

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

December 1, 1965

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

Attention: Mr. T. W. Bittich

Gentlemen:

Your notice of August 30, 1965, advises that El Paso Natural Gas Company, as unit operator of the Huerfano unit area, San Juan County, New Mexico, has determined unit well No. 89 to be incapable of producing unitized substances in paying quantities from the Mesaverde formation.

Unit well No. 89, in the NW $\frac{1}{4}$ sec. 23, T. 27 N., R. 9 W., was completed on June 17, 1965, for an initial calculated absolute open flow potential of 166 MCF/D from the Mesaverde formation 4,514 to 4,642 feet.

This office concurs with your determination that unit well No. 89 is incapable of producing unitized substances in paying quantities.

Sincerely yours,

(Signature) ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy appd. notice)
Farmington (w/cy appd. notice)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)
Accounts

OIL CONSERVATION COMMISSION

P. O. [REDACTED] BOX 2028
SANTA FE, NEW MEXICO

286

October 14, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: Second, Third and Fourth
Expanded Participating
Areas, Mesaverde Formation,
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil
Conservation Commission has this date approved the Second,
Third, and Fourth Expanded Participating Areas, Mesaverde
Formation for the Huerfanito Unit, San Juan County, New
Mexico.

Seven approved copies are being forwarded to
the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

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MAIN
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October 13, 1965

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

Re: Huerfanito Unit
San Juan County, New Mexico
Second, Third and Fourth
Expanded Participating Areas
Mesaverde Formation

Attention: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has approved as of October 13, 1965, the Second, Third and Fourth Expanded Participating Areas, Mesaverde Formation, for the Huerfanito Unit, San Juan County, New Mexico. Our approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing eight (8) approved copies to the Oil Conservation Commission and requesting that they in turn forward seven (7) copies to the United States Geological Survey for their consideration.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

MMR/e
cc: United States Geological Survey
Oil Conservation Commission

C
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286

October 14, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: Second, Third and Fourth
Expanded Participating
Areas, Mesaverde Formation,
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Second, Third, and Fourth Expanded Participating Areas, Mesaverde Formation for the Huerfanito Unit, San Juan County, New Mexico.

Seven approved copies are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

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El Paso Natural Gas Company

El Paso, Texas

SEP 8 1965

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

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, 1 Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND, THIRD AND FOURTH EXPANDED
PARTICIPATING AREAS for the Mesaverde
Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Second, Third and Fourth Expanded Participating Areas for the Mesaverde Formation, to wit:

Second Revision - Effective October 1, 1964

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-26-N, R-9-W, N.M.P.M.</u> Section 1: Lots 1, 2, S/2 NE/4, SE/4 (E/2)	320.06

This proposed Second Expanded Participating Area for the Mesaverde Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Navajo Indian No. 6 (MD) Well located

in the NW/4 of Section 6, Township 26 North, Range 8 West, N.M.P.M., San Juan County, New Mexico.

The Navajo Indian No. 6 (MD) Well was spudded on August 25, 1964, and completed on October 22, 1964, at a total depth of 6,600' and plugged back to a total depth of 6,564'. The Mesaverde Formation in the intervals between 4182' - 4191'; 4224' - 4234'; 4241' - 4244'; 4257' - 4261'; 4267' - 4276' and 4281' - 4290' was treated with a sand-water fracturing process. After being shut-in for fifteen (15) days, the Mesaverde Formation was tested on October 22, 1964, and following a three (3) hour blow-down period gauged 7,571 MCFGPD through a 3/4" choke and 11,996 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1,082 psig.

The Navajo Indian No. 6 (MD) Well is located on acreage offsetting the Huerfanito Unit.

Third Revision - Effective December 1, 1964

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 25: W/2	320.00
Section 26: All	640.00
Section 36: W/2	320.00
TOTAL	<u>1,280.00</u>

This proposed Third Expanded Participating Area for the Mesaverde Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit No. 79 (MD) Well located in the NE/4 of Section 26, Township 27 North, Range 9 West and the Navajo No. 2-25 (MD) Well located in the NE/4 of Section 25, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit No. 79 (MD) Well was spudded on October 15, 1964, and completed on November 28, 1964, at a total depth of 6,812'. The Mesaverde Formation in the intervals between 4374' - 4383'; 4389' - 4406'; 4421' - 4432'; 4444' - 4450'; 4455' - 4461'; and 4471' - 4488' was treated with a sand-water fracturing process on November 15, 1964. After being shut-in for ten (10) days, the Mesaverde Formation was tested on December 4, 1964, and following a three (3) hour blow-down period gauged 6,483 MCFGPD through a 3/4" choke and 8,835 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1,085 psia and a SIPT of 1,084 psia.

The Navajo No. 2-25 (MD) Well was spudded on October 29, 1964, and completed on December 11, 1964, at a total depth of 6,755' and plugged back to a total depth of 6,722'. The Mesaverde Formation in the intervals between 4390' - 4410'; 4428' - 4436' and 4439' - 4441' was treated with a sand-water fracturing process. After being shut-in for seven (7) days, the Mesaverde Formation was

tested on December 4, 1964, and following a three (3) hour blow-down period gauged 3,536 MCFGPD through a 3/4" choke and 3,978 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1,057 psia and a SIPT of 1,054 psia.

The Navajo No. 2-25 (MD) Well is located on acreage offsetting the Huerfanito Unit.

Fourth Revision - Effective May 1, 1965

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 23: E/2	320.00
Section 35: E/2	320.00
<u>T-26-N, R-9-W, N.M.P.M.</u>	
Section 1: W/2	320.18
Section 2: E/2	320.35
TOTAL	<u>1,280.53</u>

This proposed Fourth Expanded Participating Area for the Mesaverde Formation is predicated upon the knowledge and information first obtained upon completion in paying quantities of the Huerfanito Unit No. 88 (MD) Well located in the NE/4 of Section 23, Township 27 North, Range 9 West, and the Huerfanito Unit No. 87 (MD) Well located in the SW/4 of Section 1, Township 26 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit No. 87 (MD) Well was spudded on March 31, 1965, and completed on April 22, 1965, at a total depth of 6,583'. The Mesaverde Formation in the intervals between 4240' - 4256' and 4266' - 4274' was treated with a sand-water fracturing process on April 21, 1965. After being shut-in for fifteen (15) days, the Mesaverde Formation was tested on May 10, 1965, and following a three (3) hour blow-down period gauged 8,150 MCFGPD through a 3/4" choke and 12,918 MCFGPD by the calculated absolute open-flow method, with a SIPC of 673 psia and a SIPT of 777 psia.

The Huerfanito Unit No. 88 (MD) Well was spudded on April 17, 1965, and completed on May 4, 1965, at a total depth of 6,772'. The Mesaverde Formation in the intervals between 4400' - 4416' and 4430' - 4446' was treated with a sand-water fracturing process on May 2, 1965. After being shut-in for thirteen (13) days, the Mesaverde Formation was tested on May 25, 1965, and following a three (3) hour blow-down period gauged 2,610 MCFGPD through a 3/4" choke and 2,767 MCFGPD by the calculated absolute open-flow method, with a SIPC of 225 psia.

In support of these applications, the following Exhibits are made a part hereof:

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Second, Third and Fourth Expanded Participating Areas for the Mesaverde Formation.

EXHIBIT "B"

Geologic Report on the proposed Second, Third and Fourth Expanded Participating Areas of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

Attached hereto are Schedules III, IV and V showing the lands entitled to participation in the unitized substances produced from the Mesaverde Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Second, Third and Fourth Expanded Mesaverde Participating Areas meet with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:GA:kf

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

APPROVED: Newton B. Sany
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: October 13, 1965

APPROVED: W. H. Carter
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: Oct 14, 1965

The foregoing approvals are for the Second, Third and Fourth Expanded Participating Areas for the Mesaverde Formation, effective October 1, 1964, December 1, 1964 and May 1, 1965, respectively, under the Huerfanito Unit, 1 Sec. No. 943, San Juan County, New Mexico.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
Box 547
Kailua, Hawaii 96734

Continental Oil Company
P. O. Box 3312
Durango, Colorado
Attention: Mr. H. D. Haley

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
8202 Emberwood Drive
Austin, Texas 78758

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Rd.
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas

HUERFANITO UNIT
Working Interest Owners (Page 2)

Standard Oil Company of Texas (Info only)
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas, Texas



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1357
Roswell, New Mexico 88201

IN REPLY REFER TO:

MAIN OFFICE

PH 1
65 OCT 6

October 4, 1965

286

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

Attention: Mr. Sam Smith

Gentlemen:

Your supplemental plan of development dated July 23, 1965, for the Huerfanito unit area, San Juan County, New Mexico, proposing the drilling of four single completion Dakota wells and four dual Dakota-Mesaverde wells, has been approved on this date. The Commissioner of Public Lands and New Mexico Oil Conservation Commission approved the plan on August 6 and August 11, 1965, respectively.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG.SGD.) J. W. SUTHERLAND

JAMES W. SUTHERLAND
Acting Oil and Gas Supervisor

cc:

Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC-Santa Fe (ltr. only) ✓
Com. of Public Lands-Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

September 7, 1965

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

Attention: Mr. T. W. Bittick

Re: Ninth Expanded Dakota
Participating Area, Huerfanito
Unit, San Juan County, New
Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Ninth Expanded Participating Area of the Dakota Formation for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey - Roswell

Commissioner of Public Lands - Santa Fe

September 1, 1965

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

In RE: HUERFANITO UNIT
San Juan County,
New Mexico

Att: Harry Gevertz

Gentlemen:

The Commissioner of Public Lands approves as of September 1, 1965, the Ninth Expanded Participating Area of the Dakota Formation for the Huerfanito Unit subject to like approval by the United States Geological Survey.

The Ninth Participating area becomes effective as of May 1, 1965, and is predicated on Wells No. 87 and 88.

We are handing eight (8) copies to the Oil Conservation Commission, and requesting them to forward seven (7) copies to the United States Geological Survey for their handling.

Very truly yours,

GUYTON B. HAYS,
Commissioner of Public Lands

By

TED BILBERRY, Director,
Oil and Gas Department

GBH/TB/MMR/1

Enclosure

w/cc to:

Oil Conservation Commission
United States Geological Survey

C
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El Paso Natural Gas Company

El Paso, Texas

August 30, 1965

SEP 9 AM 11 '65

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

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL in the Mesaverde
Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on September 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, has determined that the following described well is not capable of producing unitized substances in paying quantities from the Mesaverde Formation, to wit:

The Huerfanito Unit No. 89 (MD) Well, located 1500' from the South line and 1100' from the West line of Section 23, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, was spudded on May 1, 1965, and completed on May 23, 1965, at a total depth of 6911'. The Mesaverde Formation in the intervals between 4514' - 4522'; 4559' - 4567' and 4613' - 4621' was treated with a sand-water fracturing process. The Mesaverde Formation was shut-in for gauge on June 9, 1965, and after being shut-in for eight (8) days, the Mesaverde Formation was tested on June 17, 1965, and following a three (3) hour blow-down period gauged 139 MCFGPD through a 3/4" choke and 166 MCFGPD AOF with a SIPC of 1063 psia and a SIPT of 441 psia.

If this determination meets with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

El Paso Natural Gas Company

El Paso, Texas

August 30, 1965

65 SEP 9 AM 11:13

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

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL in the Mesaverde
Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on September 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, has determined that the following described well is not capable of producing unitized substances in paying quantities from the Mesaverde Formation, to wit:

The Huerfanito Unit No. 89 (MD) Well, located 1500' from the South line and 1100' from the West line of Section 23, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, was spudded on May 1, 1965, and completed on May 23, 1965, at a total depth of 6911'. The Mesaverde Formation in the intervals between 4514' - 4522'; 4559' - 4567' and 4613' - 4621' was treated with a sand-water fracturing process. The Mesaverde Formation was shut-in for gauge on June 9, 1965, and after being shut-in for eight (8) days, the Mesaverde Formation was tested on June 17, 1965, and following a three (3) hour blow-down period gauged 139 MCFGPD through a 3/4" choke and 166 MCFGPD AOF with a SIPC of 1063 psia and a SIPT of 441 psia.

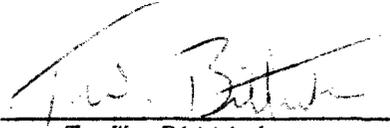
If this determination meets with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

Copies of this letter are being sent to the Commissioner of Public Lands of the State of New Mexico, the Oil Conservation Commission of the State of New Mexico, and the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Assistant Manager
Land Department

TWB:GA:rr
Attachment

Huerfanito 4.2.1

HUERFANO UNIT
Working Interest Owners - All Formations

SEP 9 AM 11 50

B & M Construction Corporation
2720 Classen, Corbyn Building
Oklahoma City, Oklahoma

Benson-Montin-Greer Drilling Corporation
2808 First National Building
Oklahoma City, Oklahoma

Brookhaven Oil Company
P. O. Box 1267
Scottsdale, Arizona

Barbara Ann McConnell Bruss
Box 547
Kailua, Hawaii

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 3312
Durango, Colorado

Edward C. & Hulda Evensen (2)
739 Haight Street
San Francisco 17, California

Mr. Albert R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Mrs. Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Vincent B. Hamilton
815 First Avenue, SE
Hamton, Iowa

Hannett, Hannett & Cornish (not W/I)
Attorneys at Law
515 First National Building
Albuquerque, New Mexico

Bernice Jeffs
P. O. Box 51
Gorman, Texas

Frank S. Kelly, Jr.; J. C. Smith; (not W/I)
Wm H. McCartney & Robert L. Breedlove
Oil & Gas Building, P. O. Box 1775
Shreveport, Louisiana

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas, Texas

Oil & Gas Property Management, Inc.
6th Floor, C & I Life Building
Houston, Texas 77002

Mr. O. J. Lilly
1806 Pompton Drive
Austin, Texas 78758

Mrs. Marjorie Lundean
One West 67th Street
New York 23, New York

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Mr. J. W. McConnell, Jr.
600 North Broadway
Hobart, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Pan American Petroleum Corporation
Attention: Mr. T. M. Curtis (7)
P. O. Box 480
Farmington, New Mexico

Mr. E. H. Pipkin
P. O. Box 1174
Roswell, New Mexico

Joseph Seagram & Sons, Inc. (2)
Attention: Outside Operations
Box 747
Dallas 21, Texas

Sinclair Oil & Gas Company (3)
Attention: Mr. S. K. Van Steenberg
501 Lincoln Tower Building
Denver, Colorado 80203

Sunset International Petroleum Corp.
Sunset International Building
8920 Wilshire Boulevard
Beverly Hills, California 90211

HUERFANO UNIT
Working Interest Owners - All Formations

-2-

Sunland Refining Corporation
P. O. Box 1512
Fresno 16, California

Tamanaco Oil Corporation
1409 Mesilla, NE
Albuquerque, New Mexico

Tenneco Oil Comapny
Attention: Mr. R. E. Siverson
P. O. Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Union Texas Petroleum
A Division of Allied Chemical Corp.
P. O. Box 2120
Houston 1, Texas

Union Texas Petroleum
A Division of Allied Chemical Corp.
Attention: Mr. Wm. M. Brodrick
Suite B-400, 1740 Broadway
Denver 2, Colorado

Mr. Wm G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Dr. Sherman Wengerd
1044 Stanford Drive, NE
Albuquerque, New Mexico

Consolidated Oil & Gas Inc.
4150 East Mexico Avenue
Denver, Colorado 80222

APPROVED: _____
United States Geological Survey

DATE: _____

For non-commercial determination of the Huerfanito Unit No. 89 (MD) Well,
Mesaverde Formation.

Information copy to:

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

MAIN OFFICE 0000

'65 AUG 19 AM 7

August 17, 1965

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

Re: Huerfanito Unit
San Juan County,
New Mexico

Dear Sir:

We are enclosing for your approval ten (10) copies of Application for Approval of the Ninth Expanded Participating Area of the Dakota Formation covering the captioned Unit.

If this Expansion meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After this Expansion has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After this Expansion has been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,


Harry Gevertz
Regional Landman
Land Department

HG:GA:kf
Enclosures

Huerfanito, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

COPY

El Paso Natural Gas Company
El Paso, Texas

MAILED
AUG 18 1965

August 16, 1965

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit
San Juan County, New Mexico
1965 DRILLING PROGRAM

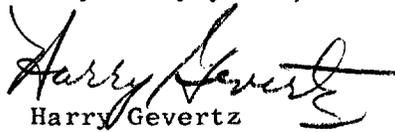
Gentlemen:

This is to advise that the captioned Drilling Program for the Huerfanito Unit was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - June 2, 1965
2. Commissioner of Public Lands - May 11, 1965
3. Oil Conservation Commission - August 9, 1965

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kf

Huerfanito, 3.0

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

286

August 10, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: Supplemental 1965 Drilling
Program, Huerfanito Unit,
San Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation has this date approved the Supplemental 1965 Drilling Program for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the program are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

C
O
P
Y

MAIL ROOM

9 AUG 1965

August 6, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: Huerfanito Unit
San Juan County
New Mexico

Attention: Mr. Harry Gevertz

Gentlemen:

The Commissioner of Public Lands has approved as of August 4, 1965, the Supplemental 1965 Drilling Program for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the U.S.G.S..

We are handing eight copies of this program to the O.C.C. and request that they forward seven copies to the U.S.G.S. for further handling.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

By:

(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH:FB:MMR:cc

cc: N. M. Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

U. S. Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

July 23, 1965

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

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

Re: Huerfanito Unit, 1 Sec. No. 943
San Juan County, New Mexico
SUPPLEMENTAL 1965 DRILLING PROGRAM

JUL 26 10 13 AM '65
STATE OF N.M.
SANTA FE, N.M.

Gentlemen:

On April 14, 1965, El Paso Natural Gas Company, as Unit Operator, filed the Huerfanito Unit Drilling Program for 1965 calling for the drilling of five (5) dual Mesaverde-Dakota wells, which program was approved by the Commissioner of Public Lands on May 11, 1965, by the United States Geological Survey on June 2, 1965 and we are awaiting the approval of the Oil Conservation Commission. The Drilling Program advised that additional wells were being considered and when all working interest owners had agreed on such additional wells, a supplemental Drilling Program would be submitted for your approval.

Pursuant to Section 9 of the Huerfanito Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of this Supplemental Drilling Program for the calendar year of 1965 providing for the drilling of the following additional wells:

<u>Location</u>	<u>Formation</u>
N/2 Section 10, T-26-N, R-9-W	Dakota
N/2 Section 11, T-26-N, R-9-W	Dakota
E/2 Section 28, T-27-N, R-9-W	Dakota

<u>Location</u>	<u>Formation</u>
S/2 Section 33, T-27-N, R-9-W	Dakota
W/2 Section 23, T-27-N, R-9-W	Mesaverde-Dakota
NE/4 Section 1, T-26-N, R-9-W	Mesaverde-Dakota
N/2 Section 12, T-26-N, R-9-W	Mesaverde-Dakota
S/2 Section 12, T-26-N, R-9-W	Mesaverde-Dakota

The S/2 of Section 12, Township 26 North, Range 9 West is scheduled as a Mesaverde-Dakota well, however, this well will not be drilled until after the N/2 of Section 11 and the N/2 of Section 12, Township 26 North, Range 9 West have been drilled and, if the Mesaverde Formation is not well developed in these two locations, the S/2 of Section 12 will be drilled as a Dakota well. Additionally, if any of the above wells scheduled as Dakota wells have a well-developed Mesaverde Formation, then the well will be dually completed as a Mesaverde-Dakota well.

El Paso Natural Gas Company intends to drill the Dakota wells to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run if necessary, through the Pictured Cliffs Formation to a depth of approximately 3200', and then a production casing string will be run and cemented to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the dual Mesaverde-Dakota wells to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run, if necessary, through the Pictured Cliffs Formation to a depth of approximately 3200', and then a production string casing will be run to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. A bridging plug will be used to separate the Mesaverde from the Dakota Formation and the Mesaverde Formation will be selectively perforated and subjected to a hydraulic fracturing process. A production packer will be run on tubing with the Dakota producing through the tubing and the Mesaverde producing through the casing. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this supplemental Drilling Program reflects at this time and insofar as possible, their desires for additional drilling and El Paso Natural Gas Company, as Unit

Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this supplemental Drilling Program is acceptable, please signify your approval as required under Section 9 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By: 
Sam Smith, Manager
Land Department

SS:GA:kf

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: Newton B. Sharp
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: Aug 6, 1965

APPROVED: A. H. Turner
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: 8-11-65

The foregoing approvals are for the Huerfanito Unit, 1 Sec. No. 943, 1965
Supplemental Drilling Program, San Juan County, New Mexico

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas 75202

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
Box 547
Kailua, Hawaii 96734

Continental Oil Company
P. O. Box 3312
Durango, Colorado
Attention: Mr. H. D. Haley

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
8202 Emberwood Drive
Austin, Texas 78758

Mr. Jack London, Jr.
c/o Bilinda Petroleum
2805 First National Buidlign
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Rd.
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas

HUERFANITO UNIT
Working Interest Owners (Page 2)

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

August 9, 1965

C
O
P
Y

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

Attention: Mr. Sam Smith

Re: 1965 Drilling Program
Huerfanito Unit, San
Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1965 Drilling Program calling for the drilling of five Mesaverde-Dakota wells for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

May 11, 1965

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

Re: Huerfanito Unit
San Juan County, New Mexico
1965 Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands approved as of May 11, 1965, the 1965 Drilling Program for the Huerfanito Unit Area, San Juan County, New Mexico, subject to like approval by the United States Geological Survey.

We note you are presently drilling well No. 89 located in the NW/4SW/4 of Section 23, Township 27 North, Range 9 West, this well is not listed on your 1965 Drilling Program, it would seem this drilling program should be amended to include this well.

We are returning one approved copy of your Drilling Program.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil & Gas Department

GRH/mmr/v

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission

Drawer 1857
Roswell, New Mexico 88201

June 2, 1965

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

Attention: Mr. Sam Smith

Gentlemen:

Your 1965 plan of development dated April 14, 1965, for the Huerfanito unit area, San Juan County, New Mexico, proposing the drilling of five Mesaverde-Dakota wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC-Santa Fe (ltr only) ✓
Com. of Pub. Lands-Santa Fe (ltr only)

El Paso Natural Gas Company

El Paso, Texas 79999

June 24, 1965

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

On April 14, 1965, we furnished you our 1965 Plan of Development for the Huerfanito Unit, San Juan County, New Mexico. This Plan of Development has been approved by the Commissioner of Public Lands and the United States Geological Survey but to date, we have not heard from you.

Would you please inform us, at your earliest convenience, if you approve of this program and if so, furnish us one approved copy for our further handling.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kf

Huerfanito, 5.0

El Paso Natural Gas Company

El Paso, Texas

April 14, 1965

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

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

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
1965 DRILLING PROGRAM

Gentlemen:

By letter dated March 26, 1964, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for 1964, calling for the drilling of one well by Southern Union Production Company under Designation of Sub-Operator and said well was drilled and completed as a commercial Mesaverde-Dakota well. This well, the Huerfanito Unit #78 (MD) Well, occasioned the First Mesaverde and the Sixth Dakota Expansions which are now being circulated among the regulatory bodies for approval.

El Paso Natural Gas Company, as Unit Operator, drilled no wells in the Huerfanito Unit during 1964, due to the fact that none of the working interest owners in the Unit requested additional wells when initially contacted at the beginning of the year and all unit obligations appeared at that time to be satisfied. However, during the year J. Glenn Turner and Continental Oil Company requested permission and drilled the following well under Designation of Sub-Operator for the reason indicated:

Huerfanito No. 79 (MD) Well located in the NE/4 of Section 26, Township 27 North, Range 9 West, N.M.P.M., was drilled by La Plata Gathering System, Inc. as an exploratory test and occasioned the Second Expansion of the Mesaverde Participating Area and the Eighth Expansion of the Dakota Participating Area both effective December 1, 1964, which are now being sent for approval.

As of January 1, 1964, the total number of wells drilled in the Huerfanito Unit Area was as follows:

Pictured Cliffs, Commercial	60
Pictured Cliffs, Plugged and Abandoned	3
Gallup-Dakota (Commercial in Dakota only)	1
Dakota, Commercial	6
Dakota, OWWO	1
Dakota-Mesaverde	2
Mesaverde, Commercial	1
Mesaverde, Plugged and Abandoned	<u>1</u>
	75

Pursuant to Section 9 of the Huerfanito Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1965 providing for the drilling of the following described wells:

<u>Location</u>	<u>Formation</u>
SW/4 Section 1, T-26-N, R-9-W	Mesaverde-Dakota
NE/4 Section 23, T-27-N, R-9-W	Mesaverde-Dakota
SW/4 Section 25, T-27-N, R-9-W	Mesaverde-Dakota
SW/4 Section 26, T-27-N, R-9-W	Mesaverde-Dakota
SW/4 Section 36, T-27-N, R-9-W	Mesaverde-Dakota

Additional wells are being considered and when all working interest owners have agreed on the additional wells, a supplemental Drilling Program will be submitted for your approval.

All of the working interest owners have been contacted and this Drilling Program reflects at this time and insofar as possible, their desires for additional drilling and El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 9 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Sam Smith, Manager
Land Department

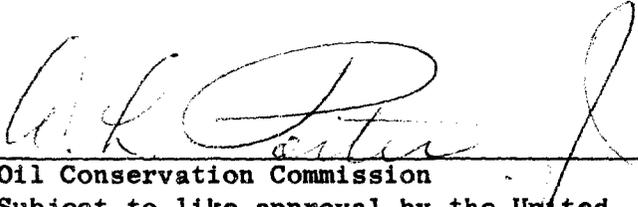
SS:GA:kf

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

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

DATE: _____

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

DATE: Aug 9, 1965

The foregoing approvals are for the Huerfanito Unit, I Sec. No. 943, 1965
Drilling Program, San Juan County, New Mexico.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Continental Oil Company
P. O. Box 3312
Durango, Colorado
Attention: Mr. H. D. Haley

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
Box 248
Burnet, Texas

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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Mabelle Miller
220 Shelby Street
Santa Fe, New Mexico

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P. O. Box 778
Farmington, New Mexico

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Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

HUERFANITO UNIT

Working Interest Owners - Page 2

**Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas**

**Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas**

**Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas**

**Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas, Texas**

El Paso Natural Gas Company

El Paso, Texas

August 3, 1965

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

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

RECEIVED
STATE OF NEW MEXICO
OCT 11 1965

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF NINTH
EXPANDED PARTICIPATING AREA for
the Dakota Formation effective
May 1, 1965

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Ninth Expanded Participating Area for the Dakota Formation effective May 1, 1965:

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-26-N, R-9-W, N.M.P.M.</u>	
Section 1: S/2	320.00
Section 12: All	640.00
<u>T-27-N R-9-W, N.M.P.M.</u>	
Section 24: W/2	320.00
TOTAL	<u>1,280.00</u>

This proposed Ninth Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit No. 87 (MD) Well located in the SW/4 of Section 1, Township 26 North, Range 9 West, N.M.P.M. and the Huerfanito Unit No. 88 (MD) Well located in the NE/4 of Section 23, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit No. 87 (MD) Well was spudded on March 31, 1965, and completed on April 22, 1965, at a total depth of 6,583'. The Dakota Formation in the intervals between 6288' - 6292'; 6345' - 6361'; 6381' - 6385' and 6470' - 6478' was treated with a sand-water fracturing process on April 20, 1965. After being shut-in for nine (9) days, the Dakota Formation was tested on May 3, 1965, and following a three (3) hour blow-down period gauged 6,142 MCFGPD through a 3/4" choke and 8,037 MCFGPD by the calculated absolute open-flow method, with a SIPC (MV) of 1,135 psia and a SIPT of 2,017 psia.

The Huerfanito Unit No. 88 (MD) Well was spudded on April 17, 1965, and completed on May 4, 1965, at a total depth of 6,772'. The Dakota Formation in the intervals between 6454' - 6458'; 6520' - 6536'; 6608' - 6612' and 6646' - 6650' was treated with a sand-water fracturing process on May 2, 1965. After being shut-in for eight (8) days, the Dakota Formation was tested on May 12, 1965, and following a three (3) hour blow-down period gauged 2,547 MCFGPD through a 3/4" choke and 2,588 MCFGPD by the calculated absolute open-flow method, with a SIPC of 2,217 psia.

In support of this application, the following Exhibits are made a part hereof.

EXHIBIT 'A'

Huerfanito Unit map reflecting the proposed Ninth Expanded Participating Area for the Dakota Formation.

EXHIBIT 'B'

Geologic Report on the proposed Ninth Expanded Dakota Participating Area of the Huerfanito Unit.

EXHIBIT 'C'

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

EXHIBIT 'D'

Huerfanito Unit Schedule of Production

RECEIVED
MAY 12 1965
SAN JUAN COUNTY
NEW MEXICO

Attached hereto is Schedule X showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

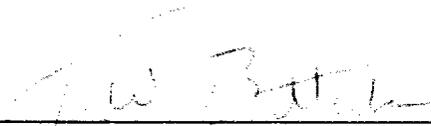
If the hereinabove selection of lands to constitute the Ninth Expanded Dakota Participating Area meets with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files. With the approval of this Expansion, all lands within the Huerfanito Unit Area will be participating in the Dakota Formation production.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:GA:kf

RECEIVED
EL PASO NATURAL GAS COMPANY
OCT 11 1985

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

APPROVED: Stuyton B. Hoop
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: 9/1/65

APPROVED: A. L. Carter
Oil Conservation Commission,
Subject to like approval by the United
States Geological Survey and the Commissioner
of Public Lands.

DATE: 9-7-65

The foregoing approvals are for the Ninth Expanded Participating Area for the Dakota Formation, effective May 1, 1965, under the Huerfanito Unit, 1 Sec. No. 943, San Juan County, New Mexico.

AUG 19 8 01 AM '65
SACRED SERVICE
SANDIA LAB. N.M.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
Box 547
Kailua, Hawaii 96734

Continental Oil Company
P. O. Box 3312
Durango, Colorado
Attention: Mr. H. D. Haley

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

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12858 West 26th Avenue #39
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8202 Emberwood Drive
Austin, Texas 78758

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

Mr. Forrest B. Miller & Mabelle Miller
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Santa Fe, New Mexico

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P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Rd.
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas

Aug 19 9 01 AM '65
STATE OF NEW MEXICO
SANTA FE, N.M.

HUERFANITO UNIT
Working Interest Owners (Page 2)

Standard Oil Company of Texas (Info only)
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Aug 19 10 01 AM '35
STATE CLERK'S OFFICE
SANTA FE, N.M.

El Paso Natural Gas Company
El Paso, Texas

MAIN OFFICE 0000
JUL 26 9 27 AM '65

July 23, 1965

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

Re: Huerfanito Unit
San Juan County,
New Mexico

Dear Sir:

We are enclosing for your approval ten (10) copies of Supplemental Drilling Program covering the captioned Unit for 1965.

If this Supplemental Drilling Program meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After this Program has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After this Program has been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kt
Enclosures

Huerfanito, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

✓ Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

COPY

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

July 19, 1965

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

Attention: Mr. T. W. Bittick

Re: Seventh and Eighth Expanded
Participating Areas, Dakota
Formation, Huerfanito Unit,
San Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Seventh and Eighth Expansions of the Dakota Formation Participating Area for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

C
O
P
Y

June 17, 1965

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

Attention: Mr. T. W. Bittick

Re: Huerfanite Unit
San Juan County, New Mexico
Seventh and Eighth Expanded
Participating Areas
Dakota Formation

The Commissioner of Public Lands approves as of June 17, 1965, your Application for approval of Seventh and Eighth Expanded Participating Areas, Dakota Formation, Huerfanite Unit, San Juan County, New Mexico. The effective date for the Seventh Expanded Participating Area is October 1, 1964, and December 1, 1964, for the Eighth Expanded Participating Area.

We are handing these applications to the Oil Conservation Commission along with a copy of this letter, for their approval, and requesting that they forward them to the United States Geological Survey for their approval and return to you.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/MGR/d

cc: United States Geological Survey
P. O. Drawer 1857, Roswell, New Mexico
Attention: Mr. John A. Anderson
Oil Conservation Commission ←
P. O. Box 2088, Santa Fe, New Mexico
(w/Enclosures)

El Paso Natural Gas Company

El Paso, Texas

May 12, 1965

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

Re: Huerfanito Unit
San Juan County,
New Mexico

Dear Sir:

We are enclosing for your approval ten (10) copies of Application for Approval of the Seventh and Eighth Expanded Participating Areas of the Dakota Formation for the captioned Unit, effective October 1, 1964 and December 1, 1964, respectively.

If these Expansions meet with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After these Applications have been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After these Applications have been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,
Original Signed By
HARRY GEVERTZ
Harry Gevertz
Regional Landman
Land Department

HG:GA:kf
Enclosures

Huerfanito, 5.0

cc: Mr. John A. Anderson Oil Conservation Commission
Regional Oil & Gas Supervisor State of New Mexico
United States Geological Survey P. O. Box 2088
Drawer 1857 Santa Fe, New Mexico
Roswell, New Mexico

COPY

El Paso Natural Gas Company

El Paso, Texas

May 12, 1965

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

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

REC'D
MAR 14 3 21 PM '65
STATE OFFICE
SANTA FE, N.M.

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF SEVENTH
AND EIGHTH EXPANDED PARTICIPATING
AREAS for the Dakota Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Seventh and the Eighth Expanded Participating Areas for the Dakota Formation, to wit:

Seventh Revision - Effective October 1, 1964

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-26-N, R-9-W, N.M.P.M.</u> Section 1: Lots 1,2,3,4, S/2 N/2 (N/2)	320.24

This proposed Seventh Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Navajo Indian No. 6 (MD) Well, located in the NW/4 of Section 6, Township 26 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. The Navajo Indian No. 6 (MD) Well was drilled by Southern Union Production Company and is located upon acreage offsetting the Huerfanito Unit.

The Navajo Indian No. 6 (MD) Well was spudded on August 25, 1964, and completed on October 22, 1964, at a total depth of 6,600' and plugged back to a total depth of 6,564'. The Dakota Formation in the intervals between 6281' - 6286'; 6297' - 6303'; 6332' - 6337'; 6354' - 6360'; 6366' - 6371'; 6374' - 6378'; 6389' - 6396'; 6418' - 6421'; 6431' - 6446'; 6452' - 6457'; 6462' - 6465'; 6476' - 6486'; 6491' - 6501' and 6530' - 6538' was treated with a sand-water fracturing process and shut-in on October 2, 1964. After being shut-in for thirteen (13) days, the well was tested on October 15, 1964, and following a three (3) hour blow-down period gauged 3,672 MCFGPD through a 3/4" choke and 4,829 MCFGPD by the calculated absolute open-flow method, with a SIPT of 1,935 psig.

Eighth Revision - Effective December 1, 1964

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 23: All	640.00
Section 25: W/2	320.00
Section 26: All	640.00
TOTAL	<u>1,600.00</u>

This proposed Eighth Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit No. 79 (MD) Well located in the NE/4 of Section 26, Township 27 North, Range 9 West, and the Navajo No. 2-25 (MD) Well located in the NE/4 of Section 25, Township 27 North, Range 9 West, N.M.P.M.

The Huerfanito Unit No. 79 (MD) Well was spudded on October 15, 1964, and completed on November 28, 1964, at a total depth of 6,812'. The Dakota Formation in the intervals between 6569' - 6584'; 6596' - 6600'; 6607' - 6618'; 6622' - 6626'; 6640' - 6644'; 6647' - 6650' and 6666' - 6672' was treated with a sand-water fracturing process on November 15, 1964. After being shut-in for fourteen (14) days, the Dakota Formation was tested on December 11, 1964, and following a three (3) hour blow-down period gauged 2,911 MCFGPD through a 3/4" choke and 3,180 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1,097 psia and a SIPT of 2,072 psia.

The Navajo No. 2-25 (MD) Well was spudded on October 29, 1964, and completed on December 11, 1964, at a total depth of 6,755' and plugged back to a total depth of 6,722'. The Dakota Formation in the intervals between 6464' - 6469'; 6525' - 6536'; 6604' - 6610'; 6616' - 6620'; 6635' - 6642' and 6644' - 6654' was treated with a sand-water fracturing process on November 24, 1964. After being shut-in for fourteen (14) days, the Dakota Formation was tested on December 11, 1964, and following a three (3) hour blow-down period gauged 3,791 MCFGPD through a 3/4" choke and 4,408 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1,080 psia and a SIPT of 2,107 psia.

The Navajo No. 2-25 (MD) Well is located on acreage offsetting the Huerfanito Unit.

In support of this application, the following Exhibits are made a part hereof.

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Seventh and Eighth Expanded Participating Areas for the Dakota Formation.

EXHIBIT "B"

Geologic Report on the proposed Seventh and Eighth Expanded Dakota Participating Areas of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

EXHIBIT "D"

Huerfanito Unit Schedule of Production

Attached hereto are Schedules VIII and IX showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Seventh and Eighth Expanded Dakota Participating Areas meet with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By _____
T. W. Bittick
Assistant Manager
Land Department

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

APPROVED: Stuyton B. Sayp
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: Nov 17 1965

APPROVED: A. L. Peters
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the Commissioner
of Public Lands.

DATE: 7-20-65

The foregoing approvals are for the Seventh and Eighth Expanded Participating Areas for the Dakota Formation, effective October 1, 1964, and December 1, 1964, respectively, under the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico.

REC
MAY 14 1965
STATE OF NEW MEXICO
SANTA FE, N.M.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 3312
Durango, Colorado

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
Box 248
Burnet, Texas

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Rd.
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas

STATE OF NEW MEXICO
SANTA FE, N.M.
MAY 14 9 31 AM '65
REC'D

HUERFANITO UNIT

Working Interest Owners - Page 2

Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

El Paso Natural Gas Company

El Paso, Texas

MAIL ROOM
JUL 12 AM 7 50

July 8, 1965

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, 1 Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF SIXTH
EXPANDED PARTICIPATING AREA for the
Dakota Formation

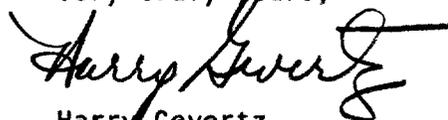
Gentlemen:

This is to advise that the above captioned Sixth Expanded Participating Area was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - June 24, 1965
2. Commissioner of Public Lands - April 1, 1965
3. Oil Conservation Commission - April 2, 1965

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kf

Huerfanito, 4.3

El Paso Natural Gas Company

El Paso, Texas

June 1, 1965

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE FIRST
EXPANDED PARTICIPATING AREA for the
Mesaverde Formation, effective April 1,
1964.

Gentlemen:

This is to advise that the above captioned First Expanded Participating Area was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - May 20, 1965
2. Commissioner of Public Lands - March 26, 1965
3. Oil Conservation Commission - March 26, 1965

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kf

Huerfanito, 4.2

El Paso Natural Gas Company

El Paso, Texas

May 28, 1965

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico

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

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

Re: Huerfanite Unit Area,
Proposed Eighth Dakota
Formation Expansion,
San Juan County, New Mexico

Gentlemen:

Belco Petroleum Corporation, by letter of May 26, 1965, has formally objected to the captioned Expansion, proposing that the W/2 of Section 24, Township 27 North, Range 9 West, also be admitted to the Dakota Formation Participating Area. The reasons submitted for inclusion of this acreage are based upon the wells described in that letter. El Paso regards some of the data furnished as irrelevant and the conclusions reached as unwarranted.

The question of whether or not the Austral No. 1 Armenta Well, SE/4 Section 13, Township 27 North, Range 9 West, and the Huerfanite Unit No. 88 Well, NE/4 Section 23, Township 27 North, Range 9 West, are commercial is not an issue, because they were spudded February 16, and April 17, 1965, respectively, many weeks after the effective date of the Eighth Dakota Formation Expansion. While the potentials of these wells are better than that of the Skelly Oil Company No. 7 John Charles Well, they are considerably below the Huerfanite Unit average. Therefore, it has not yet been established that they are capable of commercial production. Furthermore, the conclusion advanced by Belco that the

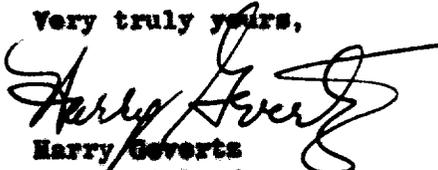
COPY

Skelly well was merely a peer well completion overlooks the detailed information submitted to the United States Geological Survey by Skelly Oil Company with letter of June 12, 1962, and the subsequent non-commercial determination by the United States Geological Survey as stated in its letter of August 3, 1962. The other wells mentioned in the Belce letter are fully covered in the Geologic Report and supporting exhibits for the Expansion in question.

It is understood that the W/2 of Section 24, Township 27 North, Range 9 West, will again be considered for admission to the Participating Area based upon the information obtained from both the Austral No. 1 Armenta Well and the Huerfanite Unit No. 88 Well. If these wells are determined to be capable of commercial production, and in addition, establish the W/2 of Section 24 as commercially productive acreage, another Expansion of the Participating Area will include that acreage at an appropriate date.

Your early decision on this matter will be very much appreciated so that the Expansion status in this Unit can be maintained on a current basis.

Very truly yours,



Harry Goverts
Regional Landman
Land Department

HG:jm

Huerfanite, 5.0
Dakota Formation

cc: Mr. Robert E. Dippé
Belce Petroleum Corporation
630 Third Avenue
New York, New York 10017

BELCO PETROLEUM CORPORATION

630 THIRD AVENUE NEW YORK 17, N. Y.
TELEPHONE YUKON 6-8191

May 26, 1965

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Oil Conservation Commission ←
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Huerfanito Unit Area
Eighth Dakota Formation Expansion
San Juan County, New Mexico

Gentlemen:

El Paso Natural Gas Company, as Operator of the Huerfanito Unit Area, has proposed and is now in the process of filing with you, the Eighth Expansion to the Dakota Formation Participating Area. As submitted, the Eighth Expansion would include all of Sections 23 and 26 and the W/2 of Section 25, T. 27 N., R. 9 W. The expanded Participating Area would be effective as of December 1, 1964. Belco as a working interest owner objected to El Paso's proposal in that we felt that the W/2 of Section 24 should also be included in the Participating Area. El Paso has not seen fit to accept Belco's position.

From the information supplied Belco by El Paso, El Paso's objection to including the W/2 of Section 24, T. 27 N., R. 9 W., in the Eighth Expansion is due to the poor performance of the Skelly #7 John Charles which is located in the SW/4 of Section 13, T. 27 N., R. 9 W. This well is not a unit well but is an offset well. Belco's Geological and Log Analyst Sections have reviewed the position taken by El Paso and we submit the following recent developments which remove the objections of El Paso.

Less than one-half mile east of the Skelly #7 John Charles, Austral Oil Company has recently completed a Dakota test, the Austral #1 Armenta et al, 1450' from the south line and 1450' from the east line,

Page 2
May 26, 1965

Section 13, T. 27 N., R. 9 W. This well which is a diagonal offset to the W/2 of Section 24, potentialled for 2806 MCF.

The #88 Huerfanito, Section 23, T. 27 N., R. 9 W., 1500' FEL and 300' FNL. This well has not been potentialled as yet but will be completed from the Mesaverde and Dakota. In the first test after a sand-water frac the Dakota gauged 900 MCF and had not cleaned up by the end of the test.

To the Southwest, the Dakota potentialled for 3180 MCF in the Huerfanito Unit #79, in the northeast quarter of Section 26, T. 27 N., R. 9 W.

To the Southeast, the Dakota potentialled for 4408 MCF in the LaPlata #1-25 Navajo, in the northeast quarter of Section 25, T. 27 N., R. 9 W.

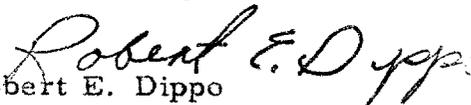
In view of the commercial Dakota completion offsetting the Skelly #7 John Charles, Section 13, T. 27 N., R. 9 W., immediately to the East and to the West, the only logical conclusion for the poor performance is due to a poor completion.

Since El Paso's objection of including the W/2 of Section 24 in the Eighth Expansion was due to poor performance of the Skelly well and in light of recent developments, it is clear that the reason for the objection has disappeared and that in fact, it is both logical and equitable to include the W/2 of Section 24, T. 27 N., R. 9 W., in the Dakota Participating Area.

Very truly yours,

BELCO PETROLEUM CORPORATION

ORIGINAL Signed


Robert E. Dippo

RED/as

El Paso Natural Gas Company

El Paso, Texas

May 11, 1965

Mr. Robert E. Dippe
Helco Petroleum Corporation
630 Third Avenue
New York, New York 10017

Re: Huerfania Unit Area
Eighth Dakota Formation Expansion

Dear Mr. Dippe:

We have carefully reviewed Helco Petroleum Corporation's objection to the captioned Expansion, effective December 1, 1964, for failure to include the W/2 of Section 24, T-27-N, R-9-W. It is still our position that the W/2 of Section 24 should not be admitted to participation at this time, primarily because of its close proximity to the Shelly Oil Company No. 7 Charles Well in the SW/4 of Section 13, T-27-N, R-9-W. This well was tested for an AOF of 985 MCF, and cumulative production to January 1, 1965, has amounted to only 97,037 MCF while averaging only 1400 MCF per month during the last two years.

To date, 85.66% of the affected Unit working interest owners have approved this Expansion. Having secured the requisite approval, we will now submit this Expansion to the regulatory bodies for their further action. You can, of course, file your objection, as you have previously concerning the Second Mesaverde Formation Expansion. In the event you elect to do so, please furnish El Paso Natural Gas Company with copies of all materials supporting your objection.

Very truly yours,

Original Signed by

HARRY GEVERTZ

Harry Geverts
Regional Landman
Land Department

HG:jm

cc: Mr. John A. Anderson, United States Geological Survey
Oil Conservation Commission, State of New Mexico ✓
Commissioner of Public Lands, State of New Mexico

Huerfania Tract #4
Huerfania, 4.3

COPY

BELCO PETROLEUM CORPORATION

630 THIRD AVENUE NEW YORK 17, N. Y.
TELEPHONE YUKON 6-8191

April 23, 1965

Director
United States Geological Survey
Through John A. Anderson
Regional Oil and Gas Supervisor
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission ←
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico

RE: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND EXPANDED PARTICIPATING AREA
for the Mesaverde Formation,
effective December 1, 1964.

Gentlemen:

Reference is made to Belco Petroleum Corporation's letter of April 6, 1965, wherein it gave notice of its intention to object to the application of El Paso Natural Gas Company as Unit Operator of the Huerfanito Unit Area for the second expanded Mesaverde Formation Participating Area. Belco has now reviewed El Paso's data on which the expansion has been based and it is our continued opinion that the participating area as proposed by El Paso is both illogical and unequitable.

Mr. William Lang of Belco's Geological Department has completely reviewed the problem and has prepared the attached exhibits.

Cross-Section A-A' shows the correlation and continuity of the Mesaverde (Point Lookout) porous and permeable sands. They extend from the Skelly #6 Charles and Skelly #13 Charles, Section 13-27N-9W; beneath the Skelly "dryhole" in Section 23-27N-9W to the probably commercially productive Mesaverde (Point Lookout) in the Belco (formerly Duncan) #75 Huerfanito Unit, Section 22-27N-9W; to the thinner sands in the Mesaverde (Point Lookout) beyond the limit of the productive Mesaverde in the Austral #1-21, Section 21-27N-9W.

Page 2
 April 23, 1965

Cross-Section B-B' shows the correlation and continuity of the Mesaverde (Point Lookout) porous and permeable sands to the south of Cross-Section A-A'. The Mesaverde (Point Lookout) is productive in the LaPlata #2-25 Navajo, Section 25-27N-9W and in the LaPlata #79 Huerfanito, Section 26-27N-9W. It is untested in the wells to the west.

The cross-sections illustrate the continuity of the Mesaverde (Point Lookout) in the area in question. The dip is to the northeast at about 50 feet per mile so structure will not limit production to the southwest.

Map I is an isopach of the gross sand in the Mesaverde (Point Lookout). The sand count was from the SP curve on the logs and/or the Gamma Ray Curve, where available. Map I and the cross-sections demonstrate clearly the continuity of the Mesaverde (Point Lookout) in the area in question.

The Skelly #2-A Gentle; 1190' FNL and 1500' FWL, Section 23-27N-9W; is a "dryhole" drilled in 1953 and was plugged and abandoned on November 18, 1953. This well was drilled into the Mesaverde (Point Lookout) and was shot with 665 quarts of nitroglycerin. This method of completion is no longer used and the "dry hole" cannot be considered as a condemnation of any part of Section 23-27N-9W.

To resolve the apparent and openly unequitable handling of this expanded participating area, Belco proposes that the Second Expanded Participating Area be revised so as to

1. Include all of Section 23, W/2 of Section 25, all of Section 26, W/2 of Section 36, Township 27 North, Range 9 West, and the E/2 of Section 1, Township 26 North, Range 9 West, or

2. In the alternate, include the E/2 of Section 23, the W/2 of Section 25, E/2 of Section 26, the W/2 of Section 36, Township 27 North, Range 9 West, and the E/2 of Section 1, Township 26 North, Range 9 West.

Should you desire additional information or additional copies of the attached exhibits, please advise and they will be immediately forwarded to you.

Very truly yours,
 BELCO PETROLEUM CORPORATION

Robert E. Dippo
 Robert E. Dippo

RED/as
 cc: Mr. H. Gevertz
 El Paso Natural Gas Company
 P.O. Box 1492
 El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

April 30, 1965

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

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

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
1965 DRILLING PROGRAM

Gentlemen:

By letter dated April 14, 1965, we furnished you the Huerfanito Unit 1965 Drilling Program. Attached you will find a corrected page 2, and we request that you discard the page 2 that you now have and replace the attached page 2 in each letter.

Very truly yours,


Harry Severtz
Regional Landman
Land Department

HG:GA:kf
Enclosure

Huerfanito, 3.0

El Paso Natural Gas Company

El Paso, Texas

April 19, 1965

Bureau of Indian Affairs
Branch of Realty
Window Rock, Arizona

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

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

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Gentlemen:

By instrument effective October 1, 1960, the working interest owners of the Huerfanito Unit amended the Huerfanito Unit Operating Agreement to provide for the drilling and completion of dual wells. One copy of this instrument is enclosed for your records.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kf
Enclosure

Huerfanito, 5.0

280

AMENDMENT AND SUPPLEMENT TO
HUERFANITO UNIT OPERATING AGREEMENT
SAN JUAN COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of October, 1960, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto";

W I T N E S S E T H:

WHEREAS, the parties hereto are the owners of working interests in the Unit Area subject to the Unit Agreement for the Development and Operation of the Huerfanito Unit Area, San Juan County, New Mexico, designated Contract Number I Sec. No. 943, and subject to the Unit Operating Agreement for the Huerfanito Unit Area (said Unit Operating Agreement hereinafter referred to as "Unit Operating Agreement"), reference to which is here made for all purposes; and

WHEREAS, the parties hereto desire to provide for the drilling and operation of wells to be completed in dual formations and for the sharing and allocation of costs and risks incident thereto.

NOW, THEREFORE, in consideration of the premises and the promises herein contained, and other good and valuable consideration, the full receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed and do agree as follows:

ARTICLE I

Unit Agreement Confirmed

The Unit Agreement and all Exhibits attached thereto, are hereby confirmed and made a part of this agreement; and in the event of any conflict between the provisions of the Unit Agreement and the provisions of the Unit Operating Agreement, as amended and supplemented hereby, the provisions of the Unit Agreement shall prevail.

ARTICLE II

Unit Operating Agreement Amended

In order to prevent conflict between the provisions of this Amendment and Supplement and the provisions of the Unit Operating Agreement, the following quoted last paragraph in Section 7 of the Unit Operating Agreement

is hereby deleted:

"In the event that a well has been drilled to a certain formation, and it is later decided to deepen it to a new formation, if the well is located within the limits of an established participating area for the deeper formation to which it is to be drilled, the cost of shutting off the upper formation and the cost of deepening and either completing or abandoning the well shall be borne by the participating area in the deeper formation; otherwise, the cost shall be borne as provided in Paragraph 4 hereof for test or extension wells. If said deepened well is brought in as a producer, the participating area or parties who will benefit from such well shall pay the parties or participating area who bore the cost of drilling the well to the upper formation for such portion of the cost, tangible and intangible, of drilling, completing and equipping said well to the upper formation, as agreed upon between the parties prior to such deepening. Conversely, in the event that such well has been drilled to test a lower formation, and it is desired to plug back the well to test an upper formation, the cost shall be handled in the same manner."

ARTICLE III

Supplement to Unit Operating Agreement

The provisions which follow in this Article III are supplemental to the Unit Operating Agreement and are hereby adopted as part of said Agreement.

1. Definitions

"Shallow Owners" - the working interest owners either in the Unit Area, Participating Area, drilling block or in less than the Unit Area, whichever is applicable, owning the working interest in and to the shallower formation of a well to be drilled or which is completed in two formations.

"Deep Owners" - the working interest owners either in the Unit Area, Participating Area, drilling block or in less than the Unit Area, whichever is applicable, owning the working interest in and to the deeper formation of a well to be drilled or which is completed in two formations.

2. Formula for Allocation of Costs for Drilling and Completing Dual Wells.

Whenever in this Agreement it is provided that costs will be borne by Shallow Owners and Deep Owners in accordance with Section 2, Article III, the following procedures will be used:

At the same time Shallow and Deep Owners separately agree to the drilling of a well to be projected to dual formations, both such categories of Owners shall approve an estimate prepared by Unit Operator of the total costs of drilling and completing said well to the wellhead in both formations. Such approval shall be obtained in accordance with Section 7 of the Unit Operating Agreement. The estimated total costs shall be divided into the following categories:

- a) Costs to be incurred above the base of the shallower of the two formations, except those set forth in Subsection (c) hereof.

- b) Costs to be incurred below the base of the shallower of the two formations.
- c) Costs attributable to testing and completing in the shallower formation.

Upon completion of the well, the actual costs of drilling, completing, testing and equipping such well will be apportioned among the three categories set forth hereinabove, and these actual costs will be paid by the obligated parties as follows:

- a) Costs incurred above the base of the shallower formation except those set forth in Subsection (c) hereof will be shared equally by and between Shallow Owners and Deep Owners.
- b) The costs incurred below the base of the shallower formation shall be paid by Deep Owners.
- c) Costs attributable to testing and completing in the shallower formation shall be paid by Shallow Owners.

3. Drilling and Completing Dual Wells. Costs of drilling, testing, treating, equipping and completing wells to the wellhead which are begun with the objective of dual completion and which are completed as dual wells shall be borne by Shallow Owners and by Deep Owners in accordance with the provisions of Section 2, Article III. Until admission into a participating area the material and equipment thereon shall be owned by the party or parties paying the cost thereof pursuant to Section 2, Article III. Shallow Owners and Deep Owners shall respectively own, subject to allocation to an appropriate participating area, all unitized substances produced from their respective formations. Upon abandonment of the well if dry in both formations, costs of plugging and abandoning shall be shared equally by and between Shallow Owners and Deep Owners. Upon the completed well being admitted into a participating area or areas, the ownership of equipment and materials shall pass to the owners of the participating area or areas in accordance with the terms of Section 4 of the Unit Operating Agreement.

4. Completion of Well in Shallower Formation but Abandoned as to Deeper Formation. In the event that a well begun with the objective of dual completion is drilled to the deeper formation and results in discovery of unitized substances in paying quantities

in the shallower formation but is dry in the deeper formation, all costs of drilling, testing and treating shall be borne by the Shallow Owners and Deep Owners in accordance with Section 2, Article III. All costs of equipping the well shall be borne by Shallow Owners. Further, Shallow Owners shall pay to Deep Owners the salvable value of the material and equipment or share thereof paid for or furnished by Deep Owners. Thereafter Shallow Owners shall own all material and equipment acquired in the drilling and completing of said well. Shallow Owners shall own all unitized substances produced from the shallow formation and shall bear all costs of plugging and abandonment of the well.

5. Completion of Well in Deeper Formation but Abandoned as to Shallower Formation. In the event that a well begun with the objective of dual completion results in discovery of unitized substances in paying quantities in the deeper formation, but dry in the shallower formation, all costs of drilling, testing and treating shall be borne by the Shallow Owners and the Deep Owners in accordance with the provisions of Section 2, Article III. All costs of equipping the well shall be borne by Deep Owners. Further, Deep Owners shall pay to Shallow Owners the salvable value of the material and equipment or share thereof paid for or furnished by Shallow Owners. Thereafter, Deep Owners shall own all material and equipment acquired in the drilling and completion of such well. Deep Owners shall own all unitized substances produced from the deeper formation, and shall bear all costs of plugging and abandoning the well.
6. Abandonment as to one Formation after Completion of Well in Both Formations. In the event that, after completion of a dual well, the working interest owners of one formation should decide to abandon the well as to their formation, the working interest owners of the remaining producing formation shall pay to the working interest owners of the formation to be abandoned, the salvable value of equipment belonging to the owners of the formation to be abandoned. The owners of the formation to be abandoned shall pay for the abandonment of that formation. After payment of the amount provided for above, the working interest owners of the formation from which the well continues to produce shall own

all of such equipment. The working interest owners of the producing formation, after abandonment as to the other formation, shall also bear all costs of plugging and abandoning upon later abandonment of the well as to their formation.

7. Deepening a Shallow Well or Converting a Deeper Well for Dual

Completion. Before any well which is completed in a single formation may be deepened or perforated at a shallower depth for purposes of completion as a dual well, the working interest owners of both formations must approve the operation under the general provisions of the Unit Operating Agreement. The payment to the owners of the single existing completion by the owners desiring to dual the well shall be a fair value representative of the well. If the operation should result in an impairment of production from, or a loss of, the existing well, the provisions of Section 10, Article III shall govern unless otherwise provided for in the approval.

8. Allocation of General Operating and Maintenance Costs in Dual Wells.

After completion of a dual well, the costs of producing operations shall be borne by the working interest owners of the two formations as follows:

- a) The completion in each separate formation shall be treated as a separate well for overhead and district and camp expense. Such expense shall be borne by the working interest owners of the respective formations as a separate cost allocable to their interest;
- b) Each formation shall bear all costs of normal producing operations, including costs of labor, repairs, maintenance and replacement of equipment attributable to such formation. All costs of operations performed for the joint benefit of both formations shall be borne on a per well basis by the Shallow Owners to the extent of 50% of the total cost, and by the Deep Owners to the extent of 50% of total cost.

9. Allocation of Cost of Workover Operations for both Formations.

After completion of a dual well, the costs of any workover or other operations on such well involving both formations shall be borne by the working interest owners of such formations as follows:

- a) The costs of any operation which is directly related to one formation, including but not limited to operations such as treatments and perforations, shall be borne by the working interest owners of the formation for which the operation is performed.

- b) All costs of material, equipment, repairs, replacements and labor not directly related to one formation, including but not limited to repair and correction of leaks which may result in communications between the two formations within the well bore shall be borne by the Shallow Owners to the extent of 50% of the total cost and by Deep Owners to the extent of 50% of the total cost.
- c) Any material and equipment acquired by any such expenditures provided for in Subparagraph (a) and (b) above shall be owned by the Shallow Owners and the Deep Owners so as to be consistent with the ownership of the material and equipment as set forth in Section 3, Article III.
- d) The working interest owners of each formation shall not be responsible for nor be charged with any loss of production from any other formations during any such operation.

10. Workover Operations of One Formation. After completion of a dual well, any subsequent workover, deepening, plugging back, or other operations or repair as to one formation only of such well, which requires a separation of the formations for the repair or other work on any portion of the well, shall be governed by the provisions which follow:

- a) The proposed plan of operation must be approved in accordance with the voting procedure prescribed by Section 12 of the Unit Operating Agreement prior to commencement of operations by the working interest owners of the formation not to be worked upon, if there be no participating area; or the working interest owners of the participating area for the formation not to be worked upon, if such well be within a participating area for that formation; or by the working interest owners of such well, if it be excluded from the participating area; whichever is applicable.
- b) The costs and expenses of any such operations will be borne by the working interest owners of the formation to be worked upon, or the working interest owners of the participating area for the formation to be worked upon or by the working interest owners of such well in the formation to be worked upon, whichever is applicable.
- c) The working interest owners bearing the cost of the operation shall not be liable to the working interest owners of the formation not being worked upon for cessation of production during such operations for a period of time not exceeding a total of ninety (90) days. In the event such cessation of production during operations is for a longer period of time, the working interest owners of the formation being worked upon, hereinafter referred to as Remedial Owners, shall pay to the working interest owners of the formation not being worked upon, hereinafter referred to as Damaged Owners, damages in such amount as shall be determined by Remedial Owners and Damaged Owners jointly in accordance with the voting procedure prescribed by Section 12 of the Unit Operating Agreement for loss of production occurring after a ninety (90) day period.
- d) If such operations disturb or remove the means of separation of the two formations in the well bore or otherwise require a cessation of production from the other formation not being

reworked, the operator shall, before and after the operation, conduct a test of the well as to such other formation for the purpose of determining whether or not the producing capacity as to said formation has been impaired, by employing the procedure set forth as follows:

- (1) For an oil well producing capacity will be measured by actual production obtained for thirty (30) producing days immediately preceding the workover and compared with the actual production for thirty (30) producing days immediately following the workover operations. If either the conditions or equipment have in any way been changed during the period of comparison, then the production figures obtained shall be corrected by calculation to account for any such change or changes.
- (2) With respect to gas wells connected to a gas gathering system, the producing capacity shall be determined by the actual production before and after the workover and shall be the thirty (30) days in which there was actual production into the line immediately before or after the workover as applicable with the well producing under similar pressure differential and other conditions. If the producing conditions or equipment size are different or the well is not connected to a gathering system, an appropriate applicable method will be utilized to determine the effect on deliverabilities which the workover has caused.
- (3) If the producing capacity of the well as to such other formation has been reduced in excess of twenty per cent (20%), damages will be deemed to have occurred. If damage has occurred, the rights and liabilities between Remedial Owners and Damaged Owners shall be adjusted in accordance with the provisions set out below:

Remedial Owners may at their sole cost, risk and expense attempt to restore the well to 80% of its former capacity or may pay to Damaged Owners the cost of a replacement well completed in the damaged formation. If the attempt is unsuccessful, or if no attempt is made, and if the cost of a replacement well is not so paid, Remedial Owners shall pay damages to Damaged Owners in an amount determined by the following formula:

$$\text{Damage Payment} = \text{Cost of Replacement Well} \times \left(1 - \frac{A}{0.80B} \right)$$

A = The capacity of the well from the damaged formation after the workover or other operation or after completion of any further work to restore the well as to the damaged formation which the Remedial Owners elect to perform.

B = The capacity of the well from the damaged formation before the workover or other operation which impaired the producing capacity of such well.

In no event, however, shall the amount of damages, computed in the manner hereinabove provided, exceed the value of the remaining recoverable reserves (less cost of recovery) of the formation as to which the

well was damaged which could have been recovered from such well if it had not been damaged. If more than one capacity test is made after completion of the workover or other operation or work performed at the election of Remedial Owners, the last capacity obtained in such testing will be used in calculating the reduction of capacity. The Remedial Owners will pay such damages within fifteen (15) days following the date the amount of damages is determined. Payment of damages will not alter the ownership of formations or equipment except if cost of a replacement well is paid Remedial Owners shall own all material and equipment on or used in connection with the damaged well and shall bear all costs of plugging and abandonment. If an attempt to restore the well to 80% of its former capacity is made and such attempt is successful, Remedial Owners shall have no further liability.

- e) It is understood, however, that liability for loss or damages shall not accrue hereunder if: (1) in workover of the shallow formation such loss or damage exists prior to actual commencement of the operations to be performed in said formation, or, in workover of the deep formation, loss or damage exists prior to penetration of workover equipment below the base of the shallow formation, and (2) the evidence is conclusive that the loss or damage resulted solely from the previously existing poor mechanical condition of the well.

11. Allocation of Overhead and District and Camp Expense in Dual Completion Operations. As to any well which was begun with the objective of dual completion and as to any well on which work is begun to deepen or to convert it into a dual completion, overhead charges during drilling shall be billed as though the well were a single well to be drilled to test the deepest formation, and for purposes of allocating district and camp expense among wells, each drilling well shall be treated as one well. Upon completion of such a well, each formation in which the well is completed shall be treated as a separate well for purposes of charging overhead and allocating field and camp expenses.

ARTICLE IV

Effective Date

When executed, as set forth in Article V, this Agreement shall be effective as to each party hereto executing the same as of the first date hereinabove written, and unless otherwise terminated, it shall be effective as long as the Unit Agreement is effective. This Agreement may be terminated in any manner by which said Unit Agreement may be terminated.

ARTICLE V

Counterparts

This Amendment and Supplement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified

or consented to by separate instrument in writing specifically referring hereto and shall be a binding agreement upon any party executing such counterpart, ratification or consent regardless of whether any other party executes this Amendment and Supplement or any counterpart thereof.

EL PASO NATURAL GAS COMPANY

By Sam Smith
Attorney in Fact

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 3rd day of June, 1964, by SAM SMITH, Attorney in Fact of EL PASO NATURAL GAS COMPANY, a Delaware Corporation, on behalf of said corporation.

My Commission expires:
June 1, 1965

Eloise Basse
Notary Public

ELOISE BASSE
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1965

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

AUSTRAL OIL COMPANY INCORPORATED

ATTEST

[Signature]
Assistant Secretary

By *C.W. Leisk*
President

STATE OF Texas)
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 30th day of February, 1965, by C. W. Leisk, President of AUSTRAL OIL COMPANY INCORPORATED, a Delaware Corporation, on behalf of said corporation.

Bela Barron
Notary Public

My Commission expires:
June 1, 1965

Notary Public in and for the State of Texas
My Commission Expires June 1, 1965

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

ATTEST

AZTEC OIL & GAS COMPANY

Alando L. Ward
Secretary

By *William B. Davis*
VICE PRESIDENT

STATE OF *Texas*)
COUNTY OF *Dallas*)

The foregoing instrument was acknowledged before me this *5th* day of *October*, 1964, by *William B. Davis*, *Vice President* of AZTEC OIL & GAS COMPANY, a *Delaware* corporation, on behalf of said corporation.

My Commission expires:
June 1, 1965

Shirley J. Carroll
Notary Public

SHIRLEY J. CARROLL
Notary Public, Dallas County, Texas
My Commission Expires June 1, 19*65*

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

ATTEST

BENSON-MONTIN-GREER DRILLING CORP.

Richard Benson
Asst Secretary

By *Jack London, Jr.*
President

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 1st day of October, 1964, by Jack London, Jr., President of BENSON-MONTIN-GREER DRILLING CORP., a Delaware corporation, on behalf of said corporation.

My Commission expires:
February 18, 1967

Terma J. Hunt
Notary Public

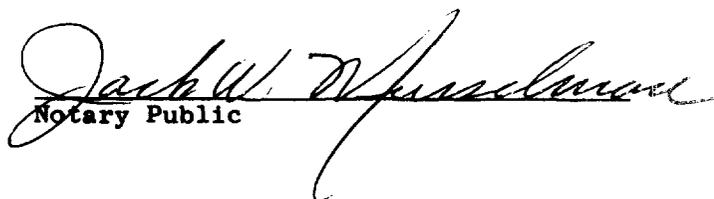
Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.


BARBARA ANN McCONNELL BRUSS

STATE OF *Colorado*)
COUNTY OF *Arapahoe*)

The foregoing instrument was acknowledged before me this *2nd* day of *November*, 1964, by BARBARA ANN McCONNELL BRUSS.

My Commission expires: *11/16*, 1965


Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

XXXXXX

CONTINENTAL OIL COMPANY

By *F. W. McWilliams*
Attorney in Fact 125 of 11/11/64

STATE OF COLORADO)
City and)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 19th day of October, 1964, by F. W. McWilliams, Attorney in Fact of CONTINENTAL OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission expires:
December 24, 1964

[Signature]
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

Charline Greer
CHARLINE GREER

STATE OF Colorado
COUNTY OF Jefferson

The foregoing instrument was acknowledged before me this 6th day of October, 1964, by CHARLINE GREER.

My Commission expires:
My Commission expires December 3, 1964

Gene Zarlingo
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

Carl G. Hine
CARL G. HINE

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 24th day of September, 1964, by CARL G. HINE.

My Commission expires:
Feb. 9, 1967

James L. Harper
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

ATTEST

LA PLATA GATHERING SYSTEM, INC.

Fred T. Simpson
Secretary

By J. Glenn Turner
Pres.

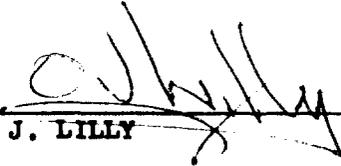
STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 25 day of September, 1964, by J. Glenn Turner, President of LA PLATA GATHERING SYSTEM, INC., a Delaware corporation, on behalf of said corporation.

My Commission expires:
June 1, 1965

Sally Watson
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.



O. J. LILLY

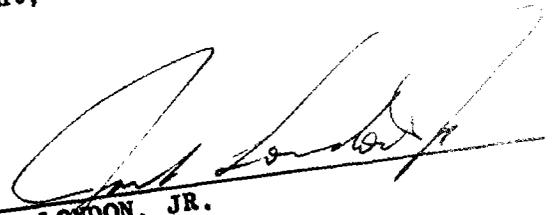
STATE OF)
)
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by O. J. LILLY.

My Commission expires:

Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.


JACK LONDON, JR.

STATE OF Oklahoma)
COUNTY OF Oklahoma)

The foregoing instrument was acknowledged before me this 1st day of October, 1964, by JACK LONDON, JR.


Notary Public

My Commission expires:
Aug 3 1965

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

Catherine B. McElvain
CATHERINE B. McELVAIN, Individually
and as Executrix of the Estate of
T. H. McElvain, Deceased.

STATE OF New Mexico)
COUNTY OF Santa Fe)

The foregoing instrument was acknowledged before me this 29th day of _____, 1964, by CATHERINE B. McELVAIN, Individually and as Executrix of the Estate of T. H. McElvain, Deceased.

My Commission expires:

April 14, 1967

Shannon M. Russell
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

Forrest B. Miller
FORREST B. MILLER

Mabelle McElvain Miller
MABELLE MILLER

STATE OF New Mexico)
COUNTY OF Santa Fe)

The foregoing instrument was acknowledged before me this 26th day of October, 1964, by FORREST B. MILLER, and wife, MABELLE MILLER. McElvain

My Commission expires:
Apr. 14, 1967

Flora M. Harrell
Notary Public

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

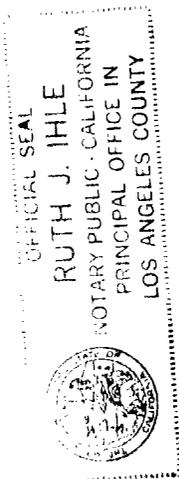
ATTEST

~~MOBIL OIL COMPANY~~

SOCONY MOBIL OIL COMPANY, INC.

[Signature]
Assistant Secretary

By *[Signature]*
Attorney in fact



State of California, }
COUNTY OF LOS ANGELES }ss.

CO 5323-1 (1-63)

On OCT. 14 1964, 19.....

before me, the undersigned, a Notary Public in and for said County and State, per-

sonally appeared..... J. S. RUSSELL.....

known to me to be the person whose name is subscribed to the within instrument as an attorney in fact of SOCONY MOBIL OIL COMPANY, INC., and acknowledged to me that he subscribed the name of SOCONY MOBIL OIL COMPANY, INC., thereto as principal and his own name as attorney in fact.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
Notary Public in and for said County and State

My Commission Expires SEP 16 1965

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

ATTEST

SKELLY OIL COMPANY

F. J. Gordon
Asst. Secretary

By C. L. Blacksher
Vice President

Form
Ok
Beata
11/27/64

STATE OF Oklahoma)
COUNTY OF Tulsa)

The foregoing instrument was acknowledged before me this 3rd day of December, 1964, by C. L. Blacksher, Vice President of SKELLY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission expires:
My Commission Expires May 31, 1967

W. L. Allen
Notary Public

Supplemental Execution and acknowledgment page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.

STANDARD OIL COMPANY OF TEXAS
DIVISION OF CALIFORNIA OIL COMPANY

By *W. L. Taylor*
Attorney-in-Fact

By *H. L. Smith*
Attorney-in-Fact

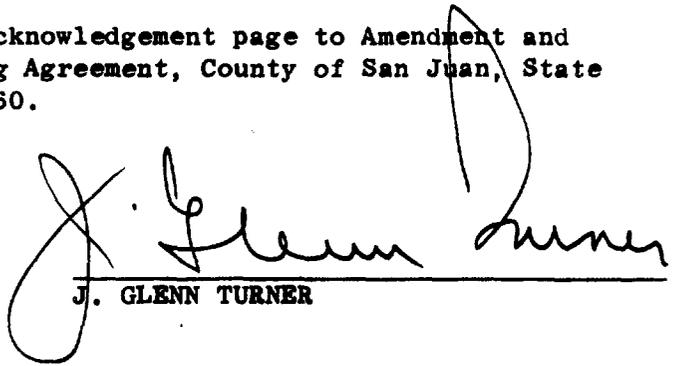
STATE OF TEXAS 0
 0
COUNTY OF HARRIS 0

The foregoing instrument was acknowledged before me this 19th day of NOVEMBER, 1964, by W. L. TAYLOR and H. L. SMITH, Attorneys-in-Fact for California Oil Company, a California Corporation, on behalf of said corporation.

Barbara Robertson
Notary Public

BARBARA ROBERTSON
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1965

Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.



J. GLENN TURNER

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 25th day of September, 1964, by J. GLENN TURNER.

My Commission expires:
June 1, 1965



Notary Public

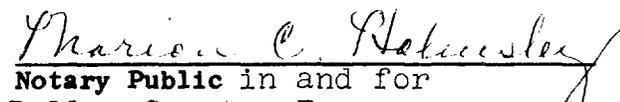
Supplemental Execution and acknowledgement page to Amendment and Supplement to Huerfanito Unit Operating Agreement, County of San Juan, State of New Mexico, effective October 1, 1960.


WILLIAM G. WEBB

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 30th day of September, 1964, by WILLIAM G. WEBB.

My Commission expires:
June 1, 1965


Notary Public in and for
Dallas County, Texas

MRS. MARION C. HOLMSLEY

BELCO PETROLEUM
CORPORATION

630 THIRD AVENUE NEW YORK 17, N. Y.
TELEPHONE YUKON 6-8191

April 6, 1965

Director
United States Geological Survey
Through John A. Anderson
Regional Oil and Gas Supervisor
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND EXPANDED PARTICIPATING AREA
for the Mesaverde Formation,
effective December 1, 1964.

Gentlemen:

Reference is made to El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, application for the approval of the second expanded Mesaverde Formation participating area bearing the date of March 25, 1965.

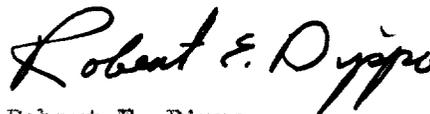
Belco Petroleum Corporation, as a working interest owner, has heretofore submitted objections to this expanded participating area to El Paso, as Unit Operator. As of this time, El Paso has not replied to our objections, but has advised by telephone conversation of today's date that they would be supplying us with the data on which they based their application.

Page 2
April 6, 1965

Belco Petroleum Corporation hereby requests that you delay any final approval of the application, pending a review by Belco of this data, with the object in mind that Belco will then be in a position either to consent to the application or to submit its formal objections.

Very truly yours,

BELCO PETROLEUM CORPORATION



Robert E. Dippo

RED:HS

cc: Mr. H. Gevertz
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

86

April 2, 1965

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

Attention: Mr. T. W. Bittick

Re: Sixth Expanded Participating
Area, Dakota Formation,
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Sixth Expanded Participating Area for the Dakota Formation, for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

CC: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

C
O
P
Y

April 1, 1965

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

Attention: Mr. Harry Gevertz

Re: Huerfanito Unit
San Juan County, New Mexico

Gentlemen:

The Commissioner of Public Lands approves as of April 1, 1965, your Application for Approval of the Sixth Expanded Participating Area of the Dakota Formation for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and New Mexico Oil Conservation Commission.

By a copy of this letter, we are handing to the Oil Conservation Commission eight copies of this approval with the request that they forward seven copies to the United States Geological Survey for handling. We are retaining two copies for our file.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/mar/d

cc: United States Geological Survey
P. O. Drawer 1857, Roswell, New Mexico
Attention: Mr. John A. Anderson

Oil Conservation Commission
P. O. Box 2088, Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

March 31, 1965

United States Geological Survey
Drawer 1857
Roswell, New Mexico

Attention: Mr. John A. Anderson
Regional Oil and Gas Supervisor

Re: First Expanded Participating Area
Mesaverde Formation, Huerfanito Unit
San Juan County, New Mexico

Gentlemen:

By approval letter from the Oil Conservation Commission dated March 26, 1965, the attached seven copies of the captioned Application were forwarded to us by mistake after being approved by the Oil Conservation Commission and the Commissioner of Public Lands of the State of New Mexico.

After these Applications have been approved by the United States Geological Survey, please return four approved copies to this office for further handling.

Very truly yours,

Original Signed by
HARRY GEVERTZ
Harry Gevertz
Regional Landman
Land Department

HG:GA:sl
Enclosures

cc: Oil Conservation Commission ✓
Of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Huerfanito 4.2 5.0

COPY

El Paso Natural Gas Company

El Paso, Texas

March 29, 1965

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

Re: Huerfano Unit
San Juan County,
New Mexico

Dear Sir:

We are enclosing for your approval ten (10) copies of Application for Approval of the Sixth Expanded Participating Area of the Dakota Formation for the captioned Unit, effective April 1, 1965.

If this Expansion meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After these Applications have been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After these Applications have been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,

Harry Gevertz
Regional Landman
Land Department

HG:GA:ki
Enclosures

Huerfano, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

COPY

El Paso Natural Gas Company

El Paso, Texas

March 29, 1965

Commissioner of Public Lands
of the State of New Mexico
P. O. Box 1146
Santa Fe, New Mexico

Re: Huerfanito Unit
San Juan County,
New Mexico

Dear Sir:

We are enclosing for your approval ten (10) copies of Application for Approval of the Second Expanded Participating Area of the Mesa-verde Formation for the captioned Unit, effective December 1, 1964.

If this Expansion meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After these Applications have been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their further handling. After these Applications have been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,

Harry Gevertz
Regional Landman
Land Department

HG:GA:ki
Enclosures

Huerfanito, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

COPY



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 86201

215
May 23, 1965

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

Attention: Mr. Harry Gervais

Gentlemen:

The first revision of the Roosevelt participating area, Permianite unit agreement, San Juan County, New Mexico, was approved on May 20, 1965, by the Acting Director, Geological Survey, effective as of April 1, 1964.

Three approved copies of the application are enclosed. It is assumed you will furnish all interested parties with appropriate evidence of the approval.

Sincerely yours,

(ORIG. SGD) BILLY J. SHOGER

BILLY J. SHOGER
Acting Oil and Gas Supervisor

cc:
Washington (ltr. only)
BLM, Santa Fe (w/cy appd. appln.)
Farmington (w/cy appd. appln.)
Comm. of Pub. Lands, Santa Fe (ltr. only)
BIOCC, Santa Fe (ltr. only) ✓
Accounts (ltr. only)

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO

286

March 26, 1965

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

Re: First Expanded Participating
Area, Mesaverde Formation
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the First Expanded Participating Area, Mesaverde Formation for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

C
O
P
Y

March 26, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. Harry Gevertz

Re: Huerfanito Unit
San Juan County, New Mexico
First Expanded Participating Area

Gentlemen:

The Commissioner of Public Lands approves as of March 26, 1965, the First Expanded Participating Area for the Mesaverde Formation, Huerfanito Unit, San Juan County, New Mexico.

By a copy of this letter, we are handing to the Oil Conservation Commission eight copies of this approval with the request that they forward seven copies to the United States Geological Survey for handling. We are retaining two copies for our file.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/mmz/d

cc: United States Geological Survey
P. O. Drawer 1857, Roswell, New Mexico
Attention: Mr. John A. Anderson
Oil Conservation Commission
P. O. Box 2088, Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

March 25, 1965

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

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

REC
APR 1 8 41 AM '65
STATE LAND OFFICE
SANTA FE, N.M.

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF SIXTH
EXPANDED PARTICIPATING AREA for the
Dakota Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Sixth Expanded Participating Area for the Dakota Formation, to wit:

Sixth Revision - Effective April 1, 1964

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u> Section 36: All	640.00

This proposed Sixth Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #78 (MD) Well, located in the NE/4 of

Section 36, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #78 (MD) Well was spudded on March 5, 1964, and completed on March 17, 1964, at a total depth of 6720'. The Dakota Formation in the intervals between 6397' - 6414'; 6467' - 6494'; 6547' - 6549'; 6576' - 6580'; 6597' - 6599' was treated with a sand-water fracturing process on March 28, 1964, and shut-in on April 5, 1964. After being shut-in for twenty (20) days, the well was tested on April 25, 1964, and following a three (3) hour blow-down period gauged 3893 MCFGPD through a 3/4" choke and 5029 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1120 psia and an SIPT of 2123 psia.

In support of this application, the following Exhibits are made a part hereof.

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Sixth Expanded Participating Area for the Dakota Formation.

EXHIBIT "B"

Geologic Report on the proposed Sixth Expanded Dakota Participating Area of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

EXHIBIT "D"

Huerfanito Unit Schedule of Production

Attached hereto is Schedule VII showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Sixth Expanded Dakota Participating Area meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

REC
APR 1 9 40 AM '65
STATE DEPT OF MINE
SANTA FE, N.M.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:GA:kf

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

APPROVED: Stuyton B. Hays
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: April 1, 1965

APPROVED: A. L. Sauer, Jr.
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the Commissioner
of Public Lands.

DATE: April, 1965

The foregoing approvals are for the Sixth Expanded Participating Area for the
Dakota Formation, effective April 1, 1964, under the Huerfanito Unit, I Sec. No.
943, San Juan County, New Mexico

REC-111
APR 1 2 41 PM '65
STATE LANDS OFFICE
SANTA FE, N.M.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 3312
Durango, Colorado

Mr. Walter Duncan
P. O. Box 137
Durango, Colorado

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
Box 248
Burnet, Texas

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Rd.
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Mr. Albert M. Senter, Jr.
P. O. Box 8
Edgewood, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. V. E. Bartlett
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Production Company
1507 Pacific Avenue
Dallas, Texas

HUERFANITO UNIT
Working Interest Owners - Page 2

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

EL PASO NATURAL GAS COMPANY

El Paso, Texas 79999

1965 MAR 19 AM 10

March 17, 1965

246

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

Re: Huerfanito Unit

Dear Sir:

We are enclosing for your approval ten (10) copies of Application for Approval of the First Expanded Participating Area for the Mesa-verde Formation effective April 1, 1964.

If this Expansion meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After these Agreements have been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their further handling. After these Agreements have been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:kl
Enclosures

Huerfanito, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

✓ Oil Conservation Commission
of the State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

MAR 19 8 42 AM '65

STATE LAND OFFICE
SANTA FE, N.M.

March 16, 1964

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

Commissioner of Public Lands
Of the State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE FIRST
EXPANDED PARTICIPATING AREA for the
Mesaverde Formation, effective April 1,
1964.

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the First Expanded Participating Area for the Mesaverde Formation, effective April 1, 1964:

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u> Section 36: E/2	<u>320.00</u>
Total	320.00

This proposed First Expanded Participating Area for the Mesaverde Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit No. 78 Well located in the NE/4 of Section 36, Township 27 North, Range 9 West, N.M.P.M.

The Huerfanito Unit No. 78 Well was spudded on March 5, 1964, and completed on April 1, 1964 at a total depth of 6,720' and plugged back total depth of 6,684'. The Mesaverde Formation in the intervals between 4324' - 4330', 4337' - 4353', 4365' - 4378', 4387' - 4395', 4411' - 4415', 4420' - 4434', and 4442' - 4448' was treated with a sand-water fracturing process on March 30, 1964. After being shut-in for 13 days, the Mesaverde Formation was tested on April 18, 1964, and following a three (3) hour blow-down period gauged 6431 MCFGPD through a 3/4" choke and 8814 MCFGPD by the calculated absolute open-flow method, with a FPC of 541 psig.

In support of this application, the following Exhibits are made a part hereof:

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed First Expanded Participating Area for the Mesaverde Formation.

EXHIBIT "B"

Geologic Report on the proposed First Expanded Participating Area of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

Attached hereto is Schedule II showing the lands entitled to participation in the unitized substances produced from the Mesaverde Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the First Expanded Mesaverde Participating Area meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

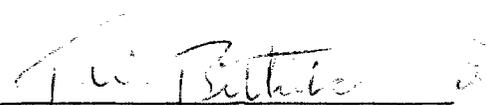
STATE LAND OFFICE
SANTA FE, N.M.
MAR 19 8 42 AM '65

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:GA:kp

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the
appropriate State officials.

DATE: _____

APPROVED: Dayton B. Hays
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: March 26, 1965

APPROVED: A. L. Puler, Jr.
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: March 26, 1965

The Foregoing approvals are for the First Expanded Participating Area for the Mesaverde Formation, effective April 1, 1964 under the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico.

RECEIVED
MAR 19 8 43 AM '65
STATE LAND OFFICE
SANTA FE, N. M.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Inc.
2700 Humble Building
Travis at Bell
Houston, Texas 77002

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 3312
Durango, Colorado

Mr. Walter Duncan
P. O. Box 137
Durango, Colorado

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
12858 West 26th Avenue #39
Golden, Colorado 80401

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
Box 248
Burnet, Texas

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

RECEIVED
MAR 19 8 43 AM '65
STATE LAND OFFICE
SANTA FE, N. M.

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
P. O. Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Mobil Oil Company
10737 So. Shoemaker Road
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

HUERFANITO UNIT
Working Interest Owners
Page 2

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Belco Petroleum Corporation
630 Third Avenue
New York 17, New York
(For information only)

RECEIVED
MAR 19 8 43 AM '65
STATE LAND OFFICE
SANTA FE, N. M.

285
LA PLATA GATHERING SYSTEM, INC.

1940 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

August 10, 1964

1964 AUG 11 PM 1 13

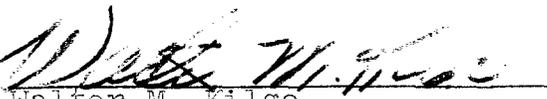
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith for your files is one copy of Designation of Sub-Operator from El Paso Natural Gas Company to La Plata Gathering System, Inc., for drilling a Mesaverde Dakota well on the following described land pursuant to the provisions of the Huerfanito Unit Agreement:

San Juan County, New Mexico
T 27 N, R 9 W, N.M.P.M.
Section 26: E/2
Containing 320 acres,
more or less.

Yours very truly,


Walter M. Kilgo

WMK:bm
Encl.

DESIGNATION OF SUB-OPERATOR

1964 AUG 31 PM 1 13

THIS DESIGNATION is made and entered into this 3rd day of July, 1964, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79999, hereinafter sometimes referred to as "Operator" and LA PLATA GATHERING SYSTEM, INC., a Delaware corporation, whose address is 1940 Mercantile Dallas Building, Dallas, Texas 75201, hereinafter sometimes referred to as "Sub-Operator";

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Sub-Operator desires to drill a Mesaverde-Dakota well on the following described land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 26: E/2
Containing 320.00 acres, more or less; and

WHEREAS, the above described land is committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Mesaverde-Dakota well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Mesaverde-Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit La Plata Gathering System, Inc. to drill the above described Mesaverde-Dakota well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates La Plata Gathering System, Inc. as Sub-Operator for the sole and only purpose of drilling the said Mesaverde Dakota well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates his acceptance of this Designation by placing his signature in the space provided below and agrees to drill, complete and/or plug and abandon said Mesaverde-Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Unit Operator's representative shall approve all casing programs and equipment specifications prior to the drilling of any well.
2. Notify Operator when drilling operations are commenced.
3. Furnish Operator with complete daily driller's tour report, at Sub-Operator's expense.
4. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
5. Allow representatives of Operator access to the derrick floor at all times.
6. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representatives to be present.
7. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
8. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
9. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
10. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
11. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
12. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
13. Notify Operator of any intention to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
14. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following insurance:
 - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.

15. Furnish the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, with a copy to Operator at the addresses hereinafter provided.
16. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With copies to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Mesaverde-Dakota well pursuant to the provisions of Section four (4) of the Huerfanito Unit Operating Agreement.

The drilling of the said Mesaverde-Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Mesaverde-Dakota test is completed and/or plugged and abandoned, whichever is the sooner.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By Sam Smith
Attorney in Fact

SUB-OPERATOR

LA PLATA GATHERING SYSTEM, INC.

By J. Glenn Turner
President

ATTEST:

Dred T. Simpson
Secretary

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 30th day of August, 1964, by Sam Smith, Attorney in Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation

[Signature]
Notary Public

My commission expires June 1, 1965.

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 5th day of August, 1964, by J. Glenn Turner, President of LA PLATA GATHERING SYSTEM, INC., a Delaware corporation, on behalf of said corporation.

Barbara Malloy
Notary Public, Dallas County,
Texas

My commission expires June 1, 1965.

BARBARA MALLOY

El Paso Natural Gas Company

El Paso, Texas

May 26, 1964

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
1964 DRILLING PROGRAM

Gentlemen:

The 1964 Drilling Program for the Huerfanito Unit was approved by the Regulatory Bodies on the following dates:

1. United States Geological Survey - May 8, 1964
2. Commissioner of Public Lands,
State of New Mexico - April 22, 1964
3. Oil Conservation Commission,
State of New Mexico - April 30, 1964

Copies of this letter are being sent to all the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:js
Huerfanito 3.0

286

El Paso Natural Gas Company

El Paso, Texas

May 20, 1964

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
INITIAL PARTICIPATING AREA,
Mesaverde Formation

Gentlemen:

In accordance with the decision of the United States Geological Survey, this is to advise that the Initial Mesaverde Participating Area of subject Unit was effective October 16, 1962.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js

Huerfanito 4.2

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

286

April 30, 1964

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

Attention: Mr. Sam Smith

Re: 1964 Drilling Program
Huerfanito Unit, San
Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Drilling program for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

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

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
U. S. Geological Survey - Roswell

C
O
P
Y

April 22, 1964

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

Re: Huerfanito Unit
San Juan County, New Mexico
1964 Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands approved as of April 22, 1964, your 1964 Drilling Program for the Huerfanito Unit Area, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy of this Program.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas
1964 MAR 23 PM 1:55
OFFICE 1000

March 26, 1964

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

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

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
1964 DRILLING PROGRAM

Gentlemen:

By letter dated February 8, 1963, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for 1963, calling for the drilling of no wells by the Unit Operator.

El Paso Natural Gas Company, as Unit Operator, drilled no wells in the Huerfanito Unit during 1963, due to the fact that none of the working interest owners in the Unit requested additional wells when initially contacted at the beginning of the year and all unit obligations appeared at that time to be satisfied. However, during the year certain working interest owners requested permission and drilled the following wells for the reasons indicated:

1. Huerfanito No. 74 Dakota Well (formerly Huerfanito #2-34) located in the NE/4 of Section 34, Township 27 North, Range 9 West, N.M.P.M., was drilled by Austral Oil Company as an exploratory test and occasioned the Fourth Expansion of the Dakota Participating Area effective April 1, 1963, which has been approved.

2. Huerfanito No. 75 Dakota Well (formerly Skelly-Government No. 1) located in the NW/4 of Section 22, Township 27 North, Range 9 West, N.M.P.M., was drilled by Walter Duncan as an exploratory test.
3. Huerfanito No. 76 Dakota Well (formerly Huerfanito No. 4-2) located in the NE/4 of Section 2, Township 26 North, Range 9 West, N.M.P.M., was drilled by Austral Oil Company as an exploratory test.

The No. 75 and 76 Wells occasioned the Fifth Expansion of the Dakota Participating Area effective June 1, 1963, which has been approved.

As of January 1, 1963, the total number of wells drilled in the Huerfanito Unit Area was as follows:

Pictured Cliffs, Commercial	60
Pictured Cliffs, Plugged and Abandoned	3
Gallup-Dakota (Commercial in Dakota only)	1
Dakota, Commercial	6
Dakota, OWWO	1
Mesaverde, Commercial	1
Mesaverde, Plugged and Abandoned	<u>1</u>
	73

Pursuant to Section 9 of the Huerfanito Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1964 providing for the drilling of the following described well:

<u>Location</u>	<u>Formation</u>
E/2 Sec. 36, T-27-N, R-9-W, N.M.P.M.	Mesaverde-Dakota

This well is to be drilled by Southern Union Production Company under Designation of Sub-Operator in accordance with Section 13 of the Huerfanito Unit Agreement and Section 4 of the Huerfanito Unit Operating Agreement.

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

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 9 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Sam Smith, Manager
Land Department

SS:GA:js

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Mr. Walter Duncan
P. O. Box 137
Durango, Colorado

Mr. A. R. Greer
158 Petroleum Center Building
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City 2, Oklahoma

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of
the Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
P. O. Box 778
Farmington, New Mexico

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

HUERFANITO UNIT

Working Interest Owners - Page 2

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

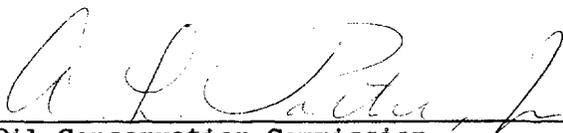
Mobil Oil Company
10737 South Shoemaker Road
Santa Fe Springs, California

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

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

DATE: _____

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

DATE: 21-3-64

The foregoing approvals are for the Huerfanito Unit, I. Sec. No. 943, 1964
Drilling Program, San Juan County, New Mexico.

MAIN OFFICE OCC

1964 MAR 24 PM 1:22
Drawer 1857
Roswell, New Mexico 88201

March 23, 1964

Southern Union Production Company
Fidelity Union Tower
Dallas 1, Texas

Attention: Mr. Truett Hahn

Gentlemen:

We acknowledge receipt of three copies of a Designation of Sub-Operator by which El Paso Natural Gas Company, unit operator, Horkfritz unit, San Juan County, New Mexico, designates Southern Union Production Company as sub-operator for the sole purpose of drilling a Masverde-Bokota well in the E $\frac{1}{2}$ sec. 36, T. 27 N., R. 9 W., N.M.P.M., covered by Navajo allotted lease I-149-Sub-8469 and a State of New Mexico lease.

The designation is hereby accepted as a Designation of Agent from El Paso. Such acceptance does not relieve El Paso of its responsibility as unit operator to assume operations for any well drilled on the above described land that is determined to be eligible for inclusion in a participating area.

Sincerely yours,

(Orig. Recd.) CARL O. [unclear]

ser

JOHN A. ARMSTRONG
Regional Oil & Gas Supervisor

cc:

El Paso Nat. Gas. Co.
P. O. Box 1492
El Paso, Texas

Washington (w/cy designation)
Farmington (w/cy designation)
BLM - Santa Fe (ltr. only)
Gen. Supt., Nav. Ag. (2) (ltr. only)
Com. Pub. Lands (ltr. only)
NMOCC - Santa Fe (ltr. only)✓

SOUTHERN UNION PRODUCTION COMPANY MAIN OFFICE 000

FIDELITY UNION TOWER

DALLAS 1, TEXAS

1964 MAR 18 PM 11 31

March 16, 1964

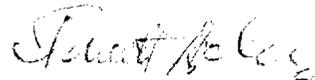
286

Oil Conservation Commission
Santa Fe,
New Mexico

Gentlemen:

Enclosed are two fully executed copies of Designation of Sub-Operator dated March 5, 1964, for the drilling of a dual Mesaverde-Dakota well by Southern Union Production Company in the E $\frac{1}{2}$ of Section 36, Township 27 North, Range 9 West, situated in the Huerfanito Unit.

Very truly yours,



Truett Helms, Manager
Land Department

bf
Enclosure
Huerfanito Unit

MAIN OFFICE OCC

DESIGNATION OF SUB-OPERATOR

1964 MAR 18 PM 11 31

THIS DESIGNATION is made and entered into this 5th day of March, 1964, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79999, hereinafter sometimes referred to as "Operator" and SOUTHERN UNION PRODUCTION COMPANY, a Delaware corporation, whose address is Fidelity Union Tower, Dallas, Texas 75201, hereinafter sometimes referred to as "Sub-Operator";

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Sub-Operator is the owner and holder of oil and gas operating rights as to the Mesaverde and Dakota Formations under the following described land:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 36: E/2
Containing 320.00 acres, more or less; and

WHEREAS, the above described land is committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Mesaverde-Dakota well on the above described land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Mesaverde-Dakota well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, the necessary concurrence has been obtained from the working interest owners in the above lands; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Mesaverde-Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Southern Union Production Company to drill the above described Mesaverde-Dakota well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates Southern Union Production Company as Sub-Operator for the sole and only purpose of drilling

Huerfanito Unit 2.0

the said Mesaverde-Dakota well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates his acceptance of this Designation by placing his signature in the space provided below and agrees to drill, complete and/or plug and abandon said Mesaverde-Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Unit Operator's representative shall approve all casing programs and equipment specifications prior to the drilling of any well.
2. Notify Operator when drilling operations are commenced.
3. Furnish Operator with complete daily driller's tour report, at Sub-Operator's expense.
4. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
5. Allow representatives of Operator access to the derrick floor at all times.
6. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representatives to be present.
7. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
8. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
9. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
10. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
11. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
12. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
13. Notify Operator of any intention to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
14. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:

- a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.
15. Furnish the Oil Conservation Commission of the State of New Mexico and the United States Geological Survey all proper and necessary reports and well data in the required numbers and time periods as specified by the Oil Conservation Commission of the State of New Mexico and the United States Geological Survey, with a copy to Operator at the addresses hereinafter provided.
 16. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With copies to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Mesaverde-Dakota well pursuant to the provisions of Section four (4) of the Huerfanito Unit Operating Agreement.

The drilling of the said Mesaverde-Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately

owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Mesaverde-Dakota well is completed and/or plugged and abandoned.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By *Sam Smith* OK
RUB
Attorney in fact

SUB-OPERATOR

SOUTHERN UNION PRODUCTION COMPANY

ATTEST:

T. Russell Halcus
Secretary

By *A.M. Wiederkehr* WV
SDF
President

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 14th day of March, 1964, by Sam Smith, Attorney in Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.

My commission expires June 1, 1965. *Natalie Taylor*
Notary Public

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 16th day of March, 1964, by A.M. Wiederkehr, Vice President of SOUTHERN UNION PRODUCTION COMPANY, a Delaware corporation, on behalf of said corporation.

My commission expires June 1, 1965. *Gus Howard Byrke*
Notary Public

El Paso Natural Gas Company
MAIN OFFICE DEC

El Paso, Texas 1964 FEB 28 AM 8:14

February 26, 1964

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIFTH
EXPANDED PARTICIPATING AREA for
the Dakota Formation

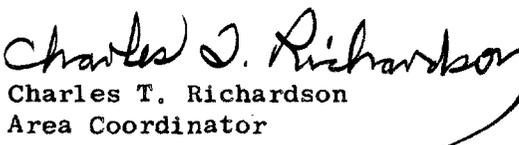
Gentlemen:

This is to advise that the captioned Expansion was approved by the regulatory bodies on the following dates:

1. United States Geological Survey on February 7, 1964.
2. Commissioner of Public Lands on December 18, 1963.
3. Oil Conservation Commission on January 6, 1964.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js

Huerfanito, 4.3

286

Drawer 1857
Roswell, New Mexico 88201

February 18, 1964

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

Attention: Mr. T. W. Bittick

Gentlemen:

The fifth revision of the Dakota participating area for the Huerfano unit agreement, I-Sec. No. 943, San Juan County, New Mexico, was approved on February 7, 1964, by the Acting Director, Geological Survey, effective as of June 1, 1963.

One approved copy of the application is enclosed. It is requested that you furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (ltr. only)
ELM-Santa Fe (w/cy of appln.)
Farmington (w/cy of appln.)
NMOCC-Santa Fe (ltr. only) ✓
Com. of Pub. Lands-Santa Fe (ltr. only)

EXHIBIT "B"

<u>SECTION</u>	<u>SERIAL NO.</u>	<u>DESCRIPTION</u>	<u>LESSEE OR APPLICANT</u>	<u>ASSIGNEE</u>	<u>ACRES</u>
<u>TOWNSHIP 11 SOUTH, RANGE 18 EAST</u>					
16	State	S $\frac{1}{2}$	Unleased		320
17	Milton J. Mabey	N $\frac{1}{2}$ NW $\frac{1}{4}$	Unleased		80
17	Robert F. Casey	NE $\frac{1}{4}$	Unleased		160
17	State	SW $\frac{1}{4}$ NW $\frac{1}{4}$	A. T. A. Bonner		40
17	USA 060791	S $\frac{1}{2}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$	Mabel E. Brunson		360
20	U. S. A.	W $\frac{1}{2}$ NW $\frac{1}{4}$	Wilma E. Donahoo		80
20	USA 060791	E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$	Mabel E. Brunson		160
20	Lois H. Fuller*	E $\frac{1}{2}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$	Willie Stell Stancliff		160
20	Lois H. Fuller#	N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	160
20	U. S. A.	SW $\frac{1}{4}$ SW $\frac{1}{4}$	Open		40
20	USA 060791	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Mabel E. Brunson		40
21	Lois H. Fuller*	W $\frac{1}{2}$, NE $\frac{1}{4}$	Willie Stell Stancliff		480
21	USA 060791	NW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$	Mabel E. Brunson		80
21	State	NE $\frac{1}{4}$ SE $\frac{1}{4}$	Neil H. Wills		40
21	Lois H. Fuller	SW $\frac{1}{4}$ SE $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	40
22	State	W $\frac{1}{2}$ NW $\frac{1}{4}$	Chas. B. Gonzales		80
22	Bert Smith	E $\frac{1}{2}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$	Open		160
22	State	NW $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$	Neil H. Wills		120
22	Picacho Cattle Co.	NE $\frac{1}{4}$ SW $\frac{1}{4}$	Open		40
22	State	NW $\frac{1}{4}$ SE $\frac{1}{4}$	Dorsey Ash		40
22	USA 060791	SW $\frac{1}{4}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$	Mabel E. Brunson		120
23	Border Sheep & Farm Co.	S $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$	Open		200
23	USA 060791	W $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$	Mabel E. Brunson		160
23	USA 061211	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Willie Stell Stancliff		40
24	Border Sheep & Farm Co.	SW $\frac{1}{4}$	Open		160
25	Border Sheep & Farm Co.	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Open		40
25	Lois H. Fuller	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Open		40
25	Lois H. Fuller	S $\frac{1}{2}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	120
25	Frank McKnight et ux	N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	120
26	USA 060791	N $\frac{1}{2}$ N $\frac{1}{2}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$	Mabel E. Brunson		360
26	Lois H. Fuller	SE $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	280
27	USA 060791	N $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; NE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$; N $\frac{1}{2}$; SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$	Mabel E. Brunson		440
27	Lois H. Fuller	SE $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	200

<u>SECTION</u>	<u>SERIAL NO.</u>	<u>DESCRIPTION</u>	<u>LESSEE OR APPLICANT</u>	<u>ASSIGNEE</u>	<u>ACRES</u>
<u>TOWNSHIP 11 SOUTH, RANGE 18 EAST</u>					
28	USA 060791	SE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$	Mabel E. Brunson		280
28	Lois H. Fuller	NW $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	240
28	H. P. Saunders Sr.	S $\frac{1}{2}$ NW $\frac{1}{4}$	Willie Stell Stancliff		80
28	State	SE $\frac{1}{4}$ SW $\frac{1}{4}$	Neil H. Wills		40
29	Lois H. Fuller	E $\frac{1}{2}$ NW $\frac{1}{4}$	Open		80
29	USA 060791	N $\frac{1}{2}$ NE $\frac{1}{4}$	Mabel E. Brunson		80
29	Lois H. Fuller*	SE $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$	Willie Stell Stancliff		200
29	Caldwell J. Saunders et ux	S $\frac{1}{2}$ NE $\frac{1}{4}$	Willie Stell Stancliff		80
29	State	SE $\frac{1}{4}$ SW $\frac{1}{4}$	Marvin Potett		40
32	Lois H. Fuller*	N $\frac{1}{2}$ NE $\frac{1}{4}$	Willie Stell Stancliff		80
32	State	SW $\frac{1}{4}$ NE $\frac{1}{4}$	Armen Lahagram		40
32	State	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Vida Heelan		40
32	State	NE $\frac{1}{4}$ SE $\frac{1}{4}$	Alec Lunvall		40
32	State	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Wm. A. Knight		40
32	State	SW $\frac{1}{4}$ SE $\frac{1}{4}$	H. Ohlerich		40
32	State	NW $\frac{1}{4}$ SE $\frac{1}{4}$	Neil H. Wills		40
33	USA 060790	E $\frac{1}{2}$; SW $\frac{1}{4}$	G. C. Brunson		480
33	State	E $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$	Neil H. Wills		120
33	Lois H. Fuller	NW $\frac{1}{4}$ NW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	40
34	USA 060790	E $\frac{1}{2}$ E $\frac{1}{2}$; NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$	G. C. Brunson		440
34	Lois H. Fuller	W $\frac{1}{2}$ E $\frac{1}{2}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	200
35	USA 060791	NE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$	Mabel E. Brunson		320
35	USA 060790	SW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$	G. C. Brunson		280
35	Lois H. Fuller	NE $\frac{1}{4}$ NW $\frac{1}{4}$	T. A. Stancliff	Willie Stell Stancliff	40
36	State	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Wm. T. Reese		40
36	State	NE $\frac{1}{4}$ NW $\frac{1}{4}$	W. H. Fry		40
36	State	S $\frac{1}{2}$ NW $\frac{1}{4}$	L. W. Anthony		80
36	State	NW $\frac{1}{4}$ SW $\frac{1}{4}$	Mary A. Grove		40
36	State	NE $\frac{1}{4}$ SW $\frac{1}{4}$	Neil H. Wills		40
36	State	SW $\frac{1}{4}$ SW $\frac{1}{4}$	O. L. Opsjon		40
36	State	SE $\frac{1}{4}$ SW $\frac{1}{4}$	A. L. Jackson		40
<u>TOWNSHIP 12 SOUTH, RANGE 18 EAST</u>					
1	State	Lots 1, 2, 3, 4	Willie Stell Stancliff		71.74
1	USA 060754	S $\frac{1}{2}$ N $\frac{1}{2}$; SW $\frac{1}{4}$	W. W. Brunson		320
1	State	SE $\frac{1}{4}$	Willie Stell Stancliff		160
2	State	Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$	Neil H. Wills		281.60
2	State	Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$	Geo. B. McCamey	Willie Stell Stancliff	279.20
3	USA 060790	All	G. C. Brunson		569.40

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 6, 1964

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

Attention: Mr. T. W. Bittick

**Re: Fifth Expansion Dakota
Participating Area,
Huerfanito Unit, San Juan
County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Fifth Expanded Participating Area for the Dakota Formation for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

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

ALP/JEK/og

**cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell**

1963 DEC 19 AM 9 25

December 19, 1963

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

Re: Huerfanito Unit
San Juan County, New Mexico

Attention: Mr. Charles T. Richardson

Gentlemen:

The Commissioner of Public Lands approved as of December 18, 1963, your Application for the Fifth Expanded Participating Area for the Dakota Formation, Huerfanito Unit, San Juan County, New Mexico.

We are handing six approved copies of this Applications to the Oil Conservation Commission and requesting that they forward five copies to the United States Geological Survey for their consideration.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/nmr/v

cc: Oil Conservation Commission

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

RECEIVED 12 13 1963

December 13, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Mesaverde
Formation, effective as of the date
of first production

Gentlemen:

This is to advise that the above captioned Initial Participating Area was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - December 3, 1963.
2. Commissioner of Public Lands - September 9, 1963.
3. Oil Conservation Commission - October 1, 1963.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js

Huerfanito, 4.2



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

December 10, 1963

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

Attention: Mr. T. W. Bittick

Gentlemen:

The initial 320-acre Mesaverde participating area for the Huertasmayo unit agreement, San Juan County, New Mexico, was approved December 3, 1963, by the Acting Director, Geological Survey, effective as of October 16, 1962.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(Original) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (ltr. only)
Farmington (w/cy of appln.)
BLM, Santa Fe (w/cy of appln.)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

286

**Drawer 1857
Roswell, New Mexico 88201**

December 10, 1963

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

Attention: Mr. T. W. Bittick

Gentlemen:

The first, second, third, and fourth revisions of the Dakota participating area for the Huerfano unit agreement, San Juan County, New Mexico, were approved on December 3, 1963, by the Acting Director, Geological Survey, effective as of May 1, 1962, October 1, 1962, January 1, 1963, and April 1, 1963, respectively.

One copy of the approved application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(Orig.Sgd.) **CARL C. TRAYWICK**

**CARL C. TRAYWICK
Acting Oil and Gas Supervisor**

cc:

**Washington (ltr. only)
BLM-Santa Fe (w/cy of approved appl.,)
Farmington (w/cy of approved appl.,)
Com. of Pub. Lands-Santa Fe (ltr. only)
NMOCC-Santa Fe ✓**

El Paso Natural Gas Company

El Paso, Texas PM 1 13

December 13, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIRST,
SECOND, THIRD AND FOURTH EXPANDED
PARTICIPATING AREAS for the Dakota
Formation

Gentlemen:

This is to advise that the above captioned expansions were approved by the regulatory bodies on the following dates:

1. United States Geological Survey - December 3, 1963.
2. Commissioner of Public Lands - September 9, 1963.
3. Oil Conservation Commission - September 10, 1963.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:js

Huerfanito, 4.3

El Paso Natural Gas Company

El Paso, Texas

December 3, 1963

286

1963 DEC 3 PM 1:25

111-07177-000

Registered Mail

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Re: Huerfano Unit, 1 Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIFTH
EXPANDED PARTICIPATING AREA FOR
the Dakota Formation

Gentlemen:

Attached are eight copies of the subject Fifth Expanded Participating Area for the Dakota Formation for the Huerfano Unit, together with the appropriate exhibits and geological information.

If this Fifth Expansion meets with your approval, please execute all copies in the space provided and secure the approval of the Oil Conservation Commission on all copies thereof. Upon approval of the Oil Conservation Commission and your office, will you please retain two copies for your files and have the Oil Conservation Commission retain one copy for their files and forward the remaining five copies to the United States Geological Survey for approval.

Very truly yours,

Charles T. Richardson
Charles T. Richardson
Area Coordinator
Land Department

CTR:MB:js

Attachments

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission ✓
Santa Fe, New Mexico

Huerfano, 4.3

COPY

El Paso Natural Gas Company

El Paso, Texas

November 25, 1963

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

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIFTH
EXPANDED PARTICIPATING AREA for the
Dakota Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Fifth Expanded Participating Area for the Dakota Formation, to wit:

Fifth Revision - Effective June 1, 1963

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-26-N, R-9-W, N.M.P.M.</u>	
Section 2: Lots 1,2,3,4, S/2 N/2, S/2 (All)	640.92
Section 10: N/2	320.00
Section 11: N/2	320.00
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 22: All	640.00
Section 27: N/2	320.00
Section 35: E/2	320.00
Total	<u>2,560.92</u>

This proposed Fifth Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #75 Well (formerly the Skelly-Government #1-22 Well), located in the NW/4 of Section 22, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, and the Huerfanito Unit #76 Well (formerly the Huerfanito Unit #4-2 Well) located in the NE/4 of Section 2, Township 26 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #75 Well was spudded on May 6, 1963, and completed on May 25, 1963, at a total depth of 6910'. The Dakota Formation in the intervals between 6634' - 6636', 6646' - 6653', 6700' - 6726', 6799' - 6806', 6842' - 6848', 6854' - 6856', 6897' - 6904' was treated with a sand-water fracturing process on May 25, 1963, and shut-in on June 3, 1963. After being shut-in for seven (7) days, the well was tested on June 10, 1963, and following a three (3) hour blow-down period gauged 2377 MCFGPD through a 3/4" choke and 3625 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2078 psia and an SIPT of 2082 psia.

The Huerfanito Unit #76 Well was spudded on May 28, 1963, and completed on June 19, 1963, at a total depth of 6769'. The Dakota Formation in the intervals between 6414' - 6452', 6493' - 6520', 6577' - 6584', 6604' - 6627', 6674' - 6692' was treated with a sand-water fracturing process on June 17, 1963, and shut-in on June 19, 1963. After being shut-in for nine (9) days, the well was tested on June 28, 1963, and following a three (3) hour blow-down period gauged 3140 MCFGPD through a 3/4" choke and 4076 MCFGPD by the calculated absolute open-flow method with an SIPC of 2081 psig and an SIPT of 2074 psig.

In support of this application, the following Exhibits are made a part hereof.

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Fifth Expanded Participating Area for the Dakota Formation.

EXHIBIT "B"

Geologic Report on the proposed Fifth Expanded Dakota Participating Area of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map
Plate 2: Isopach Map

EXHIBIT "D"

Huerfanito Unit Schedule of Production

Attached hereto is Schedule VI showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Fifth Expanded Dakota Participating Area meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

T. W. Bittick
Assistant Manager
Land Department

TWB:GA:ag

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

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

DATE: December 18, 1962

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

DATE: 1-6-64

The foregoing approvals are for the Fifth Expanded Participating Area for the
Dakota Formation, effective June 1, 1963, under the Huerfanito Unit, I Sec. No.
943, San Juan County, New Mexico.

HUERFANITO UNIT

Working Interest Owners

Austral Oil Company (Information only)
Attn: Eugene V. Dobbs
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Walter Duncan
P. O. Box 137
Durango, Colorado

Mr. A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City 2, Oklahoma

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of the
Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
10737 So. Shoemaker Road
Santa Fe Springs, California

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

HUERFANITO UNIT
Working Interest Owners
(Continued)

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

October 1, 1963

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

**Re: Initial Participating Area,
Mesaverde Formation
Huerfanito Unit, San Juan
County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area, Mesaverde Formation for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell.

Very truly yours,

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

ALP/JEK/ig

**cc: Commissioner of Public Lands, Santa Fe
United States Geological Survey, Roswell**

September 11, 1963

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

Attention: Mr. Harry Gevertz

Gentlemen:

There was a Mesaverde well completed in the SW/4 SW/4 Section 31, Township 27 North, Range 8 West in November 1962.

The completion of a commercial well in this location made a direct offset obligation in the East half of Section 36, Township 27 North, Range 9 West, which is within the Huerfanito Unit.

This offset obligation has previously been discussed with a representative from your office and we believe there has been sufficient time to fully evaluate this well and also to drain the East half of Section 36.

Your Exhibit "C" Plate No. 2 reflects AOF 1964 MCF/D with 20' of pay, whereas your well No. 77 which your initial participating area is based on reflects AOF 1870 MCF/D with only 13' of pay.

May we please hear from you at your earliest convenience.

El Paso Natural Gas Company
September 11, 1963
- page 2 -
Attention: Mr. Harry Gevertz

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mm/v

cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

September 10, 1963

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

Attention: Mr. T. W. Bittick

Re: First, Second, Third, and
Fourth Expanded Participating
Areas, Dakota Formation,
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the First, Second, Third, and Fourth Expanded participating Areas for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell.

Very truly yours,

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

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

C
O
P
Y

September 9, 1963

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

Attention: Mr. Harry Gevertz

Gentlemen:

There was a Mesaverde well completed in the SW/4 SW/4 Section 31, Township 27 North, Range 8 West in November 1962.

The completion of a commercial well in this location made a direct offset obligation in the E/2 of Section 36, Township 27 North, Range 8 West, which is within the Huerfanito Unit.

This offset obligation has previously been discussed with a representative from your office and we believe there has been sufficient time to fully evaluate this well and also to drain the west half of Section 36.

Your Exhibit "C" Plate No. 2 reflects AOF 1964 MCF/D with 20' of pay, whereas your well No. 77 which your initial participating area is based on reflects AOF 1870 MCF/D with only 13' of pay.

May we please hear from you at your earliest convenience.

El Paso Natural Gas Company
September 9, 1963
- page 2 -
Attention: Mr. Harry Geverts

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

3 4 5
September 9, 1963

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

Re: Huerfanito Unit, San Juan County,
New Mexico, Initial Participating
Area for the Mesaverde Formation

Attention: Mr. Charles T. Richardson

Gentlemen:

The Commissioner of Public Lands has approved as of September 9, 1963, your Initial Participating Area for the Mesaverde Formation, Huerfanito Unit, San Juan County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing six approved copies to the Oil Conservation Commission and requesting them to forward five copies to the United States Geological Survey for consideration.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mm/v

cc: Oil Conservation Commission

United States Geological Survey
Roswell, New Mexico

September 9, 1963

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

Re: Huerfanito Unit, San Juan County,
New Mexico, Application for Approval
of First, Second, Third and Fourth
Expanded Participating Areas for the
Dakota Formation

Attention: Mr. Charles T. Richardson

Gentlemen:

The Commissioner of Public Lands has approved as of September 9, 1963, your Application for the First, Second, Third and Fourth Expanded Participating Areas for the Dakota Formation, Huerfanito Unit, San Juan County, New Mexico.

We are handing six approved copies of this application to the Oil Conservation Commission for consideration and requesting them to forward five copies to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

August 29, 1963

256

Registered Mail

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

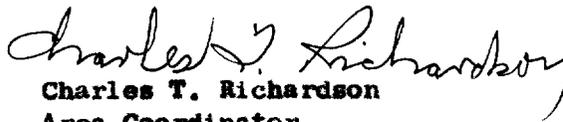
Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIRST,
SECOND, THIRD AND FOURTH EXPANDED
PARTICIPATING AREAS for the Dakota
Formation

Gentlemen:

Attached are eight (8) copies of the subject First, Second, Third and Fourth Expanded Participating Areas for the Dakota Formation for the Huerfanito Unit, together with the appropriate exhibits and geological information.

If these Expansions meet with your approval, please execute all copies in the space provided and secure the approval of the Oil Conservation Commission on all copies thereof. Upon approval of the Oil Conservation Commission and your office, will you please retain two copies for your files and have the Oil Conservation Commission retain one copy for their files and forward the remaining five copies to the United States Geological Survey for approval.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js
Attachments

cc: United States Geological Survey
Oil Conservation Commission

Huerfanito, 4.3

COPY

El Paso Natural Gas Company

El Paso, Texas

August 29, 1963

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

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF FIRST,
SECOND, THIRD AND FOURTH EXPANDED
PARTICIPATING AREAS for the Dakota
Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof respectfully submits for your approval the following selection of lands to constitute the First, Second, Third and Fourth Expanded Participating Areas for the Dakota Formation, to wit:

First Revision - Effective May 1, 1962

<u>Description of Lands</u>	<u>Acreage</u>
T-26-N, R-9-W, N.M.P.M.	
Section 3: Lots 1,2, S/2 NE/4, SE/4	320.75
Total	<u>320.75</u>

This proposed First Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #71 Well (formerly the Crandell-Federal #1 Well), located in the NE/4 of Section 3, Township 26 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #71 Well was originally spudded on December 13, 1951, and temporarily abandoned on September 10, 1952. The well was respudded on March 30, 1962 and recompleted at a plugged-back total depth of 6780'. The well was treated with a sand-oil fracturing process through perforations of 2 jets per foot at 6554', 6624', 6633', 6644', 6700', 6705' and 6710' (a total of 14 holes). The well was tested on May 1, 1962, and following a three (3) hour blow-down period gauged 1105 MCFGPD through a 3/4" choke and 1120 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1911 psig.

Second Revision - Effective October 1, 1962

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 28: All	640.00
Section 33: N/2	<u>320.00</u>
Total	960.00

This proposed Second Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #72 Well (formerly Huerfanito Unit #23-28 Well), located in the SW/4 of Section 28, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #72 Well was spudded on August 4, 1962, and completed on October 1, 1962, at a total depth of 6955'. The Dakota Formation in the interval between 6693' - 6926' was treated with a sand-water fracturing process on October 3 and 4, 1962, and shut-in on October 6, 1962. After being shut-in for nineteen (19) days, the well was tested on October 25, 1962, and following a three (3) hour blow-down period gauged 4097 MCFGPD through a 3/4" choke and 4454 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1573 psig.

Third Revision - Effective January 1, 1963

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 34: NW/4	<u>160.00</u>
Total	160.00

This proposed Third Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #73 Well (formerly Huerfanito Unit #1-33 Well), located in the NE/4 of Section 33, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #73 Well was spudded on November 30, 1962, and completed on January 20, 1963, at a total depth of 7105'. The Dakota Formation in the intervals between 6832' - 6844', 6860' - 6865', 6922' - 6945', 6990' - 7014' was treated with a sand-water fracturing process on January 4, 1963. The well was tested on January 29, 1963, and following a three (3) hour blow-down period gauged 3872 MCFGPD through a 3/4" choke and 4569 MCFGPD by the calculated absolute open-flow method with an SIPT of 2030 psig.

Fourth Revision - Effective April 1, 1963

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 27: S/2	320.00
Section 34: E/2	320.00
Section 35: W/2	320.00
Total	<u>960.00</u>

This proposed Fourth Expanded Participating Area for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit #74 Well (formerly Huerfanito Unit #2-34 Well), located in the NW/4 of Section 34, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

The Huerfanito Unit #74 Well was spudded on March 12, 1963, and completed on April 4, 1963, at a total depth of 6923'. The Dakota Formation in the intervals between 6644' - 6650', 6662' - 6667', 6723' - 6757', 6794' - 6813', 6819' - 6829', 6846' - 6878' was treated with a sand-water fracturing process on April 3, 1963, and shut-in on April 14, 1963. After being shut-in for eight (8) days, the well was tested on April 22, 1963, and following a three (3) hour blow-down period gauged 3752 MCFGPD through a 3/4" choke and 5555 MCFGPD by the calculated absolute open-flow method with an SIPC of 1413 psig and an SIPT of 1492 psig.

In support of this application, the following Exhibits are made a part hereof.

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed First, Second, Third and Fourth Expanded Participating Areas for the Dakota Formation.

EXHIBIT "B"

Geologic Report on the proposed First, Second, Third and Fourth Expanded Dakota Participating Areas of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map

Plate 2: Isopach Map

EXHIBIT "D"

Huerfanito Unit Schedule of Production

Attached hereto is Schedules II, III, IV and V showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the First, Second, Third and Fourth Expanded Dakota Participating Areas meet with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:GA:js

APPROVED: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

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

DATE: September 7, 1963

APPROVED: A. L. Carter, Jr.
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the Commissioner
of Public Lands.

DATE: 9-10-63

The foregoing approvals are for the First, Second, Third and Fourth Expanded Participating Areas for the Dakota Formation, effective May 1, 1962, October 1, 1962, January 1, 1963 and April 1, 1963, respectively, under the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico.

HUERFANITO UNIT

Working Interest Owners

Austral Oil Company (Info. only)
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Mr. A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City 2, Oklahoma

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of
the Estate of T. H. McElvain,
Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
10737 So. Shoemaker Road
Santa Fe Springs, California

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

HUERFANITO UNIT
Working Interest Owners
(Continued)

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Walter Duncan (Info. only)
P. O. Box 137
Durango, Colorado

El Paso Natural Gas Company

El Paso, Texas

August 28, 1963

Registered Mail

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

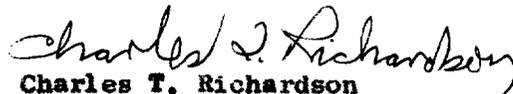
Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Mesaverde
Formation, effective as of the date
of first production

Gentlemen:

Attached are eight (8) copies of the subject Initial Participating Area for the Mesaverde Formation for the Huerfanito Unit, together with the appropriate exhibits and geological information.

If this Initial Participating Area meets with your approval, please execute all copies in the space provided and secure the approval of the Oil Conservation Commission on all copies thereof. Upon approval by the Oil Conservation Commission and your office, will you please retain two copies for your files and have the Oil Conservation Commission retain one copy for their files and forward the remaining five copies to the United States Geological Survey for approval.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js
Attachments

cc: United States Geological Survey
Oil Conservation Commission

Huerfanito, 4.2

COPY

El Paso Natural Gas Company

El Paso, Texas

August 28, 1963

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

Commissioner of Public Lands
Of the State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Mesaverde
Formation, effective as of the date
of first production

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the following selection of lands to constitute the Initial Participating Area for the Mesaverde Formation, effective as of the date of first production:

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-27-N, R-9-W, N.M.P.M.</u> Section 24: W/2	320.00
Total	320.00

This proposed Initial Participating Area for the Mesaverde Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities of the Huerfanito Unit No. 77 Well (formerly Skelly Huerfanito "MV" #1) located in the SW/4 of Section 24, Township 27 North, Range 9 West, N.M.P.M.

The Huerfanito Unit No. 77 Well was spudded on September 18, 1962, and completed on October 16, 1962 at a total depth of 4600'. The Mesaverde Formation in the intervals between 4351' - 4359', 4371' - 4379', 4393' - 4398', and 4413' - 4423' was treated with a sand-water fracturing process on October 4, 1962. After being shut-in, the well was tested on October 16, 1962, and following a three (3) hour blow-down period gauged 1746 MCFGPD through a 3/4" choke and 1870 MCFGPD by the calculated absolute open-flow method, with a FPC of 308 psig and FTP of 138 psig.

In support of this application, the following Exhibits are made a part hereof:

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Initial Participating Area for the Mesaverde Formation.

EXHIBIT "B"

Geologic Report on the proposed Initial Mesaverde Participating Area of the Huerfanito Unit.

EXHIBIT "C"

Plate 1: Subsurface Structure Map

Plate 2: Isopach Map

Attached hereto is Schedule I showing the lands entitled to participation in the unitized substances produced from the Mesaverde Formation with the percentage of participation of each lease or tract indicated thereon.

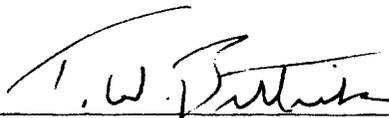
If the hereinabove selection of lands to constitute the Initial Mesaverde Participating Area meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

APPROVED:

Director, United States Geological Survey
Subject to like approval by the
appropriate State officials.

DATE: _____

APPROVED:

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

DATE: _____

APPROVED:

A. H. Carter, Jr.
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: _____

Oct. 1, 1963

The foregoing approvals are for the Initial Participating Area for the Mesaverde Formation, effective as of the date of first production under the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico.

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company, Incorporated
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Avenue
Littleton, Colorado

Mr. A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City 2, Oklahoma

Mr. Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mrs. Catherine B. McElvain,
Individually and as Executrix of
the Estate of T. H. McElvain, Deceased
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
10737 So. Shoemaker Road
Santa Fe Springs, California

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

HUERFANITO UNIT
Working Interest Owners
(Continued)

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Walter Duncan (Info. only)
P. O. Box 137
Durango, Colorado

El Paso Natural Gas Company

El Paso, Texas

July 2, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I. Sec. No. 943
San Juan County, New Mexico
1963 DRILLING PROGRAM

Gentlemen:

The 1963 Drilling Program for the Huerfanito Unit was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - April 5, 1963
2. Commissioner of Public Lands - May 8, 1963
3. Oil Conservation Commission - June 6, 1963

Copies of this letter are being sent to all the working interest owners of the Huerfanito Unit.

Very truly yours,

Charles T. Richardson

Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js

Huerfanito 3.0

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

June 6, 1963

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

Attention: Mr. Sam Smith

Re: 1963 Drilling Program
Huerfanito Unit, San
Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1963 Drilling Program for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: Commissioner Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

2003 APR 11 11 36 AM '63

Drawer 1857
Roswell, New Mexico

April 5, 1963

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

Attention: Mr. Sam Smith

Gentlemen:

Your 1963 plan of development dated February 8, 1963, for the Huerfanito unit area, San Juan County, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC - Santa Fe (ltr. only)
Com. of Pub. Lands - Santa Fe (ltr. only)

1963 MAY 10 AM 7:57

May 8, 1963

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

Re Huerfanito Unit
San Juan County, New Mexico
1963 Plan of Development

Attention: Mr. Harry Gevertz

Gentlemen:

The Commissioner of Public Lands approves the 1963 Plan of Development for the Huerfanito Unit as of May 8, 1963.

The Commissioner's approval is subject to certain provisions contained in your letter of April 29, 1963.

This office has not received a copy of the Designation of Sub-Operator for Mr. Walter and nor have we received a copy of the C-101 Intention to Drill for the Huerfanito Well No. 1 which Mr. Duncan is now drilling.

We are returning one approved copy of this Plan.

El Paso Natural Gas Company

May 8, 1963

- page 2 -

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmz/v

encl:

cc: Oil Conservation Commission
Santa Fe, New Mexico

U. S. Department of Interior
Geological Survey
Roswell, New Mexico
Attention: Mr. John A. Anderson

El Paso Natural Gas Company

El Paso, Texas 1963 FEB 13 AM 8:27
February 8, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I. Sec. No. 943
San Juan County, New Mexico
1963 DRILLING PROGRAM

Gentlemen:

By letter dated December 24, 1962, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for 1962, calling for the drilling of no wells by the Unit Operator.

El Paso Natural Gas Company, as Unit Operator, drilled no wells in the Huerfanito Unit during 1962, due to the fact that none of the working interest owners in the Unit requested additional wells when initially contacted at the beginning of the year and all unit obligations appeared at that time to be satisfied. However, during the year certain working interest owners requested permission and drilled the following wells for the reasons indicated:

1. Huerfanito No. 23-28 Dakota Well, located in the SW/4 of Section 28, Township 27 North, Range 9 West, was drilled by Mobil Oil Company as a Unit Offset at the request of the United States Geological Survey.
2. Mesaverde No. 1 Mesaverde Well, located in the SW/4 of Section 24, Township 27 North, Range 9 West, was drilled by Skelly Oil Company as a Unit Offset at the request of the United States Geological Survey.

3. Huerfanito No. 1-33 Well, located in the NE/4 of Section 33, Township 27 North, Range 9 West, is now being drilled by Austral Oil Company, Inc. as an exploratory test.
4. Crandell-Federal No. 1 Well, located in the NE/4 of Section 3, Township 26 North, Range 9 West, previously abandoned, was reworked by Mobil Oil Company and re-completed in the Dakota Formation.

As of January 1, 1963, the total number of well drilled in the Huerfanito Unit Area was as follows:

Pictured Cliffs, Commercial	60
Pictured Cliffs, Plugged and Abandoned	3
Gallup-Dakota (Commercial in Dakota only)	1
Dakota, Commercial	1
Dakota, (Not completed)	1
Dakota, (Commercial determination not yet made)	1
Dakota, OWWO	1
Mesaverde, Commercial	1
Mesaverde, Plugged and Abandoned	1
	<u>70</u>

Pursuant to Section 9 of the Huerfanito Unit Agreement, El Paso Natural Gas Company, as Unit Operator, does hereby submit this Drilling Program providing for the drilling of no wells during the period from January 1, 1963 to December 31, 1963.

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

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 9 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

Sam Smith, Manager
Land Department

APPROVED: _____

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____

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

DATE: _____

APPROVED: _____


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

DATE: June 6, 1963

The foregoing approvals are for the Huerfanito Unit 1963 Drilling Program,
San Juan County, New Mexico.

HUERFANITO UNIT

Working Interest Owners

Austral Oil Company
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 E. Cresthill Ave.
Settleton, Colorado

A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City, Oklahoma

Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. C. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Catherine B. McElvain, Individually
and as Executrix of the Estate of
T. H. McElvain, Deceased
P. O. Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
10737 South Shoemaker Road
Santa Fe Springs, California

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

MAIL ROOM 000

286

Drawer 1857 1963 JUN 3 PM 1 01
Roswell, New Mexico

June 3, 1963

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

Attention: Mr. Sam Smith

Gentlemen:

We acknowledge receipt of four copies of a Designation of Sub-Operator by which El Paso Natural Gas Company, unit operator, Huerfano unit, San Juan County, New Mexico, designates Austral Oil Company Incorporated, as sub-operator for the Dakota formation in the $\frac{1}{2}$ sec. 2, T. 26 N., R. 9 W., N.M.P.M., San Juan County, New Mexico, covered by State of New Mexico leases.

The Designation of Sub-Operator is hereby accepted as a Designation of Agent from El Paso. Such acceptance does not relieve El Paso of its responsibility as unit operator to assume operations for any well drilled on the above described land that is determined to be eligible for inclusion in the Dakota participating area.

Sincerely yours,

[Orig. Sgd.] JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

CC: Austral Oil Company, Incorporated
300 San Jacinto Building
Houston 2, Texas

Washington (w/cy desig.)
BIM, Santa Fe (w/cy desig.)
Farmington (ltr. only)
MDOCC, Santa Fe (ltr. only)✓
Comm. Pub. Lands, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas 1963 JUN 13 AM 27

May 31, 1963

286

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico
Attention: Mrs. Marian Rhea

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

Re: **Huerfanito Unit**
San Juan County, New Mexico

Gentlemen:

Enclosed for your information and files is a xerox copy of a letter from the United States Geological Survey dated May 20, 1963, pertaining to commercial determinations on certain wells drilled within the Huerfanito Unit. Also enclosed is a carbon copy of our reply letter dated May 29, 1963, setting out our reasons for not taking further action at this time.

Very truly yours,

Charles T. Richardson

Charles T. Richardson
Area Coordinator
Land Department

CTR:js
Enclosures

COPY



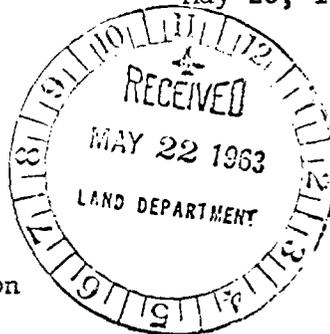
IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

CTR	
GA	
KM	
MB	
GWO	

May 20, 1963



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

Attention: Mr. Charles T. Richardson

Gentlemen:

Office records show the following Dakota wells have been completed in the Huerfanito unit area.

<u>Operator</u>	<u>Well No.</u>	<u>Location</u>	<u>Completion Date</u>	<u>Initial Potential</u>
Mobil Oil Co.	1 Crandell	NE $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 3 T.26N.,R.9W.	Recompleted 4-30-62	1,120 MCF PD (AOF)
Mobil Oil Co.	23-28 Huerfanito unit	NE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 28 T.27N.,R.9W.	10-25-62	4,500 MCF PD (AOF)
Austral Oil Co., Inc.	1-33 Huerfanito unit	SE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 33 T.27N.,R.9W.	1-29-63	4,569 MCF PD (AOF)
Austral Oil Co., Inc.	2-34 Huerfanito unit	SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 34 T.27N.,R.9W.	4-22-63	5,555 MCF PD (AOF)

Please furnish this office a determination as to whether the above described wells are capable of producing unitized substances in paying quantities and the usual applications for approval of the appropriate Dakota participating area revisions.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

May 29, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Re: Huerfano Unit
San Juan County, New Mexico

Dear Mr. Anderson:

With regard to your letter of May 20, 1963, pertaining to commercial determinations on certain wells drilled within the subject unit we wish to advise as follows:

1. Crandell-Federal #1 Dakota Well, NE/4 NW/4 Section 3, T-26-N, R-9-W, N.M.P.M., San Juan County, New Mexico:

El Paso Natural Gas Company, as Unit Operator of the Huerfano Unit, has determined that this well is non-commercial and accordingly will bring no acreage into the Dakota Participating Area. However, Mobil Oil Company has objected to this determination and El Paso furnished Mobil with additional data to counter such objections. Mobil has advised that they are still considering this matter. El Paso presently plans to submit a non-commercial determination on this well.

2. Huerfano Unit #23-28 Dakota Well, NE/4 SW/4 Section 28, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico:

El Paso has determined this well to be commercial and proposed to the working interest owners the acreage that said well will bring in as the First Expansion to the Dakota Participating Area. Mobil Oil Company and Austral Oil Company Incorporated, who own substantial working interest, have not granted approval for this Expansion. Conferences between these parties have been had and correspondence furnished substantiating this acreage as the First Dakota Expansion, however, to date neither Mobil or Austral have approved this proposed expansion.

3. Huerfanito Unit #1-33 Dakota Well, SE/4 NE/4 Section
33, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico:

This well was completed upon acreage within the proposed First Expansion of the Dakota Participating Area. However, it is proposed that this well will bring additional acreage into the Unit as the Second Expansion of the Dakota Participating Area. This proposed expansion has also been submitted to Mobil and Austral and additional data has been furnished to these companies to support this proposed expansion. However, to date neither Mobil or Austral have approved this expansion.

4. Huerfanito Unit #2-34 Dakota Well, SW/4 NE/4 Section
34, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico:

El Paso Natural Gas Company, as Unit Operator, has just determined that this well is also commercial. The proposed acreage to be brought in by this well is the S/2 of Section 27, E/2 of Section 34 and W/2 Section 35, T-27-N, R-9-W, N.M.P.M., and will be submitted to the working interest owners for approval as the Third Dakota Expansion. However, we do not anticipate being able to take further action on this expansion until Mobil and Austral make a decision with regard to the First and Second Dakota Expansions.

As a result of the above we do not feel that we can take further action with regard to expansions concerning these wells until necessary approvals are received from Mobil and Austral.

Very truly yours,

Original Signed By

CHARLES T. RICHARDSON

Charles T. Richardson
Area Coordinator
Land Department

CTR:js

cc: Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Austral Oil Company Incorporated
300 San Jacinto Building
Houston, Texas

Huerfanito, 4.3, 5.0

AUSTRAL OIL COMPANY
Incorporated
San Jacinto Building
Walker at Main
Houston 2, Texas

The Oil Conservation Commissioner
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit
San Juan County, New Mexico

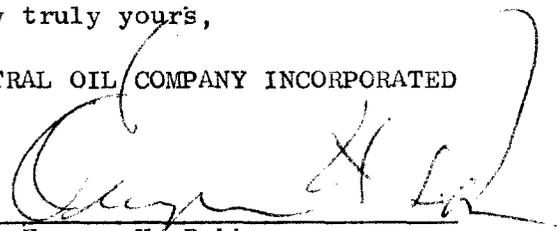
Gentlemen:

We are pleased to transmit herewith executed copy of Designation of Sub-Operator dated May 23, 1963, whereby El Paso Natural Gas Company designates Austral Oil Company Incorporated as sub-operator for the N/2 of Section 2, Township 26 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

Should you have any questions in respect to this Designation, we would appreciate it if you would communicate with the writer.

Very truly yours,

AUSTRAL OIL COMPANY INCORPORATED

By 

Eugene H. Dobbs
Assistant Vice President

EHD/js
Encls.

cc: Mr. Charles T. Richardson
El Paso Natural Gas Company
Box 1492
El Paso, Texas

DESIGNATION OF SUB-OPERATOR

MAY 1 1963

THIS DESIGNATION is made and entered into this 23rd day of May, 1963, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, whose address is 300 San Jacinto Building, Houston 2, Texas, hereinafter sometimes referred to as "Sub-Operator".

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Mobil Oil Company, a Division of Socony Mobil Oil Company, Inc., is the holder of oil and gas operating rights as to the Dakota Formation under the following described tracts of land:

San Juan County, New Mexico
Township 26 North, Range 9 West, N.M.P.M.
Section 2: Lots 1, 3, SE/4 NW/4, SW/4 NE/4
Containing 160.41 acres, more or less; and

WHEREAS, Mobil Oil Company, a Division of Socony Mobil Oil Company, Inc., J. Glenn Turner, William G. Webb, La Plata Gathering System, Inc., Jack London, Jr., Benson-Montin-Greer Drilling Corporation and A. R. Greer are the holders of oil operating rights as to the Dakota Formation under the following described tracts of land:

San Juan County, New Mexico
Township 26 North, Range 9 West, N.M.P.M.
Section 2: Lots 2, 4, SW/4 NW/4, SE/4 NE/4
Containing 160.51 acres, more or less; and

WHEREAS, the above described tracts of land are committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Dakota well on the N/2 of Section 2, Township 26 North, Range 9 West, being the above described tracts of land, pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, the necessary concurrence has been obtained from the working interest owners in the above tract; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Austral Oil Company Incorporated to drill the said Dakota well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates Austral Oil Company Incorporated as Sub-Operator for the sole and only purpose of drilling the said Dakota well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon said Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Notify Operator when drilling operations are commenced.
2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
4. Allow representatives of Operator access to the derrick floor at all times.
5. Notify Operator of intention to core, drill stem test, run well surveys or other tests in sufficient time to enable Operator's representative to be present. Additionally it is specifically understood that El Paso Natural Gas Company will be notified in sufficient time to enable El Paso's representative to be present for the official test of the well.
6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.

8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:
 - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.
14. Furnish the United States Geological Survey all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey, with a copy to El Paso Natural Gas Company at the addresses hereafter specified.
15. Provide the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission copies of all reports and other well data submitted to the United States Geological Survey.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With a copy to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Dakota well pursuant to the provisions of Paragraph 4 of the Huerfanito Unit Operating Agreement.

The drilling of the said Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Dakota test is completed and/or plugged and abandoned.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By *A. L. Hill*
Attorney in Fact

SUB-OPERATOR

AUSTRAL OIL COMPANY INCORPORATED

By *C. J. Hill*
Assistant Vice President

ATTEST:

Assistant Secretary

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 23rd
day of May, 1963, by A. L. HILL, Attorney in
Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of
said corporation.

Natalie Taylor
Notary Public

My commission expires:
NATALIE TAYLOR
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1963

STATE OF TEXAS)
)
COUNTY OF ~~HARRIS~~ EL PASO)

The foregoing instrument was acknowledged before me this 23rd
day of May, 1963, by Ernest H. Doherty, President
President of AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, on
behalf of said corporation.

Natalie Taylor
Notary Public

My commission expires:
NATALIE TAYLOR
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1965

El Paso Natural Gas Company

El Paso, Texas

May 1, 1963

Walter Duncan
P. O. Box 137
Durango, Colorado

Attention: Mr. Raymond T. Duncan

Dear Sir:

In accordance with your request of April 22, 1963, we are furnishing you eight (8) executed copies of a Designation of Sub Operator for the drilling of a Dakota well in the W/2 of Section 22, Township 27 North, Range 9 West, of the Huerfano Unit.

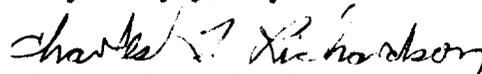
It will be necessary that you file three (3) copies of this instrument with the United States Geological Survey, send one (1) copy to the Oil Conservation Commission and two (2) copies to the Commissioner of Public Lands. Please furnish us a copy of each of your letters of transmittal in addition to one fully executed copy of the Designation of Sub Operator for our files.

Additionally, it will be necessary for you to furnish the United States Geological Survey office in Farmington three (3) copies of the Designation of Operator (form 9 1123) from Skelly to Walter Duncan and a Notice of Intention to Drill. Please furnish this office with copies of your letters of transmittal and one copy of each form. Also please furnish our Farmington office one copy of the Notice of Intention to Drill.

We also desire to specifically call your attention to the conditions numbered 1 through 15 in said instrument and point out that it is absolutely necessary that you furnish all the materials and reports required in the quantities and in the times specified. Additionally, it is mandatory that the well be completed in a manner satisfactory to the Oil Conservation Commission and the United States Geological Survey before El Paso Natural Gas Company can take over operations of such well as Unit Operator. We understand that our Farmington office has already contacted your people in this regard.

If we can be of any further assistance do not hesitate to call on us.

Very truly yours,



Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:ag
Enclosures
cc: United States Geological
Survey
Commissioner of Public Lands

COPY

Oil Conservation Commission ✓

286

AUSTRAL OIL COMPANY

INCORPORATED

SAN JACINTO BUILDING

WALKER AT MAIN

HOUSTON 2, TEXAS

February 28, 1963

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

1963 MAR 4 AM 11:22

TELEPHONE
CA 8-9461

The Oil Conservation Commissioner
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: DB 62-13 Huerfanito Unit
San Juan County, New Mexico

Gentlemen:

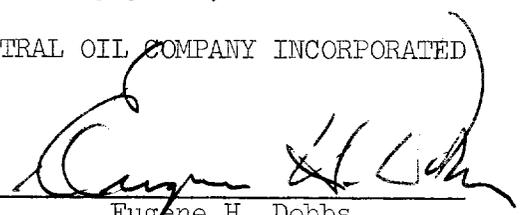
We are pleased to transmit herewith executed copy of Designation of Sub-Operator dated February 27, 1963, whereby El Paso Natural Gas Company designates Austral Oil Company Incorporated as sub-operator for the N/2 of Section 34, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

Should you have any questions in respect to this Designation, we would appreciate if if you would communicate with the writer.

Very truly yours,

AUSTRAL OIL COMPANY INCORPORATED

By


Eugene H. Dobbs
Chief Landman

EHD/cn
Encls.

cc: Mr. Charles T. Richardson
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this 27th day of February, 1963, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, whose address is 300 San Jacinto Building, Houston 2, Texas, hereinafter sometimes referred to as "Sub-Operator".

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Mobil Oil Company, a Division of Socony Mobil Oil Company, Inc., is the holder of oil and gas operating rights as to the Dakota Formation under the following described tract of land:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 34: N/2
Containing 320.00 acres, more or less; and

WHEREAS, the above described tract of land is committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Dakota well on the above described tracts of land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, the necessary concurrence has been obtained from the working interest owner in the above tract; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Austral Oil Company Incorporated to drill the said Dakota well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates Austral Oil

Huerfanito Unit 2.0

Company Incorporated as Sub-Operator for the sole and only purpose of drilling the said Dakota well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon said Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Notify Operator when drilling operations are commenced.
2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
4. Allow representatives of Operator access to the derrick floor at all times.
5. Notify Operator of intention to core, drill stem test, run well surveys or other tests in sufficient time to enable Operator's representative to be present. Additionally it is specifically understood that El Paso Natural Gas Company will be notified in sufficient time to enable El Paso's representative to be present for the official test of the well.
6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.

11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:
 - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00
14. Furnish the United States Geological Survey all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey, with a copy to El Paso Natural Gas Company at the addresses hereafter specified.
15. Provide the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission copies of all reports and other well data submitted to the United States Geological Survey.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With a copy to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Dakota well pursuant to the provisions of Paragraph 4 of the Huerfanito Unit Operating Agreement.

The drilling of the said Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

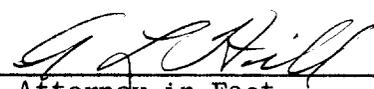
THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said ~~Mesa Verde~~ Dakota test is completed and/or plugged and abandoned.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

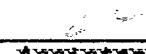
OPERATOR

EL PASO NATURAL GAS COMPANY

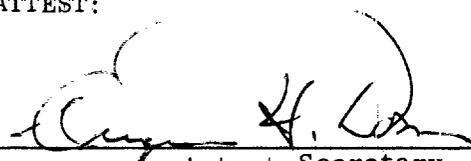
By 
Attorney in Fact

SUB-OPERATOR

AUSTRAL OIL COMPANY INCORPORATED

By 
~~Assistant Secretary~~
Vice President 

ATTEST:


Assistant Secretary

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 27th day of Feb., 1963, by A. L. HILL, Attorney in Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.

Natalie Taylor
Notary Public

My commission expires:

NATALIE TAYLOR

Notary Public in and for El Paso County, Texas

My Commission Expires June 1, 1963

STATE OF Texas)
)
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 28th day of February, 1963, by G. W. Frank, ~~Assistant~~ Vice President Secretary of AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, on behalf of said corporation.

Joan Leach
Notary Public

My commission expires:

June 1, 1963

286
MAIN OFFICE OCC

1963 FEB 13 PM

Drawer 1857
Rm 28, Gallup, New Mexico

February 11, 1963

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

Attention: Mr. T. W. Bittick

Gentlemen:

Your notice of January 22, 1963, advises that El Paso Natural Gas Company, as unit operator of the Haerfenito unit area, San Juan County, New Mexico, has determined unit well No. 60 to be incapable of producing unitized substances in paying quantities from the Gallup formation.

This well, in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 4, T. 26 N., R. 9 W., N.M.P.M., was recompleted in April 1962, for a potential of 1,412 MCFGPD from the Gallup formation 5,862-5,960 feet.

This office concurs with your determination that unit well No. 60 is incapable of producing unitized substances in paying quantities under existing conditions.

Very truly yours,

(Orig. Sgd) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of notice)
Farmington (w/cy of notice)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)
Accounts

786
El Paso Natural Gas Company

El Paso, Texas

January 22, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL in the Gallup
Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof, has determined that the following described well is not capable of producing unitized substances in paying quantities from the Gallup Formation, to wit:

The Huerfanito Unit No. 60 (GD) Well, located 990' from the South line and 990' from the West line of Section 4, Township 26 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, was spudded on October 21, 1960, and completed on November 19, 1960, at a total depth of 6760' in the Dakota Formation only. On January 13, 1962, the well was killed with salt water and a bridge plug was set at 6050' and the Gallup Formation in the intervals between 5862' - 5888', 5906' - 5942' and 5954' - 5968' was treated with a sand-oil fracturing process on January 13, 1962. The Gallup Formation was shut-in for gauge on February 11, 1962, and after being shut-in for sixty-nine (69) days, the Gallup Formation was

tested on April 11, 1962, and following a three (3) hour blow-down period gauged 1371 MCFGPD through a 3/4" choke and 1412 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1226 psia and an SIPT of 1227 psia.

If this determination meets with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

Copies of this letter are being sent to the Commissioner of Public Lands and the Oil Conservation Commission of the State of New Mexico, and the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

T. W. Bittick
Assistant Manager
Land Department

HUERFANITO UNIT
Working Interest Owners

Austral Oil Company
300 San Jacinto Building
Houston, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
2958 East Cresthill Avenue
Settleton, Colorado

A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City, Oklahoma

Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mr. T. H. McElvain
P. O. Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
Attention: District Production
Superintendent
10737 South Shoemaker Road
Santa Fe Springs, California

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1. Texas

APPROVED

Regional Oil and Gas Supervisor
United States Geological Survey

DATE:

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

January 17, 1963

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

Attention: Mr. Sam Smith

Re: 1962 Plan of Development
Huerfanito Unit, San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1962 Plan of Development dated December 24, 1962 for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

Drawer 1857
Roswell, New Mexico

December 28, 1962

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

Attention: Mr. Sam Smith

Gentlemen:

Your 1962 plan of development dated December 24, 1962, for the Huerfanito unit area, San Juan County, New Mexico, advising that two offset wells and two exploratory wells have been drilled during the year, has been approved for record purpose on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

(Faint signature)

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands (ltr. only)

January 7, 1963

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

Re: Huerfanito Unit Area,
San Juan County,
New Mexico

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands has approved your delayed 1962 Plan of Development which is dated December 24, 1962, for the Huerfanito Unit Area, San Juan County, New Mexico.

This Plan covers two offset wells and two exploratory wells which were drilled during 1962 and our approval is subject to like approval by the U. S. Geological Survey and the Oil Conservation Commission.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission
Santa Fe, New Mexico

U. S. Geological Survey
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

December 24, 1962

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I. Sec. No. 943
San Juan County, New Mexico
1962 DRILLING PROGRAM

Gentlemen:

By letter dated January 30, 1961, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for 1961 calling for the drilling of no wells by the Unit Operator. However, J. Glenn Turner drilled and completed two (2) Dakota wells in Section 4, Township 26 North, Range 9 West, N.M.P.M., being the Huerfanito Unit No. 60 and No. 61 Wells which created the Initial Dakota Participating Area.

As of January 1, 1962, the total number of wells drilled in the Huerfanito Unit Area was as follows:

Pictured Cliffs, Commercial	60
Pictured Cliffs, Non-commercial	1
Pictured Cliffs, Plugged and Abandoned	2
Dakota, Commercial	2
Dakota, Plugged and Abandoned	1
Mesaverde, Plugged and Abandoned	<u>1</u>
	67

El Paso Natural Gas Company, as Unit Operator, drilled no wells in the Huerfanito Unit during 1962, due to the fact that none of the working interest owners in the Unit requested additional wells when initially contacted at the beginning of the year. However, during the year certain working interest owners requested permission and drilled the following wells for the reasons indicated:

1. Huerfanito No. 23-28 Dakota Well, located in the SW/4 of Section 28, Township 27 North, Range 9 West, was drilled by Mobil Oil Company as a Unit Offset at the request of the United States Geological Survey.
2. Mesaverde No. 1 Mesaverde Well, located in the SW/4 of Section 24, Township 27 North, Range 9 West, was drilled by Skelly Oil Company as a Unit Offset at the request of the United States Geological Survey.
3. Huerfanito No. 1-33 Well, located in the ^{NE}~~SW~~/4 of Section 33, Township 27 North, Range 9 West, is now being drilled by Austral Oil Company, Incorporated for an exploratory test.
4. Crandell-Federal No. 1 Well, located in the NE/4 of Section 3, Township 26 North, Range 9 West, previously abandoned, was reworked by Mobil Oil Company and completed as an exploratory Dakota well.

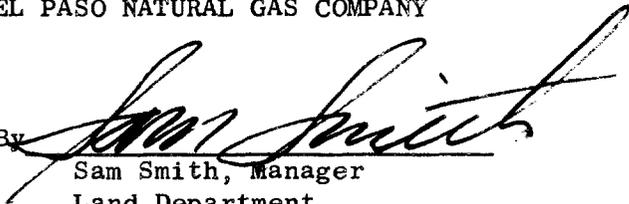
El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners in the affected spacing units. However, El Paso Natural Gas Company proposes to drill no additional wells during the calendar year 1962, as it considers all obligations presently satisfied.

If this Drilling Program is acceptable, please signify your approval as required under Section 9 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Sam Smith, Manager
Land Department

SS:GA:js

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

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

DATE: _____

APPROVED: A. L. Porter, Jr.
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: Jan 12, 1963

The foregoing approvals are for the Huerfanito Unit 1962 Drilling Program,
San Juan County, New Mexico.

HUERFANITO UNIT - Working Interest Owners

Austral Oil Company, Incorporated
300 San Jacinto Building
Houston 2, Texas

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
6011 North 48th Avenue
Glendale, Arizona

A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
888 Logan
Denver 3, Colorado

Huerfanito Drilling Company
1390 First National Building
Oklahoma City 2, Oklahoma

Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mr. T. H. McElvain
Box 2148
Santa Fe, New Mexico

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

Mobil Oil Company
Attention: Mr. P. M. Barry,
District Superintendent
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

San Jacinto Petroleum Corporation
800 San Jacinto Building
Houston 2, Texas

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

El Paso Natural Gas Company
MAIN OFFICE CCC

1963 JAN 14 AM 9:24 El Paso, Texas
January 9, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I. Sec. No. 943
San Juan County, New Mexico
1962 DRILLING PROGRAM

Gentlemen:

Reference is made to our letter dated December 24, 1962, pertaining to subject Unit wherein we, as Operator of the Huerfanito Unit, set out our Drilling Program for the year 1962. This 1962 Drilling Program was approved on December 28, 1962 by the United States Geological Survey, but to date approval of same has not been received from the Commissioner of Public Lands or the Oil Conservation Commission.

On Page 2 of our letter of December 24, 1962, we described the location of the Huerfanito No. 1-33 Well as the NW/4 of Section 33, Township 27 North, Range 9 West, N.M.P.M. We have subsequently determined that this quarter section description was incorrect and the Huerfanito No. 1-33 Well is actually located in the NE/4 of the said Section 33.

We offer our sincere apologies for any inconvenience this erroneous description may have occasioned.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Sam Smith, Manager
Land Department

SS: CTR: js

El Paso Natural Gas Company

El Paso, Texas

December 20, 1962

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Dakota
Formation, effective March 8, 1961

Gentlemen:

This is to advise you that the above captioned Initial Participating Area was approved by the regulatory bodies on the following dates:

United States Geological Survey - December 6, 1962

Commissioner of Public Lands - July 27, 1962

Oil Conservation Commission - July 23, 1962

Copies of this letter are being sent to the working interest owners of the Huerfanito Unit.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:js

AUSTRAL OIL COMPANY

INCORPORATED

SAN JACINTO BUILDING

WALKER AT MAIN

HOUSTON 2, TEXAS

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

TELEPHONE
CA 8-9461

November 5, 1962

286

The Oil Conservation Commissioner
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: DB 62-13 Huerfanito Unit
San Juan County, New Mexico

Gentlemen:

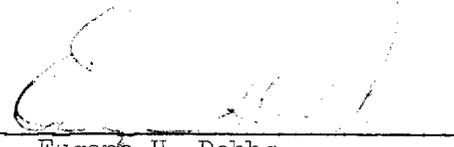
We are pleased to transmit herewith executed copy of Designation of Sub-Operator dated November 2, 1962 whereby El Paso Natural Gas Company designates Austral Oil Company Incorporated as sub-operator for the N/2 of Section 33, Township 27 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

Should you have any questions in respect of this Designation, we would appreciate it if you would communicate with the writer.

Very truly yours,

AUSTRAL OIL COMPANY INCORPORATED

By


Eugene H. Dobbs
Chief Landman

EHD:bp
Enclosure

cc: Mr. Sam Smith
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this 2nd day of November, 1962, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, whose address is 300 San Jacinto Building, Houston 2, Texas, hereinafter sometimes referred to as "Sub-Operator".

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Mobil Oil Company, a Division of Socony Mobil Oil Company, Inc., is the holder of oil and gas operating rights as to the Dakota Formation under the following described tract of land:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 33: N/2
Containing 320.00 acres, more or less; and

WHEREAS, the above described tract of land is committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Dakota well on the above described tracts of land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, the necessary concurrence has been obtained from the working interest owner in the above tract; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Austral Oil Company Incorporated to drill the said Dakota well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates Austral Oil

Company Incorporated as Sub-Operator for the sole and only purpose of drilling the said Dakota well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon said Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Notify Operator when drilling operations are commenced.
2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
4. Allow representatives of Operator access to the derrick floor at all times.
5. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representative to be present.
6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.

12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:
 - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.
14. Furnish the United States Geological Survey all necessary reports and well data in the required numbers as specified by the United States Geological Survey.
15. Provide the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission copies of all reports and other well data submitted to the United States Geological Survey.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With a copy to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or

causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Dakota well pursuant to the provisions of Paragraph 4 of the Huerfanito Unit Operating Agreement.

The drilling of the said Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Dakota test is completed and/or plugged and abandoned.

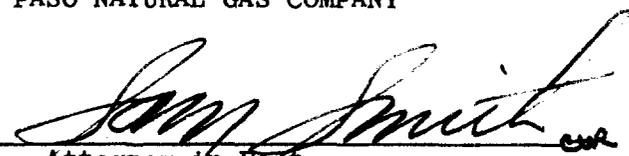
THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By


Attorney in Fact

SUB-OPERATOR

AUSTRAL OIL COMPANY INCORPORATED

By


President

ATTEST:


Assistant Secretary

815

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 3rd
day of Nov, 1962, by Sam Smith, Attorney in Fact for
EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said
corporation.

Natalie Taylor
Notary Public

My commission expires:

NATALIE TAYLOR
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1963

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 5th
day of November, 1962, by C.W. Leisk, President
of AUSTRAL OIL COMPANY INCORPORATED, a Delaware corporation, on behalf
of said corporation.

Betty Lippon
Notary Public

My commission expires:

6.1.63

Drawer 1857
Roswell, New Mexico

September 26, 1962

Skelly Oil Company
Tulsa 2
Oklahoma

Attention: Mr. T. F. Thompson

Gentlemen:

We acknowledge receipt of three copies of a Designation of Sub-Operator dated September 10, 1962, by which El Paso Natural Gas Company, as operator of the Huerfano unit, designates Skelly Oil Company as sub-operator for the sole purpose of drilling a Mesaverde formation well in the W $\frac{1}{2}$ sec. 24, T. 27 N., R. 9 W., N.M.P.M., San Juan County, New Mexico.

The designation of sub-operator is accepted as evidence that El Paso, as unit operator, elects not to drill said Mesaverde well, and that the well will be drilled by Skelly for itself and Artec Oil and Gas Company, the working interest owners in the W $\frac{1}{2}$ sec. 24. Copies of the Designation are being distributed to the appropriate Federal offices.

Very truly yours,

[Orig. Sgd.] JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy design)
Farmington (w/cy design)
Comm. Pub. Lands-Santa Fe (cy ltr. only)
N. M. O. C. C.-Santa Fe (cy ltr only) ✓



SKELLY OIL COMPANY

TULSA 2, OKLAHOMA
September 17, 1962

Lease No. 76334 - Huerfanito "MV"
W2 Section 24-27N-9W
San Juan County, New Mexico

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

Dear Sir:

Skelly Oil Company is drilling a test well on the above captioned land under the terms of the Operating Agreement and Unit Agreement covering the Huerfanito Unit Area.

For completion of your records we enclose herewith two (2) copies of "Designation of Sub-Operator" dated September 10, 1962.

Attached to a copy of this letter directed to the Oil Conservation Commission we are furnishing them with one (1) copy of the "Designation of Sub-Operator".

Yours very truly,

LEASE RECORDS DIVISION

T. F. THOMPSON

T. F. Thompson

TFT/b
Encls.

cc: El Paso Natural Gas Co.
El Paso, Texas

✓ Oil Conservation Commission (w/encl)
State of New Mexico
Santa Fe, New Mexico

Mr. C. L. Blacksher
Building

Mr. Harvey B. Hunt, Jr.
Albuquerque, New Mexico

DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this 10th day of September, 1962, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and SKELLY OIL COMPANY, a Delaware corporation, whose address is Post Office Box 1650, Tulsa 2, Oklahoma, hereinafter sometimes referred to as "Sub-Operator".

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico; and

WHEREAS, Sub-Operator is the holder of oil and gas operating rights under the following described tract of land:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 24: NW/4
Containing 160.00 acres, more or less; and

WHEREAS, Aztec Oil & Gas Company is the holder of oil and gas operating rights under the following described tract of land:

San Juan County, New Mexico
Township 27 North, Range 9 West, N.M.P.M.
Section 24: SW/4
Containing 160.00 acres, more or less; and

WHEREAS, the above described tracts of land are committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Mesaverde well on the above described tracts of land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Mesaverde well as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, the necessary concurrences have been obtained from the working interest owners in the above tracts; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Mesaverde well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Skelly Oil Company to drill the said Mesaverde well, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates Skelly Oil Company as Sub-Operator for Huerfanito Unit 2.0

the sole and only purpose of drilling the said Mesaverde well on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to commence drilling operations on or before October 2, 1962, and to drill, complete and/or plug and abandon said Mesaverde well as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and the Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Notify Operator when drilling operations are commenced.
2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
4. Allow representatives of Operator access to the derrick floor at all times.
5. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representative to be present.
6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:

- a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident, Property Damage Insurance with limits of \$50,000.00.
14. Furnish the United States Geological Survey all necessary reports and well data in the required numbers as specified by the United States Geological Survey.
 15. Provide the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission copies of all reports and other well data submitted to the United States Geological Survey.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas
Attention: Land Department

With a copy to:
El Paso Natural Gas Company
Post Office Box 990
Farmington, New Mexico
Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Mesaverde well pursuant to the provisions of Paragraph 4 of the Huerfanito Unit Operating Agreement.

The drilling of the said Mesaverde well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as

to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Mesaverde test is completed and/or plugged and abandoned.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operating having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By *Sam Smith*
Attorney in Fact

SUB-OPERATOR

SKELLY OIL COMPANY

By *A. J. O'Rourke*
~~President~~ Attorney in Fact

~~ADTEST:~~

~~Secretary~~

STATE OF TEXAS I
 I
COUNTY OF EL PASO I

The foregoing instrument was acknowledged before me this 10th day of Sept, 1962, by Sam Smith, Attorney in Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission expires: *Eloise Busse*
Notary Public

ELOISE BUSSE
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1963

STATE OF OKLAHOMA I
 I
COUNTY OF TULSA I

The foregoing instrument was acknowledged before me this 13th day of September, 1962, by A. J. O'ROURKE, Attorney in Fact for ~~President of~~ SKELLY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission expires: *Harold M. Brady*
Notary Public

HAROLD M. BRADY
Notary Public Tulsa County Oklahoma
My Commission Expires January 21, 1965

July 27, 1962

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

Re: Huerfanito Unit,
San Juan County, New Mexico
Initial Participating Area
Dakota Formation

Attention: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has approved, as of July 27, 1962, the Initial Participating Area for the Dakota Formation, Huerfanito Unit Area, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning five approved copies.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v
cc: U. S. Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

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

286

July 23, 1962

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

Attention: Mr. T. W. Bittick

Re: Application for Approval
of Initial Participating
Area Dakota Formation
Huerfanito Unit, San Juan
County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area, Dakota Formation, for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the office of the Commissioner of Public Lands.

Very truly yours,

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

ALP/JEK/ig

cc: Commissioner of Public Lands - Santa Fe, New Mexico
Director, U. S. Geological Survey - Roswell, New Mexico

C
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El Paso Natural Gas Company

El Paso, Texas

July 9, 1962

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

Commissioner of Public Lands
Of the State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico
**APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Dakota
Formation, effective March 8, 1961**

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof respectfully submits for your approval the following selection of lands to constitute the Initial Participating Area for the Dakota Formation, effective March 8, 1961, to wit:

<u>Description of Lands</u>	<u>Acreage</u>
<u>T-26-N, R-9-W, N.M.P.M.</u>	
Section 3: Lots 3,4, S/2 NW/4, SW/4 (W/2)	320.89
Section 4: Lots 1,2,3,4, S/2 N/2, S/2 (All)	642.56
<u>T-27-N, R-9-W, N.M.P.M.</u>	
Section 33: S/2	320.00
Section 34: SW/4	<u>160.00</u>
Total	1443.45

This proposed Initial Participating for the Dakota Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Huerfanito Unit Agreement of the Huerfanito Unit #61 Well, located in the NE/4 of Section 4, Township 26 North, Range 9 West, N.M.P.M., and of the Huerfanito Unit #60 Well, located in the SW/4 of Section 4, Township 26 North, Range 9 West, N.M.P.M.

The Huerfanito Unit #61 Well was spudded on November 27, 1960, and completed on December 30, 1960, at a total depth of 6800' (cleaned out to 6764'). The Dakota Formation in the interval between 6545' - 6745' was treated with a sand-oil fracturing process on December 23, 1960, and shut-in on December 30, 1960. After being shut-in for seven (7) days, the well was tested on January 6, 1961, and following a three (3) hour blow-down period gauged 1986 MCFGPD through a 3/4" choke and 2083 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1974 PSIA.

The Huerfanito Unit #60 Well was spudded on October 21, 1960, and completed on November 19, 1960, at a total depth of 6760' (cleaned out to 6725'). The Dakota Formation in the interval between 6553' - 6708' was treated with a sand-oil fracturing process on November 10, 1960. After being shut-in for ten (10) days the well was tested on November 29, 1960, and following a three (3) hour blow-down period gauged 4643 MCFGPD through a 3/4" choke and 5533 MCFGPD by the calculated absolute open-flow method, with an SIPC of 1956 PSIA.

In support of this application, the following Exhibits are made a part hereof:

EXHIBIT "A"

Huerfanito Unit map reflecting the proposed Initial Participating Area for the Dakota Formation.

EXHIBIT "B"

Geologic Report on the proposed Initial Dakota Participating Area of the Huerfanito Unit.

EXHIBIT "C"

Proposed Initial Participating Area - Dakota Formation, Huerfanito Unit.

EXHIBIT "D"

Huerfanito Unit Isopach Map.

EXHIBIT "E"

Huerfanito Unit Subsurface Structure Map Showing Dakota Structure.

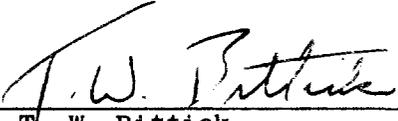
Attached herewith is Schedule I showing the lands entitled to participation in the unitized substances produced from the Dakota Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Initial Dakota Participating Area meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB:GA:js

APPROVED:

Director, United States Geological Survey
Subject to like approval by the
appropriate State officials.

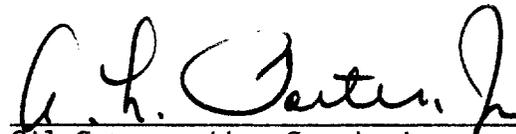
DATE: _____

APPROVED:

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

DATE: _____

APPROVED:



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

DATE: 7-27-61

The foregoing approvals are for the Initial Participating Area for the Dakota Formation, effective March 8, 1961, under the Huerfanito Unit, I Sec. No. 943, San Juan County, New Mexico.

HUERFANITO UNIT
Working Interest Owners

Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas, Texas

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Barbara Ann McConnell Bruss
6011 N. 48th Avenue
Glendale, Arizona

A. R. Greer
405½ West Broadway
Farmington, New Mexico

Charline Greer
109 East Ute
Farmington, New Mexico

Huerfanito Drilling Company
2808 First National Building
Oklahoma City, Oklahoma

Carl G. Hine
P. O. Box 1252
Farmington, New Mexico

La Plata Gathering System, Inc.
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. O. J. Lilly
P. O. Box 185
Farmington, New Mexico

Mr. Jack London, Jr.
c/o Bilinda Petroleum Corporation
2805 First National Building
Oklahoma City, Oklahoma

Mr. K. E. McAfee
2020 First National Building
Oklahoma City 2, Oklahoma

Barbara Irene McConnell
1224 Laguna Cove
Farmington, New Mexico

Mr. T. H. McElvain
220 Shelby Street
Santa Fe, New Mexico

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

Mobil Oil Company
Attention: Mr. P. M. Barry,
District Superintendent
P. O. Box 3371
Durango, Colorado

Edith A. Payne
1018 Idlewilde Lane, SE
Albuquerque, New Mexico

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

Mr. Albert M. Senter, Jr.
1300 Freeman Avenue, NW
Albuquerque, New Mexico

Mr. Thomas S. Senter
Route 1, Box 228
Newcastle, California

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Union Gas Company
1507 Pacific Avenue
Dallas, Texas

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

July 13, 1962

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Attention: Mr. R. C. Mills

Gentlemen:

We acknowledge receipt of four copies of a Designation of Sub-Operator dated June 15, 1962, by which El Paso Natural Gas Company, as operator of the Huerfanito unit, designates Mobil Oil Company, lessee and working interest owner of lease Santa Fe 078081, as sub-operator for the sole purpose of drilling a Dakota formation well in the W $\frac{1}{2}$ sec. 28, T. 27 N., R. 9 W., N.M.P.M., San Juan County, New Mexico.

The Designation of Sub-Operator is accepted as evidence that El Paso Natural Gas Company, as unit operator, elects not to drill said well. Copies of the Designation are being distributed to the appropriate Federal offices.

Very truly yours,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

Copy to: Washington (w/cy Desig. Sub. op.)
Farmington (w/cy Desig. Sub. op.)
NMOCC-Santa Fe (ltr. only)
Comm. Pub. Lands-Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

July 12, 1962

286

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Huerfanito Unit, I. Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF INITIAL
PARTICIPATING AREA for the Dakota
Formation, effective March 8, 1961

Gentlemen:

Attached are eight (8) copies of the subject Initial Participating Area of the Huerfanito Unit, together with exhibits and geological information.

It is requested, upon your approval, that you kindly sign all copies in the space provided, retaining one (1) copy of same and forwarding the remaining seven (7) copies to the Commissioner of Public Lands for their approval and execution. Upon the approval by the Commissioner of Public Lands, they are to retain one (1) copy and return the remaining six (6) copies to this office for our further handling in obtaining the approval of the United States Geological Survey.

After we have received fully executed and approved copies of this Initial Participating Area, we will forward one (1) fully executed and approved copy to the Commissioner of Public Lands.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:GA:js
Enclosures

cc: Commissioner of Public Lands

El Paso Natural Gas Company

El Paso, Texas

July 19, 1962

Oil Conservation Commission
Of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

On July 13, 1962, El Paso mailed to you for approval the Initial Dakota Participating Area for the Huerfanito Unit. Prior to the preparation and mailing of this Initial Participating Area, it is our understanding that Mr. J. Glenn Turner, Mr. William G. Webb, Mr. Jack London, Jr., Benson-Montin-Greer Drilling Corp. and La Plata Gathering System, Inc. had objected to you as to the said Initial Participating Area in regard to the acreage included therein.

In connection with the objections of the above mentioned parties, we are enclosing for your files and records a withdrawal of such protest by said parties and the authorization by them for El Paso to inform you to proceed with examination of said Proposed Participating Area as submitted without further objection from them.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:GA:cah
Attachment

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RECEIVED JUL 17 1962

July 17, 1962

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

Re: Huerfanito Unit Area
Proposed Dakota Participating Area

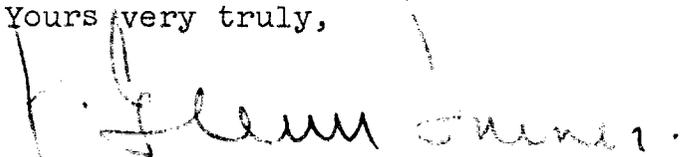
Gentlemen:

Under date of April 10, 1962, you advised all of the Working Interest Owners within the Huerfanito Unit Area, San Juan County, New Mexico, that you proposed to submit to the governmental authorities having jurisdiction an Initial Participating Area for the Dakota Formation embracing All of Section 4 and the W/2 of Section 3, Township 26 North, Range 9 West, and the S/2 of Section 33 and the SW/4 of Section 34, Township 27 North, Range 9 West.

Subsequent to our receipt of such proposal, the undersigned, orally and in writing, notified you of our intention to oppose such Initial Participating Area for the Dakota Formation within said Unit. We likewise registered formal protest and a request for hearing upon submittal of such proposed participating area with the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico, and the New Mexico Oil Conservation Commission.

The undersigned hereby withdraw such protest and, by the execution hereof, authorize you to so inform the above referred to governmental authorities and to proceed with your proposal in such manner as you may deem appropriate.

Yours very truly,

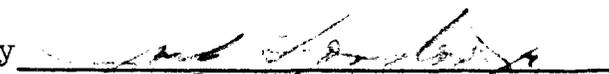

J. GLENN TURNER

July 17, 1962


WILLIAM G. WEBB


JACK LONDON, JR.

BENSON-MONTIN-GREER DRILLING CORP.

By 
President

LA PLATA GATHERING SYSTEM, INC.

By 
Vice President

BENSON-MONTIN-GREER DRILLING CORP.

GENERAL OFFICE:
2808 FIRST NATIONAL BLDG.
OKLAHOMA CITY 2, OKLAHOMA
PHONE CENTRAL 5-0546

158 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
PHONE DAVIS 5-8874

July 19, 1962

U.S.G.S.
ROSWELL, NEW MEXICO

STATE LAND OFFICE
SANTA FE, NEW MEXICO

✓ NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Re: Huerfanito Unit: Establishment
of Initial Participating Area,
Dakota Formation

Gentlemen:

We have previously written each of the three above listed addressees requesting that we be allowed to present evidence in opposition to El Paso Natural Gas Company's proposed initial participating area. This letter is to advise each of you that the parties listed below, for whom we are speaking, have sold their interests in the Dakota Formation in this part of the Huerfanito Unit, and therefore have no further economic interest in the participating area, and we withdraw our request to be heard in this matter.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY: _____
Albert R. Greer
Vice-President

For: Benson-Montin-Greer Drilling Corp.
Jack London, Jr.
K. E. McAfee
Albert R. Greer
Charline K. Greer

cc: Mr. J. Glenn Turner
cc: Mr. Sam Smith, El Paso Natural Gas Co.

ARG:nej

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 2, 1962

Mr. Sam Smith
Manager, Land Department
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: Initial Dakota Participating Area,
Huerfano Unit, San Juan County,
New Mexico

Dear Mr. Smith:

The Commission has been informed by Benson-Montin-Greer Drilling Corporation and by J. Glenn Turner, that they, and other operators, intend to oppose El Paso Natural Gas Company's proposed Initial Dakota Participating Area in the Huerfano Unit, San Juan County, New Mexico, when it is submitted to the Commission for approval.

Inasmuch as there appears to be opposition to El Paso's proposed participating area in this unit, the Commission is of the opinion that it should have all of the facts before it and give all interested persons the opportunity to express their views before approving or disapproving the application. The Commission, therefore, will schedule an informal conference on this matter at some date convenient to all concerned.

I have talked with Mr. John Anderson of the United States Geological Survey in Roswell concerning this

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

May 2, 1962

Mr. Sam Smith
Manager, Land Department
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

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matter, and he has agreed to be present at the conference.
A representative of the New Mexico Land Office will also
be present.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr

cc: Benson-Montin-Greer Drilling Corporation
158 Petroleum Center Building
Farmington, New Mexico
Attention: Mr. Albert R. Greer,
Vice-President

J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas
Attention: Mr. Walter M. Kilgo

Mr. John Anderson
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Mrs. Marion Rhea
New Mexico Land Office
Santa Fe, New Mexico

BENSON-MONTIN-GREER DRILLING CORP.

GENERAL OFFICE: 12
2808 FIRST NATIONAL BLDG.
OKLAHOMA CITY 2, OKLAHOMA
PHONE CENTRAL 5-0546

158 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
PHONE DAVIS 5-8874

April 7, 1962

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Huerfanito Unit
San Juan County, New Mexico
Proposed Initial Dakota
Participating Area

Gentlemen:

This is to advise you that we have discussed with El Paso Natural Gas Company its proposal for an initial participating area in the Dakota Formation of the Huerfanito Unit, and that we do not agree with El Paso in the area which it proposes to recommend.

We therefore request that you advise us when you receive El Paso's application, in order that we may review it to determine in fact that it is contrary to our opinion of what the participating area should consist. If such a determination is made, we would further request that we be allowed to present our evidence in opposition to this application.

We are making preliminary exhibits at this time, and we believe that the application will not have to be long delayed in your office before we can present to you our evidence. We do, however, request that we be given this consideration, and ask that we be notified as soon as you have received El Paso's application for the initial participating area in this unit.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY: 

Albert R. Greer
Vice-President

cc: El Paso Natural Gas Company
El Paso, Texas
Attention: Mr. Sam Smith
Manager, Land Department

J. GLENN TURNER

APR 19 1962
OIL AND GAS INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS 1, TEXAS

April 19, 1962

Office of the Oil Conservation Commission
of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary

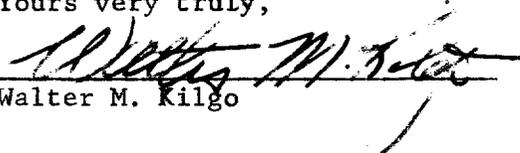
Re: Proposed Initial Dakota Participating Area,
Huerfanito Unit, San Juan County, New Mexico

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, has proposed in their letter to all working interest owners in the Huerfanito Unit that the Initial Dakota Participating Area consist of the W/2 of Section 3 and all of Section 4, T26N, R9W; and the S/2 of Section 33 and the SW/4 of Section 34, T27N, R9W, all in San Juan County, New Mexico. The Unit Operator stated that its proposal for the Initial Dakota Participating Area was based on the determination that the Huerfanito No. 60 and No. 61 wells, located in Section 4, T26N, R9W, were capable of producing unitized substances in paying quantities for the Dakota Formation, and that the Unit Operator regarded the aforesaid lands as being reasonably proved to be productive of unitized substances in paying quantities from the Dakota Formation.

The following working interest owners in the Huerfanito Unit intend to take objection to the proposal of the Unit Operator for the Initial Dakota Participating Area: J. Glenn Turner, William G. Webb, and La Plata Gathering System, Inc. It is our understanding that objection to the Unit Operator's proposal will also be made by Albert R. Greer, Jack London, Jr., K. E. McAfee, O. J. Lilly, Mrs. Charline Greer and Benson-Montin-Greer Drilling Corp. At such time as the Unit Operator makes application for approval of their proposal for the Huerfanito Unit Initial Dakota Participating Area, J. Glenn Turner, William G. Webb and La Plata Gathering System, Inc. would like to be notified so that they may present their objections to the Unit Operator's proposal and make alternate proposals of their own.

Yours very truly,


Walter M. Kilgo

WMK:ss

286
MAIL OFFICE OGC
Drawer 1857
1962 APR 23 PM 1 49
Roswell, New Mexico

April 16, 1962

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Attention: Mr. Wm. M. Kay

Gentlemen:

We acknowledge receipt of four copies of a Designation of Sub-Operator dated March 22, 1962, by which El Paso Natural Gas Company, as operator of the Huerfanito unit, designates Mobil Oil Company, as sub-operator, lessee and Dakota formation working interest owner of lease Santa Fe 078135, for the sole purpose of recompleting, in the Dakota formation, well No. 1 Grandell, NE1/4NE1/4 sec. 3, T. 26 N., R. 9 W., N.M.F.M., San Juan County, New Mexico.

The designation of sub-operator is accepted as evidence that El Paso Natural Gas Company, as unit operator, elects not to recomplete said Dakota well. Copies of the Designation are being distributed to the appropriate Federal offices.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Wash. (w/cy Desig. Subop.)
Farm. (w/cy Desig. Subop.)
NMOCC-Santa Fe (ltr. only) ✓
Com. Pub. Lands-Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 28, 1961

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

Attention: Mr. Sam Smith

Re: 1961 Plan of Development
Huerfanito Unit San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1961 Plan of Development for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: US Geological Survey
Roswell, New Mexico
Commissioner of Public Lands
Santa Fe, New Mexico

April 6, 1961

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

Re: Huerfanito Unit
San Juan County, New Mexico
1961 Plan of Development

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands has approved the 1961 Plan of Development for the Huerfanito Unit Area, as of April 6, 1961.

This Plan does not provide for the drilling of any wells during 1961.

We are enclosing two approved copies of this Plan.

Very truly yours,
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

ESW/mmr/s

cc: US Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 6721
Roswell, New Mexico

March 24, 1961

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

Attention: Mr. Sam Smith

Gentlemen:

Your plan of development for 1961, dated January 30, 1961, for the Huerfanito unit area, San Juan County, New Mexico, which proposes the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

EDWIN M. THOMASSON
Acting Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

January 30, 1961

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
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: 1961 Plan of Development
Huerfanito Unit I Sec. No. 943
San Juan County, New Mexico

Gentlemen:

By letter of January 20, 1960, you were advised that El Paso Natural Gas Company planned to drill no wells during 1960 in the Huerfanito Unit. This was true of the Pictured Cliffs Participating Area which now includes all of the unit except the W/2 of Section 28 and NW/4 and SE/4 of Section 26, Township 27 North, Range 9 West. The entire Participating Area has been fully developed on a 160 acre spacing unit basis. The NW/4 and the SE/4 of Section 26, Township 27 North, Range 9 West, each contain wells which were abandoned after finding the Pictured Cliffs Formation dry. A non-commercial Pictured Cliffs well is presently located on the NW/4 of Section 28, Township 27 North, Range 9 West, and although no well has been drilled on the SW/4 of Section 28, Township 27 North, Range 9 West, the low potentials and deliverabilities of the wells immediately offsetting the SW/4 of Section 28, did not warrant the drilling of this one remaining undeveloped location.

However, during 1960 El Paso Natural Gas Company designated J. Glenn Turner as sub-operator to drill two (2) Dakota tests, which wells have just been completed. They are located in the SW/4 SW/4 of Section 4, and in the SW/4 NE/4 of Section 4, in Township 26 North, Range 9 West. Tests have not been completed as yet, but if the results of the drilling indicate commercial quality, a Dakota Participating Area will be formed.

El Paso Natural Gas Company, as Unit Operator, will continue to survey the area and analyze the economics and feasibility of drilling any well which might be required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

As Unit Operator, we have canvassed all working interest owners within the unit in order to determine whether any such owners desired wells to be drilled on their holdings in 1961. No working interest owner has requested such development.

In view of our present evaluation of the unit and the lack of desire for further development on the part of other working interest owners, El Paso Natural Gas Company, as Unit Operator, does not plan to drill any wells in the unit during 1961.

El Paso Natural Gas Company respectfully requests that this drilling program be approved providing for the drilling of no wells during the year 1961.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Sam Smith, Manager
Land Department

SS:WVC:js

APPROVED: _____
United States Geological Survey
Subject to like approval by the
appropriate State Officials.

DATE: _____

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

DATE: _____

APPROVED: *A. H. Carter*
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands.

DATE: 4.28.61

The foregoing approvals are for the 1961 Plan of Development for the Huerfanito Unit,
I Sec. No. 943, San Juan County, New Mexico.

HUERFANITO UNIT
Working Interest Owners

Skelly Oil Company
Post Office Box 4115, Station "A"
Albuquerque, New Mexico

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

San Jacinto Petroleum Co.
San Jacinto Building
Houston 2, Texas

Southern Union Gas Company
Fidelity Union Tower Building
1507 Pacific Avenue
Dallas, Texas

Huerfanito Drilling Company
2808 First National Building
Oklahoma City, Oklahoma

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas

Mobil Oil Company
P.O. Box 337
Durango, Colorado (Attn: P.M. Barry)

Mr. H. W. Mathews
Standard Oil Company of Texas
Post Office Box 1249
Houston 1, Texas

Mr. J. W. McConnell, Jr.
Executor of Estate of W. O. McConnell
Post Office Box 102
Lone Wolf, Oklahoma

Huerfanito Gas Company
Post Office Box 1041
Farmington, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

Case 286

December 5, 1960

Turner, White, Atwood, McLain and Francis
1900 Mercantile Dallas Building
Dallas 1, Texas

Attention: Mr. William G. Webb

Gentlemen:

We acknowledge receipt of three copies of a Designation of Sub-Operator dated November 21, 1960, by which El Paso Natural Gas Company, as unit operator, designates J. Glenn Turner as sub-operator for the sole purpose of drilling a Dakota formation well in the E $\frac{1}{2}$ sec. 4, T. 26 N., R. 9 W., lease New Mexico 03491.

The designation of sub-operator is accepted as evidence that El Paso Natural Gas Company as unit operator elects not to drill said Dakota well.

General Land Office survey plats of this office show the described tract of land to contain 321.12 acres instead of 320.00 acres as set forth in the designation of sub-operator. Our copies have been changed accordingly.

Very truly yours,

EDWIN M. THOMASSON
Acting Oil and Gas Supervisor

Copy to: Wash. (w/cy of Design. of Sub-operator)
NMOCC-Santa Fe (ltr. only)

7

J. GLENN TURNER
W. D. WHITE
FELIX ATWOOD
ALFRED E. MCLANE
EDWARD L. FRANCIS
JULIAN M. MEER
JAMES B. FRANCIS
TREVOR REES-JONES
LEO J. HOFFMAN
THOS. R. HARTNETT III
JOHN L. HAUER
H. L. HITCHINS, JR.
WILLIAM L. MSINERNEY
WILLIAM G. WEBB
LEWIS CHANDLER
SNOWDEN M. LEFTWICH, JR.
WILLIAM C. HERNDON, JR.
B. THOMAS MCELROY
C. SIDNEY MCLAIN
DAVID P. SMITH
LANGASTER SMITH
DEAN CARLTON
ALPHONSO RAGLAND III
ROBERT L. DONALSON
RICHARD A. FRELING
L. RAY PEARCE
JAMES J. HARTNETT
PAUL E. AVE

TURNER, WHITE, ATWOOD, MCLANE AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

1900 MERCANTILE DALLAS BUILDING

DALLAS, TEXAS

November 23, 1960

Case # 286

Mr. John A. Anderson
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

C

Re: Designation of Sub-Operator
Huerfanito Unit Well Number 61-4
E/2 of Section 4, T-25-N, R-9-W,
San Juan County, New Mexico

Dear John:

Please find enclosed herewith three copies
of Designation of J. Glenn Turner as Sub-Operator for
the drilling of the captioned well as executed by El
Paso Natural Gas Company.

O

With best wishes, I am

Yours very truly,

P


William G. Webb

WGW:mch

Enclosures

cc: New Mexico Oil Conservation Commission
El Paso Natural Gas Company
Mr. P. T. McGrath

Y

DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this 21st day of November, 1960, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is P. O. Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and J. GLENN TURNER, whose address is 1900 Mercantile Dallas Building, Dallas, Texas, hereinafter sometimes referred to as "Sub-Operator".

WHEREAS, Operator is Unit Operator for the Huerfanito Unit, I-Sec. No. 943, County of San Juan, State of New Mexico; and

WHEREAS, Sub-Operator is holder of the oil and gas operating rights in the Dakota Formation under the following described tract of land:

San Juan County, New Mexico
Township 26 North, Range 9 West, N.M.P.M.
Section 4: E/2
Containing 320.00 acres, more or less; and

WHEREAS, the above described tract of land is committed to the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill a Dakota test on the above described tract of land pursuant to the provisions of Section thirteen (13) of the Huerfanito Unit Agreement and pursuant to the following provisions of Section 4 of the Huerfanito Unit Operating Agreement:

"...Any well drilled on unitized lands not included in a participating area pursuant to Section 13 of said unit agreement, or which is lawfully required to be drilled on such land by the Secretary of the Interior or his representative, shall be drilled and completed into tanks if productive, or plugged and abandoned if dry, at the sole cost and expense of the working interest owner on the tract upon which said well may be drilled. Provided that should any such well on such land result in production in paying quantities such that the land upon which it is situated may be properly included in a participating area, then promptly after the inclusion of such well, either in a then existing participating area or in a new participating area established as a result of discovery of production in paying quantities in such well, said well, in the event the same is not drilled by operator, may be taken over and operated by the unit operator for the benefit of the present participating

area or by the owner of the new participating area so established as a result of said well, if said well meets the requirements under Paragraph 13 of the unit operating agreement (sic, i.e., Section 13 of the unit agreement). In such event, there shall be a retroactive adjustment on all cost and expense of drilling said well in accordance with Section 7 of this agreement in the following manner:

- (a) If such well shall have been included in a then existing participating area, there shall be an adjustment of such cost and expense of the owners of said participating area based on the proportion of their working interest ownership on an acreage basis within the participating area.
- (b) If such well be included in a new participating area established as a result of discovery of production in paying quantities of such well, there shall be an adjustment in cash between the working interest owners in the participating area established on the basis that the aggregate of their working interest ownership on an acreage basis bears to the total number of acres within the new participating area.

All oil, gas and other hydrocarbon substances produced, saved and marketed from any of the lands within the participating area or areas shall be allocated to such lands on an acreage basis so that each working interest owner will be entitled to that portion of all the oil, gas and other hydrocarbon substances produced, saved and marketed from the participating area in the proportions that the aggregate of their working interest ownership on an acreage basis bears to the total number of acres within the participating area."

and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota test as Unit Operator under the terms of the Huerfanito Unit Agreement; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota test may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit J. Glenn Turner to drill the said Dakota test, El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit, hereby designates J. Glenn Turner as Sub-Operator for the sole and only purpose of drilling the said Dakota test on the above described land pursuant to Section thirteen (13) of the Huerfanito Unit Agreement and the above quoted provisions of Section 4 of the Huerfanito Unit Operating Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete, and/or plug

and abandon said test as a reasonable and prudent operator in accordance with the terms and conditions of the Huerfanito Unit Agreement and Huerfanito Unit Operating Agreement and also agrees to the following conditions:

1. Notify Operator when drilling operations are commenced.
2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
4. Allow representatives of Operator access to the derrick floor at all times.
5. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representative to be present.
6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
8. Furnish Operator three field prints and three final prints of all well surveys made during drilling or upon completion of the well.
9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys including a geophysical velocity survey as it may desire.
10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:
 - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
 - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
 - c. Public Liability Insurance covering activities performed under this agreement with bodily injury

and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident, Property Damage Insurance with limits of \$50,000.00.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company
Division Geologist
Post Office Box 990
Farmington, New Mexico

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

THE DRILLING of the said Dakota test is subject to approval by the Oil and Gas Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Supervisor of the United States Geological Survey, Roswell, New Mexico.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Dakota test is completed and/or plugged and abandoned.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first being obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

EL PASO NATURAL GAS COMPANY

By

A. L. Hill
Attorney in Fact

TUB

SUB-OPERATOR

J. Glenn Turner
J. GLENN TURNER

STATE OF TEXAS)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 21st
day of Nov, 1960, by A. L. HILL, as Attorney in Fact on behalf
of EL PASO NATURAL GAS COMPANY, a Delaware corporation.

My Commission expires:

Natalie Taylor
Notary Public

NATALIE TAYLOR
Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1961

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 25th
day of Nov, 1960, by J. GLENN TURNER.

My Commission expires:

[Signature]
Notary Public

[Signature]



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
P.O. Box 6721
Roswell, New Mexico

October 26, 1960

Turner, White, Atwood, McLane and Francis
1900 Mercantile Dallas Building
Dallas 1, Texas

Attention: Mr. William G. Webb

Case # 286

Gentlemen:

We acknowledge receipt of three copies of a Designation of Agent dated October 14, 1960, by which El Paso Natural Gas Company, as unit operator under the Huerfano Unit agreement, designates J. Glenn Turner as agent for the sole purpose of drilling a Dakota formation well in the SW $\frac{1}{4}$ sec. 4, T. 26 N., R. 9 W., lease New Mexico 03491.

The designation of sub-operator also submitted is accepted as evidence that El Paso Natural Gas Company as unit operator elects not to drill said Dakota well.

Very truly yours,

[Signature]
EDWIN M. THOMASSON
Acting Oil and Gas Supervisor

Copy to: Wash. (w/cy of Desig. of Agent & Sub-operator)

Comm. of Pub. Lands-Santa Fe (ltr. only)

NMOCC-Santa Fe (ltr. only)

El Paso Natural Gas Company
MAIN OFFICE OCC

El Paso, Texas

1960 AUG 21 PM 1 130

August 10, 1960

Handwritten initials

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
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: Huerfanito Unit
San Juan County, New Mexico
NOTICE OF APPROVAL OF THE 1960
DRILLING PROGRAM

Gentlemen:

This is to advise you that the 1960 Drilling Program for the Huerfanito Unit was approved as follows:

1. Acting Supervisor, United States Geological Survey on August 5, 1960.
2. Commissioner of Public Lands of the State of New Mexico on April 14, 1960.
3. Oil Conservation Commission of the State of New Mexico on May 25, 1960.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

Charles Higgins

Charles Higgins
Area Coordinator
Land Department

CH:DB:n1

Attachment

Huerfanito Unit
Working Interest Owners

Skelly Oil Company
P. O. Box 1650
Tulsa 2, Oklahoma

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Mobil Oil Company
P. O. Box 900
Dallas 21, Texas

San Jacinto Petroleum Co.
San Jacinto Building
Houston 2, Texas

Mr. H. W. Mathews
Standard Oil Company of Texas
Box 1249
Houston 1, Texas

Southern Union Gas Company
Fidelity Union Tower Building
1507 Pacific Ave.
Dallas 1, Texas

Mr. J. W. McConnell, Jr.
Executor of Estate of W. O. McConnell, Deceased
P. O. Box 102
Lone Wolf, Oklahoma

Huerfanito Drilling Company
2808 First National Building
Oklahoma City, Oklahoma

Huerfanito Gas Company
P. O. Box 1041
Farmington, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

286

May 25, 1960

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

ATTENTION: Mr. Sam Smith

O

RE: 1960 Plan of Development
Huerfanito Unit San Juan
County, New Mexico.

Gentlemen:

P

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1960 Plan of Development for the Huerfanito Unit Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Y

One approved copy of the plan is returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: US Geological Survey - Roswell
State Land Office - Santa Fe

In reply refer to:
Unit Division

May 12, 1960

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

Re: 1960 Plan of Development
Huerfanito Unit
San Juan County, New Mexico

P
Gentlemen:

We are enclosing two copies of the 1960 Plan of Development for the Huerfanito Unit Area.

Y The Commissioner of Public Lands agrees that the Pictured Cliffs Formation in the Unit Area is fully developed, therefore, he approves the 1960 Plan for no development covering the Pictured Cliffs Formation for the 1960 calendar year.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m

cc:

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

January 20, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
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: 1960 PLAN OF DEVELOPMENT
Huerfanito Unit, I Sec. No. 943
San Juan County, New Mexico

Gentlemen:

The Huerfanito Unit Agreement was approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951. The United States Geological Survey approved the Designation of El Paso Natural Gas Company as Successor Unit Operator of the subject unit on May 27, 1957. The Unit consists of 10,245.36 acres of land.

Sixty-one (61) wells within the boundaries of the Huerfanito Unit have produced a total of 8,031,006 MCF at 15.025 PSIA through November 30, 1959. The annual production for 1959 was 1,565,015 MCF at 15.025 PSIA or an average monthly production of 103,417 MCF.

As a result of the recent approval by the regulatory bodies of the Second Expansion of the Consolidated Pictured Cliffs Participating Area, effective July 1, 1959, the entire unit, with the exception of the W/2 of Section 28 and the NW/4 and SE/4 of Section 26, Township 27 North, Range 9 West, is now included within the Pictured Cliffs Participating Area. The entire Participating Area has been fully developed on a 160 acre spacing unit basis. The NW/4 and the SE/4 of Section 26, Township 27 North, Range 9 West, each contain wells which were abandoned after finding the Pictured Cliffs Formation dry. A non-commercial Pictured Cliffs well is presently located on the NW/4 of Section 28, Township 27 North, Range 9 West, and although no well has been drilled on the SW/4 of Section 28, Township 27 North, Range 9 West, the low potentials and deliverabilities of the wells immediately offsetting the SW/4 of Section 28, do not warrant the drilling of this one remaining undeveloped location during the calendar year 1960.

El Paso Natural Gas Company respectfully requests that this Drilling Program be approved providing for the drilling of no wells in this unit during the calendar year 1960.

Copies of this letter have been sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Sam Smith, Manager
Land Department

SS:BKB:ch

WORKING INTEREST OWNERS
HUERFANITO UNIT

Skelly Oil Company
P.O. Box 1650
Tulsa 2, Oklahoma

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. William G. Webb
1900 Mercantile Dallas Building
Dallas 1, Texas

Mobil Oil Company
P.O. Box 900
Dallas 21, Texas

San Jacinto Petroleum Co.
San Jacinto Building
Houston 2, Texas

Mr. H. W. Mathews
Standard Oil Company of Texas
Box 1249
Houston 1, Texas

Southern Union Gas Company
1104 Burt Building
Dallas 1, Texas

Mr. J. W. McConnell, Jr.
Executor of Estate of
W. O. McConnell
P.O. Box 102
Lone Wolf, Oklahoma

Huerfanito Drilling Company
2808 First National Building
Oklahoma City, Oklahoma

Huerfanito Gas Company
P.O. Box 1041
Farmington, New Mexico

APPROVED: _____
United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

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

DATE: _____

APPROVED: A. L. Porter J
Oil Conservation Commission
Subject to like approval by the Commissioner
of Public Lands and the United States Geological
Survey.

DATE: 5-25-60

The foregoing approvals are for the 1960 PLAN OF DEVELOPMENT, Huerfanito Unit, I
Sec. No. 943, San Juan County, New Mexico

El Paso Natural Gas Company

El Paso, Texas

November 24, 1959

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: **Huerfano Unit I-Sec. No. 943**
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND REVISION OF THE CONSOLIDATED
PARTICIPATING AREA FOR THE PICTURED
CLIFFS FORMATION
Effective July 1, 1959

Gentlemen:

Attached for your information and files is a fully approved copy of our Application for Approval of the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation, dated September 11, 1959.

This application was approved by the Oil Conservation Commission of the State of New Mexico on September 29, 1959, by the Commissioner of Public Lands of the State of New Mexico on October 1, 1959, and by the Director of the United States Geological Survey on November 6, 1959.

Very truly yours,



Harry Gevertz
Area Landman
Land Department

HG:BKB:pc
Attachment

COPY

Operator



NOV 16 1959

CERTIFICATE OF APPROVAL - PARTICIPATING AREA
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Ukarfanite unit agreement, San Juan County, New Mexico,
No. I-Sec-No. 943, El Paso Natural Gas Company, unit operator.
Second revision of the consolidated participating area for the
Pictured Cliffs formation covered in application of September 11,
1959.

Date approved NOV 6 - 1959

Arthur S. Baker
Acting Director, U. S. Geological Survey

El Paso Natural Gas Company

El Paso, Texas

September 11, 1959

RECEIVED
SEP 14 1959

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

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

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

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

Re: Huerfanito Unit I-Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND REVISION OF THE CONSOLIDATED
PARTICIPATING AREA FOR THE PICTURED
CLIFFS FORMATION
Effective July 1, 1959

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof respectfully submits for your approval the following selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, to wit:

<u>Description of Lands</u>	<u>Acreage</u>
Township 27 North, Range 9 West Section 23: NW/4	160.00

The proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Huerfanito Unit Agreement on July 22, 1959, of Huerfanito Unit Well No. 59-23, located in the SW/4 NW/4 of Section 23,

Township 27 North, Range 9 West, with an initial production of 1105 mcf from the Pictured Cliffs Formation at a depth of 2090' to 2114'. The effective date of this Participating Area shall be July 1, 1959, pursuant to Section 11 of the Unit Agreement.

In support of this application the following Exhibits are made a part hereof.

- EXHIBIT "A" Ownership map reflecting the boundaries of the unit and the proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation
- EXHIBIT "B" Schedule showing the lands entitled to participation in the unitized substances produced from the Pictured Cliffs Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

A copy of this letter is being sent to Skelly Oil Company, the only Working Interest Owner of the Huerfanito Unit in the Pictured Cliffs Formation.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:BKB:ic
Attachments

APPROVED: _____
Director, United States Geological Survey
Subject to approval by the appropriate State
Officials.

DATE: _____

APPROVED:  _____
Commissioner of Public Lands
Subject to approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: 7/15/59

APPROVED:  _____
Oil Conservation Commission
Subject to approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: 9-29-59

The foregoing approvals are for the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, under Huerfanito Unit I-Sec. No. 943, San Juan County, New Mexico.

In reply refer to:
Unit Division

October 1, 1959

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

ATTENTION: Mr. Harry Gevertz

Re: The Second Revision of the
Consolidated Participating
Area for the Pictured Cliffs
Formation, Huerfanito Unit
San Juan County, New Mexico.

Gentlemen:

The Commissioner of Public Lands approved as of October 1, 1959, the application dated September 11, 1959, for the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation of the Huerfanito Unit to be effective as of July 1, 1959, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are enclosing six approved copies of this application.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m

cc: Oil Conservation Commission, Santa Fe, New Mexico
United States Geological Survey, Roswell, New Mexico

C
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Case 786

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 29, 1959

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

ATTENTION: Mr. Harry Gevertz

RE: The Second Revision of the
Consolidated Participating
Area for the Pictured Cliffs
Formation, Huerfanito Unit I
San Juan County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation for the Huerfanito Unit I, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Six approved copies of the application were forwarded to the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

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

ALP/JEK/19

cc: Commissioner of Public Lands - Santa Fe, New Mexico
U. S. Geological Survey - Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

September 23, 1959

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

Re: Huerfanito Unit I Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF
THE SECOND REVISION OF THE
CONSOLIDATED PARTICIPATING
AREA FOR THE PICTURED
CLIFFS FORMATION
Effective July 1, 1959

Gentlemen:

We are enclosing for your approval seven (7) copies of our application dated September 11, 1959 for the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation of the Huerfanito Unit, effective July 1, 1959.

Attached to each application is a Schedule showing the tract percentages of participation in the unitized substances produced from the expanded participating area. Also attached are two (2) maps showing the expanded participating areas, one of which is for your files, and the other of which is for the files of the Commissioner of Public Lands.

Upon your approval of the application, kindly forward six (6) executed copies thereof to the Commissioner of Public Lands for like approval.

By copy of this letter to Mrs. Marion Rea, we ask that she return six (6) fully approved copies of the application for our further process. It is our understanding that Mrs. Rea is holding two (2) copies of the application which were mistakenly mailed to her earlier, and we are attaching two (2) extra copies of the percentage allocation schedule to be affixed to the said copies.

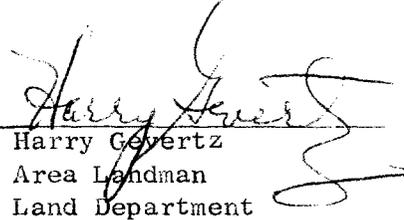
September 23, 1959

Please accept our thanks in advance for your prompt attention.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Harry Gevertz
Area Landman
Land Department

EG:BKB:ch

cc: Mrs. Marion Rea
c/o Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Huerfanito 5.0
Huerfanito 4.1

El Paso Natural Gas Company

El Paso, Texas

September 11, 1959

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

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

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

RECEIVED
SEP 14 1959
U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

Re: Huerfanito Unit I-Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND REVISION OF THE CONSOLIDATED
PARTICIPATING AREA FOR THE PICTURED
CLIFFS FORMATION
Effective July 1, 1959

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof respectfully submits for your approval the following selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, to wit:

<u>Description of Lands</u>	<u>Acreage</u>
Township 27 North, Range 9 West Section 23: NW/4	160.00

The proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Huerfanito Unit Agreement on July 22, 1959, of Huerfanito Unit Well No. 59-23, located in the SW/4 NW/4 of Section 23,

Township 27 North, Range 9 West, with an initial production of 1105 mcf from the Pictured Cliffs Formation at a depth of 2090' to 2114'. The effective date of this Participating Area shall be July 1, 1959, pursuant to Section 11 of the Unit Agreement.

In support of this application the following Exhibits are made a part hereof.

EXHIBIT "A" Ownership map reflecting the boundaries of the unit and the proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation.

EXHIBIT "B" Schedule showing the lands entitled to participation in the unitized substances produced from the Pictured Cliffs Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

A copy of this letter is being sent to Skelly Oil Company, the only Working Interest Owner of the Huerfanito Unit in the Pictured Cliffs Formation.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Assistant Manager
Land Department

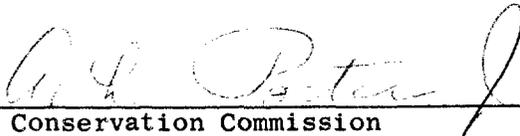
TWB:BKB:ic
Attachments

APPROVED: _____
Director, United States Geological Survey
Subject to approval by the appropriate State
Officials.

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: _____

APPROVED:  _____
Oil Conservation Commission
Subject to approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: 8-19-59

The foregoing approvals are for the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, under Huerfanito Unit I-Sec. No. 943, San Juan County, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

September 11, 1959

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

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

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

Re: Huerfanito Unit I-Sec. No. 943
San Juan County, New Mexico
APPLICATION FOR APPROVAL OF THE
SECOND REVISION OF THE CONSOLIDATED
PARTICIPATING AREA FOR THE PICTURED
CLIFFS FORMATION
Effective July 1, 1959

Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Huerfanito Unit Agreement, approved by the Director of the United States Geological Survey on June 2, 1952, by the Commissioner of Indian Affairs on June 2, 1952, by the Commissioner of Public Lands of the State of New Mexico on January 21, 1952, and by the Oil Conservation Commission of the State of New Mexico on July 24, 1951, pursuant to the provisions of Section 11 thereof respectfully submits for your approval the following selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, to wit:

<u>Description of Lands</u>	<u>Acreage</u>
Township 27 North, Range 9 West Section 23: NW/4	160.00

The proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Huerfanito Unit Agreement on July 22, 1959, of Huerfanito Unit Well No. 59-23, located in the SW/4 NW/4 of Section 23,

Township 27 North, Range 9 West, with an initial production of 1105 mcf from the Pictured Cliffs Formation at a depth of 2090' to 2114'. The effective date of this Participating Area shall be July 1, 1959, pursuant to Section 11 of the Unit Agreement.

In support of this application the following Exhibits are made a part hereof.

EXHIBIT "A" Ownership map reflecting the boundaries of the unit and the proposed Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation

EXHIBIT "B" Schedule showing the lands entitled to participation in the unitized substances produced from the Pictured Cliffs Formation with the percentage of participation of each lease or tract indicated thereon.

If the hereinabove selection of lands to constitute the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for our files.

A copy of this letter is being sent to Skelly Oil Company, the only Working Interest Owner of the Huerfanito Unit in the Pictured Cliffs Formation.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Assistant Manager
Land Department

TWB:BKB:ic
Attachments

APPROVED: _____ DATE: _____
Director, United States Geological Survey
Subject to approval by the appropriate State
Officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to approval by the United States
Geological Survey and the Oil Conservation
Commission.

APPROVED: _____ DATE: _____
Oil Conservation Commission
Subject to approval by the United States
Geological Survey and the Commissioner of
Public Lands.

The foregoing approvals are for the Second Revision of the Consolidated Participating Area for the Pictured Cliffs Formation effective July 1, 1959, under Huerfanito Unit I-Sec. No. 943, San Juan County, New Mexico.

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 17, 1959

File
286

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

ATTENTION: Mr. Sam Smith

RE: Additional well
Huerfanito Unit
San Juan County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the drilling of the Pictured Cliffs test well in the SW/4 NW/4 Section 23, Township 27 North, Range 9 West for the Huerfanito Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

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

ALP:RLS:ig

cc: US Geological Survey - Roswell, New Mexico
State Land Office - Santa Fe, New Mexico

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas 1:17

June 8, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
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: Huerfanito Unit, I-Sec. No. 943
San Juan County, New Mexico

Gentlemen:

El Paso Natural Gas Company has agreed, following a request by Skelly Oil Company, to the drilling of a Pictured Cliffs test to be known as the Huerfanito No. 59-23, at a location in the SW/4 NW/4 of Section 23, Township 27 North, Range 9 West, San Juan County, New Mexico. Skelly Oil Company is the working interest owner of the acreage dedicated to the well and the proposed test is to be drilled by El Paso as Huerfanito Unit Operator at the sole cost, risk and expense of Skelly pursuant to the terms of Section 13 of the Huerfanito Unit Agreement.

Skelly has requested that this well be commenced immediately and we would appreciate your expeditious approval to the drilling thereof by signing in the space provided on the extra copy of this letter enclosed and returning same for our files.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Sam Smith
Manager
Land Department

SS:BB:pc
cc: Skelly Oil Company

Huerfanito 5.0
Huerfanito 3.0
Huerfanito Tr. 4

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE: _____

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

DATE: _____

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

DATE: June 18, 1959

The foregoing approvals are for the drilling of the Huerfanito No.
59-23 Well.

El Paso Natural Gas Company

El Paso, Texas

June 12, 1957

Director
United States Geological Survey
c/o Regional Oil and Gas Supervisor
Post Office Box 6721
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: Huerfanito Unit
I Sec. No. 943
San Juan County, New Mexico
DESIGNATION OF SUCCESSOR UNIT OPERATOR

Gentlemen:

Please be advised that the Designation of Successor Unit Operator, naming El Paso Natural Gas Company as successor unit operator for captioned unit, was approved by the proper regulatory bodies as follows:

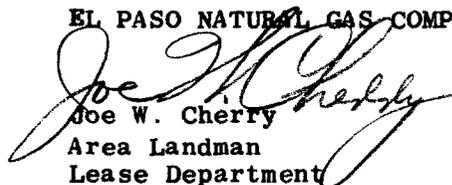
Acting Director, United States Geological Survey
Approved: May 27, 1957

Commissioner of Public Lands of the State of New Mexico
Approved: May 8, 1957

Copies of this letter and approved Designation of Successor Unit Operator are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY


Joe W. Cherry
Area Landman
Lease Department

JWC:HG:cr
cc: Attached List

Huerfanito Unit
Working Interest Owners

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

Mr. H. W. Clark
Magnolia Petroleum Company
Post Office Box 900
Dallas 21, Texas

Skelly Oil Company
Post Office Box 1650
Tulsa 2, Oklahoma

Mr. H. W. Matthews
Standard Oil Company of Texas
Post Office Box 1249
Houston 1, Texas

San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. H. L. Snider, Jr.
Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Mr. Howard W. McDade
Southern Union Gas Company
1104 Burt Building
Dallas 1, Texas

Mr. J. Glenn Turner
17th Floor Mercantile Bank Building
Dallas 1, Texas

Montin-Benson Corporation
2808 First National Building
Oklahoma City, Oklahoma

Benson-Montin-Greer Drilling Corp.
2808 First National Building
Oklahoma City, Oklahoma

Mr. Albert R. Greer
405- $\frac{1}{2}$ West Broadway
Farmington, New Mexico

Mr. K. E. McAfee
1316 Liberty Bank Building
Oklahoma City, Oklahoma

Mr. C. F. Stringer
Post Office Box 542
Farmington, New Mexico

Mr. O. J. Lilly
Post Office Box 185
Farmington, New Mexico

Mr. William G. Webb
17th Floor Mercantile Bank Building
Dallas 1, Texas

May 7, 1957

In reply refer to:
Unit Division

Turner, White, Atwood, McLane and Francis
Attorneys and Counselors at Law
17th Floor Mercantile Building
Dallas 1, Texas

File
276

Re: Huerfanito Unit Agreement -
Resignation of Unit Operator;
Designation of Unit Operator

Attention: Mr. William G. Webb

Gentlemen:

We are enclosing two copies of resignation of J. Glenn Turner as Unit Operator and two copies of designation of El Paso Natural Gas Co. as Successor Unit Operator of the Huerfanito Unit Agreement. These were approved by the Commissioner of Public Lands on May 8, 1957. The effective date of said resignation and designation being the first day of the month following approval by the Commissioner of Public Lands and the Director of the United States Geological Survey.

Will you please notify us as to the date above mentioned becomes effective.

Very truly yours,

MURRAY S. MORGAN
Commissioner of Public Lands

By: Ted Bilberry, Supervisor
Oil and Gas Department

MM:MMR/m

enc: 4

cc: Mr. Joe Cherry, El Paso Natural Gas-El Paso
USGS-Roswell
OCC-Santa Fe

