survey  
Roswell, New Mexico

Dear Sir:

There is submitted for your consideration and approval, the original and five copies of a Plan for Further Development of the Allison Unit Area covering the period ending December 31, 1953. We believe that the plan submitted is reasonable and justified in view of the conditions and circumstances outlined therein.

In letter dated June 15, 1953, with copy to your office, the Commissioner of Public Lands of the State of New Mexico approved the enclosed plan of further development, subject to like approval by the United States Geological Survey.

We respectfully request your early consideration and approval of this plan of development, and further request that you furnish the Commissioner of Public Lands with an approved copy thereof.

Yours very truly,

F. W. HULSIZER  
Land Department

FWH:ah

cc: Mr. E. S. Walker  
Commissioner of Public Lands  
Santa Fe, New Mexico

" Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

June 15, 1953

RE: Plan of Further Development,  
Allison Unit Area  
San Juan County, New Mexico  
LaPlata and Archuleta  
Counties, Colorado

Amerada Petroleum Corporation  
Beacon Building  
P.O. Box 2040  
Tulsa 2, Oklahoma

Gentlemen:

Reference is made to your proposed plan for further development of the Allison Unit Area in San Juan County.

We wish to advise that we approve your application dated April 14, 1953 subject to like approval being had and filed with this office by the United States Geological Survey.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Roswell, New Mexico (3)  
Oil Conservation Commission  
Santa Fe, New Mexico (1)

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April 9, 1953

Re: Plan for Further Development  
Allison Unit Area  
San Juan County, New Mexico  
Archuleta and LaPlata Counties,  
Colorado

Mr. F. W. Pulsizer  
Aerada Petroleum Corporation  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma

Dear Sirs:

We are in receipt of your letter together with your proposed plan for development of the Allison Unit Area.

Your plan would discontinue the drilling of additional wells in the Unit Area during the period ending December 31, 1953. We are unable to approve your application as this action would be contrary to provisions set forth in Section 9 of the Allison Unit Agreement which provides that within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner and the Commission an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission a plan for an additional specified period for the development and operation of unitized land.

You may file another Plan for Development in accordance with provisions set forth in Section 9 of the Allison Unit Agreement.

Very truly yours,

*E. S. Walker*  
E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Roswell, New Mexico (3)  
Oil Conservation Commission ✓  
Santa Fe, New Mexico (1)

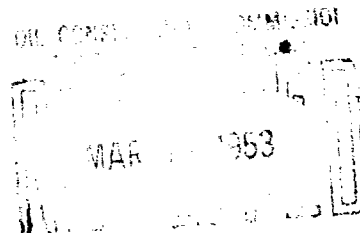
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GENERAL OFFICES  
120 BROADWAY, NEW YORK

**AMERADA PETROLEUM CORPORATION**  
BEACON BUILDING

P. O. BOX 2040  
TULSA 2, OKLA.

March 27, 1953



Re: Allison Unit Area  
San Juan County, New Mexico  
Archuleta and LaPlata Counties,  
Colorado  
I - Sec. No. 752

Mr. E. S. Walker  
Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Dear Sir:

Supplementing our letter of March 3, 1953 there is submitted for your consideration and approval the original and five (5) copies of a plan of further development for the Allison Unit Area covering the period ending December 31, 1953. We believe that the plan submitted is reasonable and justified in view of the conditions and circumstances outlined therein.

If such plan is acceptable we ask that you please note your approval in the space provided and, if necessary, also secure approval by the Oil Conservation Commission and return the original and four (4) copies to this office for filing with the Supervisor, United States Geological Survey. When approved by the Geological Survey your office will be furnished with a fully executed and approved copy thereof.

We respectfully request your early consideration and approval of this plan of development.

Very truly yours,

A handwritten signature in cursive script, appearing to read "F. W. Hulsizer".

F. W. Hulsizer  
Land Department

FWH:vp  
Encls.

cc: United States Geological Survey  
Roswell, New Mexico

Oil Conservation Commission  
Santa Fe, New Mexico

GENERAL OFFICES  
120 BROADWAY, NEW YORK

**AMERADA PETROLEUM CORPORATION**  
BEACON BUILDING

P. O. BOX 2040  
TULSA 2, OKLA.

March 3, 1953

Re: Allison Unit Area  
San Juan County, New Mexico  
Archuleta and LaPlata  
Counties, Colorado  
I - Sec. No. 752

Mr. E. S. Walker  
Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Dear Sir:

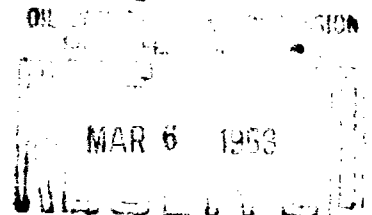
In answer to your letter of February 17, 1953, wherein you requested information concerning the captioned unit, you are advised that, pursuant to the terms of an operating agreement between the members to the Allison Unit and the El Paso Natural Gas Company, three small gas wells have been completed on the unit area as follows:

Unit Well No. 2, located 1650' from South Line and 990' from West Line, Section 17-32N-6W, was drilled to the total depth of 5904'. On completion test, August 25, 1952, this well made 1532 MCF/day. Completion data filed with your office September 9, 1952;

Unit Well No. 3, located 1650' from South Line and 990' from West Line, Section 14-32N-7W, was drilled to the total depth of 6314'. On completion test, October 26, 1952, this well made 3000 MCF/day. Completion data filed with your office January 30, 1953;

Unit Well No. 4, located 990' from South Line and 990' from West Line, Section 11-32N-7W, was drilled to the total depth of 5985'. On completion test, September 18, 1952, this well made 1100 MCF/day.

These wells are presently shut-in due to the fact that no gas line facilities are available in the area.





Page 2  
Mr. E. S. Walker  
March 3, 1953

The above drilling program was completed by El Paso on October 26, 1952. Pursuant to the terms of Section 9 of the Allison Unit Agreement the operator is required to file for approval a plan of further development on or before six months from such date. Accordingly there is presently being circulated for approval by the unit members a plan of further development for the Allison Unit Area for the period ending December 31, 1953. When executed by all of the unit members such plan will be filed with your office for approval.

Very truly yours,



F. W. Hulsizer  
Land Department

FWH:vp

cc: U. S. Geological Survey  
Roswell, New Mexico

Oil Conservation Commission  
Santa Fe, New Mexico

Case 224

February 17, 1953

Re: Allison Unit Agreement  
San Juan County, New Mexico,  
LaPlata and Archuleta  
Counties, Colorado

C  
O  
P  
Y

Mr. F. W. Sulzger  
Amerasia Petroleum Corporation  
Mercon Building  
P.O. Box 2040  
Tulsa 2, Oklahoma

Dear Sir:

Our records reveal that a six month extension was granted to the Amerasia Petroleum Corporation from April 26, 1952 within which to comply with further drilling requirements of Section 8 of the Allison Unit Agreement. The extension expired on October 26, 1952, and we have had no notice ascertaining whether or not provisions of the Unit Agreement have been complied with. Please inform our office as to the present status of this Unit Agreement.

Upon receipt of a report from your office we will proceed to post our records accordingly.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

cc: U.S. Geological Survey  
Roswell, New Mexico (3)  
Oil Conservation Commission  
Santa Fe, New Mexico (1)

et

GENERAL OFFICES  
120 BROADWAY NEW YORK

AMERADA PETROLEUM CORPORATION

BEACON BUILDING  
P. O. BOX 2040  
TULSA 2, OKLA.

August 30, 1950

Re: Allison Unit Area  
San Juan County, New Mexico  
Archuleta and LaPlata  
Counties, Colorado

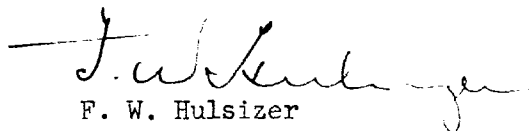
New Mexico Oil Conservation Commission  
State Capitol Building  
Santa Fe, New Mexico

Gentlemen:

On August 22, 1950 the Unit Agreement for the development and operation of the Allison Unit Area was approved by the Acting Commissioner of Indian Affairs and by the Acting Director of the United States Geological Survey. This Agreement has been designated I - Sec. No. 752.

In compliance with the order of the Commission, dated June 14, 1950, Case No. 224, Order No. R-24, we submit an executed counterpart of the Allison Unit Agreement.

Very truly yours,

  
F. W. Hulsizer  
Land Department

FWH:vp  
Encl.

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Tribal Land Mineral Leasing Act approved May 11, 1938 (52 Stat. 347, 25 U.S.C. 396A, et seq.), as to certain restricted Tribal Indian land and delegated to the Commissioner of Indian Affairs by Departmental Order 2508 of January 11, 1949 (14 Fed. Reg. 258-260).

Pursuant to the authority vested in the Secretary of the Interior as to Federal lands, the Act of February 25, 1920 (41 Stat. 457, 30 U.S.C. Sec. 181) as amended by the Act of August 8, 1946 (60 Stat. 950, 30 U.S.C. 181) and the Act of August 7, 1947, 61 Stat. 913, delegated to the Director of the United States Geological Survey by Departmental Order No. 2365 dated October 8, 1947, 12 F.R. 6784, 43 C.F.R. Sec. 4.611, we do hereby:

A. Approve the attached agreement for the development and operation of the Allison Unit Area, San Juan County, New Mexico, and LaPlata and Archuleta Counties, Colorado, dated November 15, 1949;

B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area;

C. Approve the unit agreement subject to the condition that, as to restricted Tribal Indian Land subject to the agreement, the Act of May 11, 1938 (52 Stat. 347), and all pertinent regulations heretofore or hereafter issued thereunder shall be applicable to such land.

D. Certify and determine that the drilling, producing, rental and royalty provisions of the Indian lease committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement;

E. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Attest:  
AUG 22 1950

*H. M. Britton*  
Acting Commissioner of Indian Affairs

Attest: AUG 22 1950

*Sheldon S. Nelson*  
Acting Director, U. S. Geological Survey

312 North Sixth  
Albuquerque, New Mexico  
June 20, 1950

Mr. R. R. Spurrier  
State of New Mexico  
Oil Conservation Commission  
P. O. Box 371  
Santa Fe, New Mexico

Dear Mr. Spurrier:

In regard to your letter of June 15, 1950, to furnish a copy of the transcript of the hearing held on June 14 (Case No. 224) to J. O. Seth, I would appreciate it if you would send me one of the copies of the transcript that I left in the office.

I checked some of the figures and facts in my notes with the exhibits, and I would want to try to be sure that the copy which I sent him was accurate.

Please do not have this copied to send to me. I will make my copy the same day I receive it and return yours to you. While I am at it, I would make an extra copy for you without any additional charge. I believe one of the other gentlemen at the meeting asked Betty Wistrand for one of the copies, so if that runs you short, I will send you another.

Sincerely,

*Margaret Powell*

(Mrs.) Margaret Powell

*Sent -  
Registered mail  
6-20-50*

Case  
224

June 15, 1950

Mrs. Margaret Powell  
312 North 6th Street  
Albuquerque, New Mexico

Dear Mrs. Powell:

Will you kindly send a copy of the transcript of the hearing held  
at Santa Fe, New Mexico, on June 14 (Case No. 224) to:

J. O. Seth  
111 E. San Francisco  
Santa Fe, New Mexico.

Thank you.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrer  
Secretary-Director

RRS:bw

June 14, 1950

**REGISTERED MAIL**

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer 5ye  
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, copy of transcript of record, in connection with  
the hearing held in Santa Fe, New Mexico, June 14, 1950.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

June 14, 1950

Mr. Roy Yarbrough  
Oil Conservation Commission  
P. O. Box 1545  
Hobbs, New Mexico

Dear Mr. Yarbrough:

We enclose herewith, copy of transcript of record, in connection with  
the hearing held in Santa Fe, New Mexico, June 14, 1950.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RSS:bw  
encl.



June 14, 1950

Mr. Al Greer  
Box 337  
Asteo, New Mexico

Dear Mr. Greer:

We enclose herewith, copy of transcript of record, in connection with the hearing held in Santa Fe, New Mexico, on June 14, 1950.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

June 14, 1950

Mr. Al Greer  
Box 337  
Asted, New Mexico

Dear Mr. Greer:

We enclose herewith, signed copy of Case No. 224, Order No. R-24,  
issued in connection with the hearing of June 14, 1950.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

June 14, 1950

REGISTERED MAIL

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer Eye  
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, signed copy of Case No. 224, Order No. R-24,  
issued in connection with the hearing of June 14, 1950.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

STATE LAND OFFICE  
SANTA FE, NEW MEXICO

September 14, 1949

Amerada Petroleum Corporation  
Beacon Building  
Post Office Box 2040  
Tulsa 2, Oklahoma

Attention of Mr. F. W. Hulsizer

In Re: Proposed Allison Unit  
Agreement - San Juan County,  
New Mexico, etc.  
Received September 6, 1949

Gentlemen:

I have examined the proposed unit agreement mentioned in the caption above and the application submitted therewith under date of September 2, 1949.

Since you have apparently followed the Federal form, it is indicated that you have not been fully advised as to State of New Mexico's requirements in such matters. By reason of certain important omissions, the Commissioner of Public Lands feels himself unable to give a preliminary approval of the submitted proposal and makes the following suggestions for insertions to bring the proposed agreement in line with similar projects heretofore approved:

1. Following the second WHEREAS on Page 1 insert the following:

"WHEREAS the Commissioner of Public Lands of the State of New Mexico is authorized by an act of the Legislature (Ch. 88, N.M. Laws 1943) to consent to or approve this agreement on behalf of the State of New Mexico insofar as it covers and includes lands and mineral interests of the State of New Mexico, and

"WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an act of the Legislature (Ch. 72, N.M. Laws of 1935 as amended by Ch. 168, N.M. Laws of 1949) to approve this agreement and the conservation provisions thereof;"

September 14, 1949

2. Under Section 2 entitled UNIT AREA on Page 3, 1st paragraph thereof following the words "Oil and Gas Supervisor" add the following: "and two copies with the Commissioner of Public Lands and Oil Conservation Commission respectively."

3. Paragraph (a), Section 2, Page 3, after the word "Director" insert the following: "or on demand of the New Mexico Commissioner of Public Lands."

4. Paragraph (b), Section 2, Page 3, after the words "referred to a Supervisor" add the following: "and Commissioner";

5. Paragraph (c), Section 2, Page 3, after the word "Supervisor" insert the following: "and Commissioner";

6. Paragraph (d), Section 2, Page 3, after the word "Supervisor" insert the following: "and Commissioner";

7. Under Section 4, entitled UNIT OPERATOR following the word "Director" in the 5th line of the second paragraph insert the following: "and Commissioner";

8. Under Section 5, entitled SUCCESSOR UNIT OPERATOR on line 13 thereof, Page 5, after the word "Director" add "and Commissioner"; On line 14, after the word "Director" insert "and the Commissioner" and change the word "his" to "their."

9. Under Section 6, entitled UNIT ACCOUNTING AGREEMENT, top of Page 6, strike the period after the last word "Supervisor" and add "and one true copy with the Commissioner."

10. Under Section 7, entitled RIGHTS AND OBLIGATIONS OF UNIT OPERATOR, Page 6, Line 5 after "herein provided" usually has been inserted the substance of taking in kind and individual market, etc. which is agreeably taken care of by your Section 7 (a) following.

11. Under Section 8, entitled DRILLING TO DISCOVERY, Page 7, Line 8 after the word "Supervisor" insert the following: "as to Federal lands, and the Commission as to wells on State or patented lands."

In the same Section 8 on Line 14 after the word "Supervisor" insert "if on Federal lands and the Commission if on State or patented lands."

Same Section 8, Page 7, Line 20 after the word

COPY

"Director" insert "and the Commissioner"; likewise, on line 23 after the word "Director" insert "and the Commissioner";

On Page 8 same Section 8, Line 2, after the word "Supervisor" insert "the Commissioner and the Commission"; Line 3, Page 8, after the word "Supervisor" insert "the Commissioner and the Commission"; Line 7, Page 8, after the word "Supervisor" insert "the Commissioner and the Commission"; Line 12, after the word "Supervisor" insert "the Commissioner and the Commission"; Line 19 after the word "Supervisor" strike the period and add "the Commissioner and the Commission"; Line 23 after the word "Supervisor" insert "and the Commissioner"; Line 28 after the word "agreement" insert "or such as may be specifically approved by the Supervisor and the Commissioner."

12. Section 10, entitled PARTICIPATION AFTER DISCOVERY, bottom of Page 8 on the 3rd line after the word "Supervisor" insert "and the Commissioner."; on Line 4 after the word "Director" insert the words ", the Commissioner and the Commission"; same section, Page 9 on the 3rd line after the word "Director" insert "the Commissioner and the Commission"; 4th line from the bottom of Page 9, after the word "Director" insert "the Commissioner and the Commission"; Page 10, same section, Line 1 after the words "United States" insert "and the State of New Mexico"; Line 3, Page 10 after the words "Land Management" insert "and the Commissioner of Public Lands respectively"; Line 5, same section and page after the word "Federal" insert "or State"; Same section, Page 10, last paragraph being line 7 from top of page after the word "Supervisor" insert " as to wells on Federal lands, the Commissioner as to wells on State lands and the Commission as to patented lands."

13. Section 13 entitled ROYALTIES AND RENTALS, Page 11 on Line 6 after the word "Federal" insert "State or patented lands"; same Section 13 on Page 12 at end of paragraph after the words "consolidated lease" it is suggested that something like the following should be inserted:

" Unitized substances produced from any participating area and used therein in conformance with good operating practice for drilling, operating, camp, or other production or development purposes or under an approved plan of operation for repressuring or cycling said participating area, or for development outside of such participating area if for the purposes of drilling

COPY

September 14, 1949

exploratory wells or for camps or other purposes benefiting the unit as a whole, shall be free from any royalty or other charge except as to any products extracted from unitized substances so used. If Unit Operator introduces gas for which royalties have been paid into any participating area hereunder from sources other than such participating area for use in repressuring, stimulation of production, or increasing ultimate production in conformity with a plan first approved by the Supervisor and the Commissioner, a like amount of gas may be sold without payment of royalty as to dry gas but not as to the products extracted therefrom; provided, that gas so introduced shall bear a proportionate and equitable share of plant fuel consumption and shrinkage in the total volume of gas processed from such participating area; and provided further, that such withdrawal shall be at such time as may be provided in the plan of operation or as may otherwise be consented to by the Supervisor, the Commissioner and the Commission as conforming to good petroleum engineering practice; provided, however, that said right of withdrawal royalty free shall terminate upon termination of the unit agreement." (This may or may not be applicable to the particular area of the proposed unit.)

The same Section B, after the last paragraph thereof, it is suggested that the following be added:

"Each working interest owner and lessee presently responsible for the payment of rentals, or his successor in interest, shall be responsible for and shall pay all rentals of whatsoever kind on his respective lease. Rental or minimum royalty for land of the United States subject to this agreement shall be paid at the rate specified in the respective Federal leases or such rental or minimum royalty may be waived, suspended, or reduced to the extent authorized by law and applicable regulations. Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced or suspended upon the order of the Commissioner of Public Lands of the State of New Mexico pursuant to applicable laws and regulations." (This suggested paragraph is in part covered as to Federal lands may be satisfactorily covered by the preceding wording of the proposed agreement, but rentals due the State is omitted.)

September 14, 1949

14. In Section 15 entitled DRAINAGE, after the last word "Supervisor" strike the period and add "as to Federal lands, by the Commissioner for State lands, and the Commission as to patented lands."

15. In Section 16 entitled LEASES AND CONTRACTS CONFORMED TO AGREEMENT, on Page 12 on Line 2 thereof after the words "United States" insert "or of the State of New Mexico"; On Line 3 after the word "Director" insert "and the Commissioner respectively"; same line after the second word "Director" insert "and Commissioner"; change "his" to "their"; "does" to "do"; On the 9th line of section after the word "Director" insert "and Commissioner" change "his" to "their" insert "respective" add "s" to "approval." Same section top of Page 13 on Line 1 after the words "United States" insert "and of the State of New Mexico"; it is suggested that the following wording should be made to conform substantially to the following after the last indicated insertion:

"consent that the Director and the Commissioner respectively may, and said Director and Commissioner by their approval of this agreement do, establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of such leases and the regulations in respect thereto, to conform said requirements to the provisions of this agreement, but otherwise the terms and conditions of said leases shall remain in full force and effect."

16. Under Section 18 entitled EFFECTIVE DATE AND TERM on Page 13 in the 2nd, 3rd, and 9th lines after the word "Director" insert "and the Commissioner." After the word "Director" at the end of the section add the words "and the Commissioner."

17. With respect to Section 19 entitled RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION on Page 14, it is suggested that the section be redrafted to substantially conform to the following:

C O P Y



September 14, 1949

"All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director and Commissioner are hereby vested with authority to alter or modify from time to time, in their discretion after agreement, the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further that no such alteration or modification shall be effective as to any lands of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission."

18. With respect to Section 20 entitled DETERMINATIONS BY UNIT OPERATOR AND REVIEW THEREOF, Page 14 in the 4th line thereof after the word "Director" add "the Commissioner and the Commission"; in the 6th line after the word "Supervisor" add "and directly to the Commissioner and the Commission"; in the same line after the word "Director" insert "and the Commissioner"; in the 7th line after the word "incorrect" change "he" to "they"; in the 10th line after the word "Director" insert "the Commissioner"; in the same line after the words "or appeal to" strike the word "Secretary" and in lieu thereof insert the words "the Commission"; in line 11 strike the words "operating regulations" and insert "rules of the Commission"; in line 14 after the word "Director" insert "and the Commissioner"; in line 17 strike the words "to the Secretary" and insert in lieu thereof the words "to the Commission"; in line 18 after the word "Director" insert the words "and the Commissioner"; in line 19 after the word "Director" insert "and the Commissioner"; in line 21 after the word "Director" insert "and the Commissioner"; in line 22 strike the word "Secretary" and insert in lieu thereof the word "Commission."

COPY

September 14, 1949

19. Ordinarily in unit agreements heretofore approved there is a section entitled CONFLICT OF SUPERVISION, the effect of which is to protect the unit operator if progress is delayed by failure of concurrence of representatives of the United States and of the State of New Mexico. ~~to occur~~. Such a section includes an agreement by all parties, including the New Mexico Oil Conservation Commission, agreeing that all powers and authority vested in the Commission by provisions of the contract are actually vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as now or hereafter may be provided by the laws of the State of New Mexico.

20. Section 22 entitled COUNTERPARTS on Page 15, line 6 after the word "Director" insert "and Commissioner"; in line 7 thereof after the word "Supervisor" insert the words "and Commissioner"; also in line 8 after the word "Director" insert the words "and Commissioner."

21. Section 24 entitled LOSS OF TITLE on Page 15 in the 8th line after the word "Federal" insert "and State"; on the 9th line after the words "United States" insert "or the State of New Mexico"; in the 10th line thereof after the words "Land Management" insert "and the Commissioner of Public Lands of the State of New Mexico respectively."

22. It is suggested for your further consideration that some lately approved unit agreements include a section expressly stating that the agreement is not a partnership, but the relation of the parties is that of independent contractors. This sort of a section tends to support your Section 7 (a).

I have written you at length as a matter of saving time in securing the future approval of an acceptable unit agreement. It occurs to me that since the State of Colorado may be concerned that some sort of a statement should be made to the effect that New Mexico officials i.e. Commissioner of Public Lands and the New Mexico Oil Conservation Commission would not expect their requirements to be effective beyond

COPY

Page 8.  
Amerada Petroleum Corporation

September 14, 1949

New Mexico's boundaries. Any requirements the State of Colorado may have should in all probability be adjusted, otherwise such an agreement might be considered a compact between states.

Very truly yours,

GEORGE A. GRAHAM  
Attorney, State Land Office

GAG/mih  
cc. Oil Conservation Commission  
Santa Fe, N. M.

COPY

**AMERADA PETROLEUM CORPORATION**  
BEACON BUILDING

P. O. BOX 2040

**TULSA 2, OKLA.**

September 2, 1949

RE: Allison Unit Area  
San Juan County, New Mexico  
LaPlata and Archuleta Counties,  
Colorado  
W/2 Sec. 16-32N-6W State Lands  
E/2 Sec. 16-32N-7W)

Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Dear Sir:

In connection with the proposed unitization of the above area, we ask that you please refer to our letter of April 14, 1949 requesting preliminary approval of the above area for the inclusion and unitization of the above described State Lands.

In our letter, we submitted copy of geological report, showing the location and depth of the proposed test well, together with geological map and a land map outlining the unit area.

In further support of our application of April 14th, we submit copy of the Unit Agreement which we propose for the unitization of this area.

We believe that the area included is as nearly as possible, from all available information, accurately outlined, and that its structural feature justifies the drilling of a test well at the above location and to the depth set out in the geological report previously furnished.

We believe that unitization is necessary for the proper development and operation of this area in order that its possibilities for production may be fully evaluated. The unitization of leases in this area so as to enable drilling and production operations by a responsible operator should insure proper spacing of wells without regard to land subdivisions or lease lines, orderly developing and uniform withdrawals. The drilling of an exploratory well to the depth proposed is difficult and the cost high, and in the event of production of oil or gas, future operations will also be very expensive and demand the employment of modern engineering practices in order to secure the maximum recovery and insure proper conservation of vital resources.

Careful study of the unit agreement, particularly, with reference to paragraph 10 - Participation after Discovery, and paragraph 11 - Allocation of Production, will disclose that the State of New Mexico will receive its fair share of the oil and gas under the unitised land. Paragraph 13 - Royalties and Rentals provides for the payment of all rentals according to the rights established by underlying leases and royalties according to the proportion the acreage bears to the total acreage in the participating area to be established.

Upon receipt of preliminary approval of this unit, we will proceed with the details of unitization and secure the consent of each and every holder of rights or interests in any State Lands to the commitment of such interest.

We believe that the data submitted justifies the creation of this unit and shows conclusively that unitization is necessary and desirable in the public interest and in the best interest of the State of New Mexico.

It is our understanding of the special rules of procedure relating to unitization agreements as authorized by the provisions of Chapter 88, Session Laws 1943, that a filing fee of \$5.00 for each section, or fractional part thereof, is required when formal application is filed with the New Mexico Conservation Commission and request made for hearing.

We respectfully request your preliminary approval of this unit for the inclusion and unitization of the State Lands included therein.

Yours very truly,

AMERADA PETROLEUM CORPORATION

By J. W. Kurlander

FWH:ah  
cc: New Mexico Oil Conservation  
Commission

Case 229  
Applicant's Exhibit 2

February 16, 1949

RE: Allison Area  
San Juan County, New Mexico  
La Plata County, Colorado

Mr. E. E. McCollough  
Tulsa Office

Dear Sir:

The Allison area is located in Township 32 North, Ranges 6 and 7 West, San Juan County, New Mexico and Township 32 North, Ranges 6 and 7 West, La Plata County, Colorado. It lies in the north part of the San Juan basin, about 30 miles southeast of Durango, Colorado.

It is recommended that an area covering approximately 13,587 acres be unitized for the purpose of testing the structure known in this area for oil and gas. The enclosed map shows the outline of the area to be included in the proposed unit together with the structure contours.

The structural feature which is recommended for prospecting, is a broad, flat-topped anticline with a general northwest - southeast trend, and having a total closure of about 140 feet. This anticline was found by seismograph work and the structural control is based on an adequate number of correlated reflection datums, secured from profiles located at intervals of less than one mile. The datum level of mapping ranges from 850 to 800 feet below sea level or at a depth of approximately 7300 feet. This would place the datum horizon near the top of the Dakota sandstone as given in estimated depths below. The Wasatch formation is exposed on the surface throughout the Allison area, but no structural indications were obvious in this formation.

The tentative location for the first well is SW $\frac{1}{4}$  NW $\frac{1}{4}$  section 17, Township 32 North, Range 6 West, San Juan County, New Mexico, as shown on Map No. 1. The approximate elevation above sea level at this location is 6500 feet. The final location may vary some from this proposal dependent on a consideration of all pertinent information available at the time the location is made.

The estimated depth to and thickness of the several recognizable formations to the basement complex are as follows:

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	<u>Depth to top</u>	<u>Probable Thickness</u>
Wasatch formation on surface		1000'
Terrejon and Purree formations )	1000	1800
Anima formation )		
McDermott formation	2800	200
Kirtland shale	3000	600
Fruitland formation	3600	400
Pictured Cliffs Sandstone	4000	300
Lewis Shale	4300	2000
Mesaverde group	6300	400
Mancos shale	6700	1800
Dakota sandstone	8500	300
Morrison formation	8800	1000
Jurassic formation	9800	480
Triassic formation	10250	1000
Cutler & Rico formation	11250	1500
Hermosa formation	12750	2000
Molas formation	14750	200
Leadville & Ouray limestone	14950	200
Elbert formation	15100	150
Ignacio quartzite	15250	200
Pre-Cambrian complex	15450	

It is recommended that a well, as located above, be drilled sufficiently deep to test the Dakota Sand or to 9000 feet whichever is reached first. In the drilling of a well to such depth, the following horizons productive in the San Juan basin and adjacent areas will be penetrated:

	<u>Estimated Depth</u>
Farmington Sand	3000'
Pictured Cliffs Sand	4000'
Point Lookout Sand	6300'
Dakota Sand	8500'

In summary the Allison area is one where an anticlinal structure is known having a minimum of 140 feet of closure, which is regarded as favorable for oil and gas accumulation. It is underlain by formations which have been commercial producers of oil and gas elsewhere in the San Juan basin. Therefore, it is a good prospect for exploration and it should be unitized in order that the productive possibilities of the area may be fully exploited.

Yours very truly,

  
 John L. Ferguson  
 Senior Geologist

JLF:mer  
 Enclosure - Map No. 1