

NORTHWEST PIPELINE CORPORATION

LAND DEPARTMENT

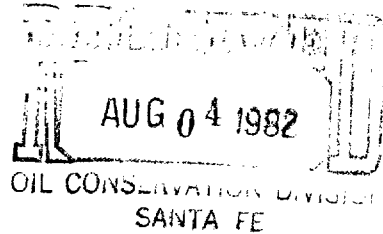
July 22, 1982

1125 Seventeenth Street, Suite 2140  
Denver, Colorado 80202  
303-620-3559

Assistant Area Oil and Gas Supervisor  
United States Geological Survey  
Western National Bank Building  
505 Marquette NW, Suite 815  
Albuquerque, New Mexico 87102

420

State of New Mexico  
Commissioner of Public Lands  
Attn: Mr. Ray D. Graham  
Post Office Box 1148  
Santa Fe, New Mexico 87501



State of New Mexico  
Oil Conservation Commission  
Attn: Mr. Joe Ramey  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: San Juan 32-7 Unit #14-08-001-441  
San Juan County, New Mexico  
CORRECTED AMENDED EIGHTEENTH EXPANDED  
PARTICIPATING AREA  
Mesaverde Formation  
Effective August 1, 1977  
AMENDED NINETEENTH EXPANDED  
PARTICIPATING AREA  
Mesaverde Formation  
Effective September 1, 1977

NOTICE OF COMPLETION OF ADDITIONAL WELL

Gentlemen:

On November 6, 1978, Northwest Pipeline Corporation, as Unit Operator, filed the Eighteenth Expanded Participating Area for the Mesaverde Formation, effective August 1, 1977, and on September 4, 1980, Northwest Pipeline Corporation filed an Amended Eighteenth Expanded Participating Area for the Mesaverde Formation effective the same date. On August 12, 1980, the Nineteenth Expanded Participating Area for the Mesaverde Formation was filed. Because of the unorthodox spacing units which had been authorized in the immediate area of the Eighteenth Expansion, two Intervening Drilling Blocks created by the expansion were inadvertently overlooked. It has just come to our attention that a third Intervening Drilling Block should also have been included in the Amended Eighteenth Expanded Participating Area.

| <u>Drilling Block</u>  | <u>Acres</u> | <u>Well Name and Number</u> |
|--|--------------|-----------------------------|
| Township 31 North, Range 7 West<br>Section 3: W/2SE/4, E/2SW/4<br>Section 10: NW/4 | 320.00       | Yager Well No. 1            |

ADDITIONAL INTERVENING DRILLING BLOCK

| <u>Drilling Block</u>                                     | <u>Acres</u> | <u>Well Name and Number</u>   |
|---|--------------|-------------------------------|
| <u>Township 32 North, Range 7 West</u><br>Section 33: E/2 | 320.00       | Intervening Drilling<br>Block |

The San Juan 32-7 Unit Com Well No. 81 has been proposed for drilling in the NE/4 of Section 33. Completion of well is anticipated before the end of 1982.

Attached are Corrected Amended Schedules XX and XXI and corrected amended ownership maps showing the Corrected Amended Eighteenth Expanded Participating Area and the Nineteenth Expanded Participating Area for the Mesaverde Formation of the San Juan 32-7 Unit Area, which have both been adjusted to show new acreage figures and tract participation percentages for the additional acreage.

NOTICE OF COMPLETION OF ADDITIONAL WELL

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, has determined that an additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this unit.

The San Juan 32-7 #74 Well is located 1600 feet from the South Line and 180 feet from the East Line, Section 4, Township 31 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on November 11, 1980 and completed on June 15, 1981. The Mesaverde Formation was perforated with twenty-eight holes between each of the following depths:

5661' to 6018'

These perforations were sand/water fractured. The well was shut-in with a SIPT of 1166 psig and SIPC of 1166 psig. The well was tested and after flowing for three (3) hours through a 3/4 inch variable choke on the 2 3/8 inch casing, the well gauged 981 MCFD with a calculated AOF of 1033.

This well has been determined to be commercial.

The committed drilling block upon which this well is located is described as:

Township 31 North, Range 7 West  
Section 3: Lots 5, 6, 7, 8 W/2SW/4  
Section 4: Lot 5, E/2SE/4, SW/4SE/4

Containing 323.39 acres

This drilling block was included in the San Juan 32-7 Unit Amended Eighteenth Expanded Participating Area effective August 1, 1977, as an Intervening Drilling Block.

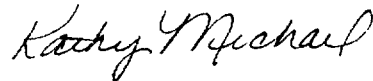
United States Geological Survey  
Commissioner of Public Lands  
Oil Conservation Commission  
July 22, 1982  
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Since this well was drilled within the existing Mesaverde Participating Area, the Participating Area is not enlarged by virtue of this Intervening Drilling Block Well, and the percentage of participation remains the same.

Inasmuch as this needs no official approval, no provision is made therefor and in the absence of disapproval, the captioned Corrected Amended Eighteenth Expanded Participating Area, the Amended Nineteenth Expanded Participating Area, and the Notice of Completion of Additional Well will become effective as set forth herein.

Copies of this letter, schedules and maps are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,



Kathy Michael  
Supervisor/Land Department

KM:bs  
Attachments

CC: Working Interest Owners

SAN JUAN 32-7 UNIT WORKING INTEREST OWNERS

Mr. J. Glenn Turner, Jr.  
1700 Mercantile National Bank Building  
Dallas, Texas 75201

Mr. Fred E. Turner  
One Energy Square, Suite 852  
4925 Greenville Avenue  
Dallas, Texas 75206

Elizabeth T. Calloway  
4801 St. Johns Drive  
Dallas, Tx 75201

Mercantile National Bank of Dallas, Trustee  
Mary Frances Turner, Jr.  
Personal Trust Department  
Post Office Box 225415  
Dallas, Texas 75265

General American Oil Company of Texas  
Attn: Mr. L. E. Dooley  
Meadows Building  
Dallas, Texas 75206

El Paso Natural Gas Company  
Attn: Mr. James R. Permenter  
P O Box 1492  
El Paso, Tx 79978

Phillips Petroleum Company  
Attn: Myla Study  
7800 E. Dorado Place  
Englewood, Co. 80111

Amoco Production Co.  
Attn: M.R. Gile  
1670 Broadway - Suite 1914  
Amoco Building  
Denver, Colorado 80202

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER  | DESCRIPTION   | NUMBER<br>OF ACRES | OWNERSHIP   | DRILLING BLOCK  |                 | PRESENT ACTUAL<br>PARTICIPATION |
|----------------|---|--------------------|---|-----------------|-----------------|---------------------------------|
|                |   |                    |   | PERCENTAGE      | COMMITTED       |                                 |
| <u>TRACT 1</u> |   |                    |   |                 |                 |                                 |
| SF 078459      | T-32-N, R-7-W<br>Sec. 22: All   | 640.00             | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.;<br>ORRI;                               | 12.500%         | 12.500%         | 6.912925%                       |
|                | Total   |                    |   | <u>100.000%</u> | <u>100.000%</u> |                                 |
| <u>TRACT 2</u> |   |                    |   |                 |                 |                                 |
| SF 078460      | T-32-N, R-7-W<br>Sec. 7: Lots 4, 5, 6<br>and SE/4SW/4<br>Sec. 8: SE/4SE/4<br>Sec. 17: All<br>Sec. 20: N/2, N/2SW/4,<br>SE/4SW/4, W/2,<br>SE/4 | 1573.10            | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.;<br>ORRI;                               | 12.500%         | 12.500%         | 16.991754%                      |
|                | Total   |                    |   | <u>100.000%</u> | <u>100.000%</u> |                                 |
| <u>TRACT 3</u> |   |                    |   |                 |                 |                                 |
| SF 078472      | T-32-N, R-7-W<br>Sec. 23: SW/4<br>Sec. 27: NW/4<br>Sec. 28: NE/4<br>Sec. 29: NE/4NW/4 and<br>SE/4SW/4   | 560.00             | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.;<br>ORRI;                               | 12.500%         | 12.500%         | 6.048810%                       |
|                | Total   |                    |   | <u>100.000%</u> | <u>100.000%</u> |                                 |
| <u>TRACT 5</u> |   |                    |   |                 |                 |                                 |
| SF 078542      | T-32-N, R-7-W<br>Sec. 28: SE/4<br>Sec. 35: S/2  | 480.00             | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.;<br>Gen. Am. Oil Co. of Texas;<br>ORRI; | 12.500%         | 12.500%         | 5.184694%                       |
|                | Total   |                    |   | <u>100.000%</u> | <u>100.000%</u> |                                 |

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION   | NUMBER<br>OF ACRES | OWNERSHIP                | DRILLING BLOCK |           | PRESENT ACTUAL<br>PARTICIPATION |
|-----------------|---|--------------------|--------------------------|----------------|-----------|---------------------------------|
|                 |   |                    |                          | PERCENTAGE     | COMMITTED |                                 |
| SF 078543       | T-32-N, R-7-W<br>Sec. 27: SW/4<br>Sec. 33: NE/4<br>Sec. 35: N/2   | 640.00             | <u>TRACT 6</u>           |                |           |                                 |
|                 |   |                    | Royalty;                 | 12.500%        | 12.500%   | 6.912925%                       |
|                 |   |                    | Working Interest:        |                |           |                                 |
|                 |   |                    | Northwest Pipeline Corp. | 82.500%        | 82.500%   |                                 |
|                 |   |                    | ORRI;                    | 5.000%         | 5.000%    |                                 |
|                 | Total   | 100.000%           | 100.000%                 |                |           |                                 |
| SF 078669       | T-32-N, R-7-W<br>Sec. 21: W/2NW/4   | 80.00              | <u>TRACT 7</u>           |                |           |                                 |
|                 |   |                    | Royalty;                 | 12.500%        | 00.000%   | 0.000000%                       |
|                 |   |                    | Working Interest:        |                |           |                                 |
|                 |   |                    | Southland Royalty;       | 87.500%        | 00.000%   |                                 |
|                 |   |                    | ORRI;                    | 0.000%         | 00.000%   |                                 |
|                 | Total   | 100.000%           | 100.000%                 |                |           |                                 |
| NM-33052<br>KGS | T-32-N, R-7-W<br>Sec. 33: W/2SE/4   | 80.00              | <u>TRACT 8</u>           |                |           |                                 |
|                 |   |                    | Royalty;                 | 12.500%        | 00.000%   | 0.000000%                       |
|                 |   |                    | Working Interest:        |                |           |                                 |
|                 |   |                    | Northwest Pipeline Corp. | 87.500%        | 00.000%   |                                 |
|                 |   |                    | ORRI;                    | 00.000%        | 00.000%   |                                 |
|                 | Total   | 100.000%           | 00.000%                  |                |           |                                 |
| SF 078996       | T-31-N, R-7-W<br>Sec. 3: Lots, 5,6,7,8<br>NW/4SE/4, W/2SW/4<br>Sec. 4: Lots, 5,6,7,8, S/2<br>Sec. 5: Lots 5,6,7,8<br>SE/4, E/2SW/4<br>Sec. 8: E/2 | 1328.20            | <u>TRACT 10</u>          |                |           |                                 |
|                 |   |                    | Royalty;                 | 12.500%        | 12.500%   | 14.346480%                      |
|                 |   |                    | Working Interest:        |                |           |                                 |
|                 |   |                    | Northwest Pipeline Corp. | 82.500%        | 82.500%   |                                 |
|                 |   |                    | ORRI;                    | 5.000%         | 5.000%    |                                 |
|                 | Total   | 100.000%           | 100.000%                 |                |           |                                 |

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION   | NUMBER<br>OF ACRES | DRILLING BLOCK  |  | PERCENTAGE<br>COMMITTED                          | PRESENT ACTUAL<br>PARTICIPATION |
|-----------------|---|--------------------|---|--|--|---------------------------------|
|                 |   |                    | OWNERSHIP   | PERCENTAGE                                       |  |                                 |
| <u>TRACT 11</u> |   |                    |   |  |  |                                 |
| SF 078998       | T-31-N, R-7-W<br>Sec. 9: N/2<br>Sec. 17: All<br>T-32-N, R-7-W<br>Sec. 33: E/2SE/4 | 1040.00            | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.;<br>ORRI; | 12.500%<br>82.500%<br>5.000%<br><u>100.000%</u>  | 12.500%<br>82.500%<br>5.000%<br><u>100.000%</u>  | 11.233503%                      |
| <u>TRACT 15</u> |   |                    |   |  |  |                                 |
| NM 05540        | T-32-N, R-7-W<br>Sec. 9: SW/4SW/4   | 40.00              | Royalty;<br>Working Interest;<br>Northwest Pipeline Corp.<br>ORRI;  | 12.500%<br>82.500%<br>5.000%<br><u>100.000%</u>  | 12.500%<br>82.500%<br>5.000%<br><u>100.000%</u>  | .432058%                        |
| <u>TRACT 16</u> |   |                    |   |  |  |                                 |
| E-178-4         | T-32-N, R-7-W<br>Sec. 16: W/2W/2  | 160.00             | Royalty;<br>Working Interest;<br>N.B. & B. R. Gerber;<br>ORRI;      | 12.500%<br>87.500%<br>00.000%<br><u>100.000%</u> | 12.500%<br>87.500%<br>00.000%<br><u>100.000%</u> | 1.728231%                       |
| <u>TRACT 17</u> |   |                    |   |  |  |                                 |
| E-503-3         | T-32-N, R-7-W<br>Sec. 16: #/2W/2  | 160.00             | Royalty;<br>Working Interest;<br>El Paso Natural Gas<br>ORRI;       | 12.500%<br>65.625%<br>21.875%<br><u>100.000%</u> | 12.500%<br>65.625%<br>21.875%<br><u>100.000%</u> | 1.728231%                       |

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER     | DESCRIPTION   | NUMBER<br>OF ACRES | DRILLING BLOCK            |            | PERCENTAGE<br>COMMITTED | PRESENT ACTUAL<br>PARTICIPATION |
|-------------------|---|--------------------|---------------------------|------------|-------------------------|---------------------------------|
|                   |   |                    | OWNERSHIP                 | PERCENTAGE |                         |                                 |
| E-503-12          | T-32-N, R-7-W   | 800.00             | Royalty;                  | 12.500%    | 12.500%                 | 8.641158%                       |
|                   | Sec. 32: E/2W/2                                       |                    | Working Interest:         |            | 82.500%                 |                                 |
|                   | Sec. 36: All  |                    | Northwest Pipeline Corp.; | 5.000%     | 5.000%                  |                                 |
|                   | Total   |                    |                           | 100.000%   | 100.000%                |                                 |
| <u>TRACT 17-A</u> |   |                    |                           |            |                         |                                 |
| Fee               | T-32-N, R-7-W   | 732.58             | Royalty;                  | 12.500%    | 12.500%                 | 7.912923%                       |
|                   | Sec. 7: Lots 1,2,3<br>SE/4 & NE/4SW/4                 |                    | Working Interest:         |            | 87.500%                 |                                 |
|                   | Sec. 8: Lots 1,2,3<br>E/2SW/4 & W/2SE/4<br>& NE/4SE/4 |                    | Northwest Pipeline Corp.; | 00.000%    | 00.000%                 |                                 |
|                   | Sec. 9: Lot 4 & NW/4SW/4                              |                    | ORRI;                     | 100.000%   | 100.000%                |                                 |
|                   | Sec 18: 13.36 acre tract in<br>NE/4NE/4               |                    | Total                     |            |                         |                                 |
|                   | Sec 21: W/2NE/4 & E/2NW/4                             |                    |                           |            |                         |                                 |
| <u>TRACT 21-A</u> |   |                    |                           |            |                         |                                 |
| Fee               | T-32-N, R-7-W   | 1.00               | Royalty;                  | 12.500%    | 12.500%                 | .010801%                        |
|                   | Sec. 7: 1 acre out<br>of SW/4SE/4SE/4                 |                    | Working Interest:         |            | 87.500%                 |                                 |
|                   |   |                    | Northwest Pipeline Corp.; | 00.000%    | 00.000%                 |                                 |
|                   | Total   |                    |                           | 100.000%   | 100.000%                |                                 |



SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION   | NUMBER OF ACRES | DRILLING BLOCK            |            | PRESENT ACTUAL PARTICIPATION |
|-----------------|---|-----------------|---------------------------|------------|------------------------------|
|                 |   |                 | OWNERSHIP                 | PERCENTAGE |                              |
| <u>TRACT 22</u> |   |                 |                           |            |                              |
| Fee             | T-32-N, R-7-W   |                 |                           |            |                              |
|                 | Sec. 7: 17.09 acres out of E/2SE/4                                | 603.73          | Royalty;                  | 12.500%    | 6.521157%                    |
|                 | Sec. 18: W/2NE/4 & SE/4NE/4 & SE/4 & 26.64 acre tract in NE/4NE/4 |                 | Working Interest;         |            |                              |
|                 | Sec. 20: SW/4SW/4   |                 | Northwest Pipeline Corp.; | 84.500%    |                              |
|                 | Sec. 29: NW/4NW/4 & S/2NW/4 & N/2SW/4 & SW/4SW/4                  |                 | ORRI;                     | 3.000%     |                              |
|                 |   |                 | Total                     | 100.000%   |                              |
| <u>TRACT 23</u> |   |                 |                           |            |                              |
| Fee             | T-32-N, R-7-W   |                 |                           |            |                              |
|                 | Sec. 20: E/2SE/4  | 240.00          | Royalty;                  | 12.500%    | 2.592347%                    |
|                 | Sec. 21: SW/4   |                 | Working Interest;         |            |                              |
|                 |   |                 | Northwest Pipeline Corp., | 87.500%    |                              |
|                 |   |                 | ORRI;                     | 00.000%    |                              |
|                 |   |                 | Total                     | 100.000%   |                              |
| <u>TRACT 24</u> |   |                 |                           |            |                              |
| Fee             | T-32-N, R-7-W   |                 |                           |            |                              |
|                 | Sec. 32: W/2W/2   | 160.00          | Royalty;                  | 12.500%    | 1.728231%                    |
|                 |   |                 | Working Interest;         |            |                              |
|                 |   |                 | Northwest Pipeline Corp., | 87.500%    |                              |
|                 |   |                 | ORRI;                     | 00.000%    |                              |
|                 |   |                 | Total                     | 100.000%   |                              |

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION                                   | NUMBER OF ACRES | DRILLING BLOCK  |            | PERCENTAGE COMMITTED                  | PRESENT ACTUAL PARTICIPATION |
|-----------------|---|-----------------|---|------------|---------------------------------------|------------------------------|
|                 |   |                 | OWNERSHIP   | PERCENTAGE |                                       |                              |
| <u>TRACT 25</u> |   |                 |   |            |                                       |                              |
| Fee             | T-32-N-, R-7-W<br>Sec. 8: Lot 4<br>W/2SW/4    | 99.41           | Royalty;<br>Working Interest:<br>Northwest Pipeline Corp.,<br>ORRI; | 12.500%    | 12.500%                               | 1.073772%                    |
| <u>TRACT 26</u> |   |                 |   |            |                                       |                              |
| Fee             | T-31-N-, R-7-W<br>Sec. 3: E/2SW/4<br>SW/4SE/4 | 120.00          | Royalty;<br>Working Interest:<br>Palmer Oil and Gas;<br>ORRI;       | 20.000%    | 80.000%<br>00.000%<br><u>100.000%</u> | 0.000000%                    |
| <u>TRACT 28</u> |   |                 |   |            |                                       |                              |
| Fee             | T-31-N-, R-7-W<br>Sec. 10: NW/4               | 160.00          | Royalty;<br>Working Interest:<br>Palmer Oil and Gas;<br>ORRI;       | 20.000%    | 80.000%<br>00.000%<br><u>100.000%</u> | 0.000000%                    |

SCHEDULE XX

AMENDED EIGHTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER | DESCRIPTION | DRILLING BLOCK  |           | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|-------------|-----------------|-----------|----------------------|------------------------------|
|               |             | NUMBER OF ACRES | OWNERSHIP |                      |                              |

R E C A P I T U L A T I O N

Township 31 North, Range 7 West, N. M. P. M.  
 Section 3: Lots 5,6,7,8, SW/4, W/2SE/4  
 Section 4: Lots 5,6,7,8, S/2  
 Section 5: Lots 5,6,7,8, SE/4 & E/2SW/4  
 Section 8: E/2  
 Section 9: N/2  
 Section 10: NW/4  
 Section 17: All

Township 32 North, Range 7 West, N. M. P. M.  
 Section 7: (Frac.) All  
 Section 8: (Frac.) All  
 Section 9: (Frac.) W/2W/2  
 Sections 17, 20, 21, 22, 35, 36: All  
 Sections 16, 27, 29, 32: W/2  
 Section 23: SW/4  
 Sections 18, 28, 33: E/2

Total Number of Acres in Participating Area: 9698.02  
 Total Number of Acres Committed to Participating Area: 9258.02  
 Total Number of Acres Not Committed to Participating Area: 440.00

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER | DESCRIPTION   | NUMBER OF ACRES | OWNERSHIP                  | DRILLING BLOCK       |                      | PRESENT ACTUAL PARTICIPATION |  |  |  |
|---------------|---|-----------------|----------------------------|----------------------|----------------------|------------------------------|--|--|--|
|               |   |                 |                            | PERCENTAGE COMMITTED | PERCENTAGE COMMITTED |                              |  |  |  |
| SF 078459     | T-32-N, R-7-W<br>Sec. 22: All   | 640.00          | Royalty;                   | 12.500%              | 12.500%              | 6.883186%                    |  |  |  |
|               |   |                 | Working Interest;          | 82.500%              | 82.500%              |                              |  |  |  |
|               |   |                 | Northwest Pipeline Corp.;  | 5.000%               | 5.000%               |                              |  |  |  |
|               |   |                 | ORRI;                      | 100.000%             | 100.000%             |                              |  |  |  |
|               | Total   |                 |                            |                      |                      |                              |  |  |  |
| SF 078460     | T-32-N, R-7-W<br>Sec. 7: Lots 4, 5, 6<br>and SE/4SW/4<br>Sec. 8: SE/4SE/4<br>Sec. 17: All<br>Sec. 20: N/2, N/2SW/4,<br>SE/4SW/4, W/2,<br>SE/4<br>Sec. 21: SE/4, E/2NE/4 | 1573.10         | Royalty;                   | 12.500%              | 12.500%              | 16.918656%                   |  |  |  |
|               |   |                 | Working Interest;          | 82.500%              | 82.500%              |                              |  |  |  |
|               |   |                 | Northwest Pipeline Corp.;  | 5.000%               | 5.000%               |                              |  |  |  |
|               |   |                 | ORRI;                      | 100.000%             | 100.000%             |                              |  |  |  |
|               |   |                 |                            | Total                |                      |                              |  |  |  |
|               |   |                 |                            |                      |                      |                              |  |  |  |
| SF 078472     | T-32-N, R-7-W<br>Sec. 23: SW/4<br>Sec. 27: NW/4<br>Sec. 28: NE/4<br>Sec. 29: NE/4NW/4 and<br>SE/4SW/4   | 560.00          | Royalty;                   | 12.500%              | 12.500%              | 6.022788%                    |  |  |  |
|               |   |                 | Working Interest;          | 82.500%              | 82.500%              |                              |  |  |  |
|               |   |                 | Northwest Pipeline Corp.;  | 5.000%               | 5.000%               |                              |  |  |  |
|               |   |                 | ORRI;                      | 100.000%             | 100.000%             |                              |  |  |  |
|               |   |                 |                            | Total                |                      |                              |  |  |  |
|               |   |                 |                            |                      |                      |                              |  |  |  |
| SF 078542     | T-32-N, R-7-W<br>Sec. 28: SE/4<br>Sec. 35: S/2  | 480.00          | Royalty;                   | 12.500%              | 12.500%              | 5.162389%                    |  |  |  |
|               |   |                 | Working Interest;          | 61.875%              | 61.875%              |                              |  |  |  |
|               |   |                 | Northwest Pipeline Corp.;  | 20.625%              | 20.625%              |                              |  |  |  |
|               |   |                 | Gen. Am. Oil Co. of Texas; | 5.000%               | 5.000%               |                              |  |  |  |
|               | Total   |                 |                            |                      |                      |                              |  |  |  |

SCHEDULE XXI

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION                | NUMBER OF ACRES | DRILLING BLOCK                    |                      | PRESENT ACTUAL PARTICIPATION |
|-----------------|----------------------------|-----------------|-----------------------------------|----------------------|------------------------------|
|                 |                            |                 | OWNERSHIP                         | PERCENTAGE COMMITTED |                              |
| SF 078543       | T-32-N, R-7-W              | 640.00          | <u>TRACT 6</u>                    |                      | 6.883186%                    |
|                 | Sec. 27: SW/4              |                 | Royalty;                          | 12.500%              |                              |
|                 | Sec. 33: NE/4              |                 | Working Interest;                 | 82.500%              |                              |
|                 | Sec. 35: N/2               |                 | Northwest Pipeline Corp.<br>ORRI; | 5.000%<br>100.000%   |                              |
| SF 078669       | T-32-N, R-7-W              | 80.00           | <u>TRACT 7</u>                    |                      | 0.000000%                    |
|                 | Sec. 21: W/2NW/4           |                 | Royalty;                          | 12.500%              |                              |
|                 |                            |                 | Working Interest;                 | 87.500%              |                              |
|                 |                            |                 | Southland Royalty;<br>ORRI;       | 0.000%<br>100.000%   |                              |
| SF 33052<br>KGS | T-32-N, R-7-W              | 80.00           | <u>TRACT 8</u>                    |                      | 0.000000%                    |
|                 | Sec. 33: W/2SE/4           |                 | Royalty;                          | 12.500%              |                              |
|                 |                            |                 | Working Interest;                 | 87.500%              |                              |
|                 |                            |                 | Northwest Pipeline Corp.<br>ORRI; | 0.000%<br>100.000%   |                              |
| SF 078996       | T-31-N, R-7-W              | 1368.20         | <u>TRACT 10</u>                   |                      | 14.714961%                   |
|                 | Sec. 3: Lots, 5,6,7,8      |                 | Royalty;                          | 12.500%              |                              |
|                 | N/2SE/4, W/2SW/4           |                 | Working Interest;                 | 82.500%              |                              |
|                 | Sec. 4: Lots, 5,6,7,8, S/2 |                 | Northwest Pipeline Corp.<br>ORRI; | 5.000%<br>100.000%   |                              |
|                 | Sec. 5: Lots 5,6,7,8       |                 |                                   |                      |                              |
|                 | SE/4, E/2SW/4              |                 |                                   |                      |                              |
|                 | Sec. 8: E/2                |                 |                                   |                      |                              |

SCHEDULE XXI

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER | DESCRIPTION      | NUMBER OF ACRES | DRILLING BLOCK            |                      | PRESENT ACTU PARTICIPATIO |
|---------------|------------------|-----------------|---------------------------|----------------------|---------------------------|
|               |                  |                 | OWNERSHIP                 | PERCENTAGE COMMITTED |                           |
| SF 078998     | T-31-N, R-7-W    | 1040.00         | Royalty;                  | 12.500%              | 11.185177%                |
|               | Sec. 9: N/2      |                 | Working Interest:         |                      |                           |
|               | Sec. 17: All     |                 | Northwest Pipeline Corp.; |                      |                           |
|               | T-32-N, R-7-W    |                 | ORRI;                     |                      |                           |
|               | Sec. 33: E/2SE/4 |                 | Total                     | 100.000%             | 100.000%                  |
| NM 05540      | T-32-N, R-7-W    | 40.00           | Royalty;                  | 12.500%              | .430199%                  |
|               | Sec. 9: SW/4SW/4 |                 | Working Interest:         |                      |                           |
|               |                  |                 | Northwest Pipeline Corp.  |                      |                           |
|               |                  |                 | ORRI;                     |                      |                           |
|               |                  |                 | Total                     | 100.000%             | 100.000%                  |
| E-178-4       | T-32-N, R-7-W    | 160.00          | Royalty;                  | 12.500%              | 1.720796%                 |
|               | Sec. 16: W/2W/2  |                 | Working Interest:         |                      |                           |
|               |                  |                 | Unleased;                 |                      |                           |
|               |                  |                 | ORRI;                     |                      |                           |
|               |                  |                 | Total                     | 100.000%             | 100.000%                  |
| E-503-3       | T-32-N, R-7-W    | 160.00          | Royalty;                  | 12.500%              | 1.702796%                 |
|               | Sec. 16: E/2W/2  |                 | Working Interest:         |                      |                           |
|               |                  |                 | El Paso Natural Gas       |                      |                           |
|               |                  |                 | ORRI;                     |                      |                           |
|               |                  |                 | Total                     | 100.000%             | 100.000%                  |

Effective September 1, 1977

SCHEDULE XXI

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER     | DESCRIPTION  | NUMBER OF ACRES | DRILLING BLOCK            |                      | PRESENT ACTUAL PARTICIPATION |
|-------------------|--|-----------------|---------------------------|----------------------|------------------------------|
|                   |  |                 | OWNERSHIP                 | PERCENTAGE COMMITTED |                              |
| E-503-12          | T-32-N, R-7-W  | 800.00          | Royalty;                  | 12.500%              | 8.603982%                    |
|                   | Sec. 32: E/2W/2  |                 | Working Interest;         | 82.500%              |                              |
|                   | Sec. 36: All   |                 | Northwest Pipeline Corp.; | 5.000%               |                              |
|                   |  |                 | ORRI;                     | 100.000%             |                              |
|                   | Total  |                 |                           | 100.000%             |                              |
| <u>TRACT 17-A</u> |  |                 |                           |                      |                              |
| Fee               | T-32-N, R-7-W  | 732.58          | Royalty;                  | 12.500%              | 7.878882%                    |
|                   | Sec. 7: Lots 1,2,3<br>SE/4 & NE/4SW/4  |                 | Working Interest;         | 87.500%              |                              |
|                   | Sec. 8: Lots 1,2,3<br>E/2SW/4 & W/2SE/4<br>& NE/4SE/4  |                 | Northwest Pipeline Corp.; | 00.000%              |                              |
|                   | Sec. 9: Lot 4 & NW/4SW/4<br>Sec 18: 13.36 acre tract in<br>NE/4NE/4<br>Sec 21: W/2NE/4 & E/2NW/4 |                 | ORRI;                     | 100.000%             |                              |
|                   | Total  |                 |                           | 100.000%             |                              |
| <u>TRACT 21-A</u> |  |                 |                           |                      |                              |
| Fee               | T-32-N, R-7-W  | 1.00            | Royalty;                  | 12.500%              | .010756%                     |
|                   | Sec. 7: 1 acre out<br>of SW/4SE/4SE/4  |                 | Working Interest;         | 87.500%              |                              |
|                   |  |                 | Northwest Pipeline Corp.; | 00.000%              |                              |
|                   |  |                 | ORRI;                     | 100.000%             |                              |
|                   | Total  |                 |                           | 100.000%             |                              |

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION   | NUMBER OF ACRES | DRILLING BLOCK                                 |            | PRESENT ACTU PARTICIPATIO. |
|-----------------|---|-----------------|--|------------|----------------------------|
|                 |   |                 | OWNERSHIP                                      | PERCENTAGE |                            |
| <u>TRACT 22</u> |   |                 |  |            |                            |
| Fee             | T-32-N, R-7-W   |                 |  |            |                            |
|                 | Sec. 7: 17.09 acres out of E/2SE/4                                | 603.73          | Royalty;                                       | 12.500%    | 12.500%                    |
|                 | Sec. 18: W/2NE/4 & SE/4NE/4 & SE/4 & 26.64 acre tract in NE/4NE/4 |                 | Working Interest:<br>Northwest Pipeline Corp.; | 84.500%    | 84.500%                    |
|                 |   |                 | ORRI;  | 3.000%     | 3.000%                     |
|                 |   |                 | Total  | 100.000%   | 100.000%                   |
|                 | Sec. 20: SW/4SW/4   |                 |  |            |                            |
|                 | Sec. 29: NW/4NW/4 & S/2NW/4 & N/2SW/4 & SW/4SW/4                  |                 |  |            |                            |
| <u>TRACT 23</u> |   |                 |  |            |                            |
| Fee             | T-32-N, R-7-W   |                 |  |            |                            |
|                 | Sec. 20: E/2SE/4  | 240.00          | Royalty;                                       | 12.500%    | 12.500%                    |
|                 | Sec. 21: SW/4   |                 | Working Interest:<br>Northwest Pipeline Corp.; | 87.500%    | 87.500%                    |
|                 |   |                 | ORRI;  | 00.000%    | 00.000%                    |
|                 |   |                 | Total  | 100.000%   | 100.000%                   |
| <u>TRACT 24</u> |   |                 |  |            |                            |
| Fee             | T-32-N, R-7-W   |                 |  |            |                            |
|                 | Sec. 32: W/2W/2   | 160.00          | Royalty;                                       | 12.500%    | 12.500%                    |
|                 |   |                 | Working Interest:<br>Northwest Pipeline Corp.; | 87.500%    | 87.500%                    |
|                 |   |                 | ORRI;  | 00.000%    | 00.000%                    |
|                 |   |                 | Total  | 100.000%   | 100.000%                   |



AMENDED FIFTEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER   | DESCRIPTION                                 | NUMBER<br>OF ACRES | DRILLING BLOCK  |  | PRESENT ACTU-<br>PARTICIPATIO- |
|-----------------|---|--------------------|---|--|--------------------------------|
|                 |   |                    | OWNERSHIP   | PERCENTAGE<br>COMMITTED                          |                                |
| <u>TRACT 25</u> |   |                    |   |  |                                |
| Fee             | T-32-N-, R-7-W<br>Sec. 8: Lot 4<br>W/2SW/4  | 99.41              | Royalty;<br>Working Interest:<br>Northwest Pipeline Corp.,<br>ORRI; | 12.500%<br>87.500%<br>00.000%<br><u>100.000%</u> | 1.069152%                      |
| <u>TRACT 26</u> |   |                    |   |  |                                |
| Fee             | T-31-N, R-7-W<br>Sec. 3: E/2SW/4<br>S/2SE/4 | 160.00             | Royalty;<br>Working Interest:<br>Palmer Oil and Gas;<br>ORRI;       | 20.000%<br>80.000%<br>00.000%<br><u>100.000%</u> | 0.000000%                      |
| <u>TRACT 28</u> |   |                    |   |  |                                |
| Fee             | T-31-N, R-7-W<br>Sec. 10: NW/4              | 160.00             | Royalty;<br>Working Interest:<br>Palmer Oil and Gas;<br>ORRI;       | 20.000%<br>80.000%<br>00.000%<br><u>100.000%</u> | 0.000000%                      |

AMENDED NINETEENTH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 32-7 UNIT AREA

| SERIAL NUMBER | DESCRIPTION | NUMBER   |           | DRILLING BLOCK | PERCENTAGE COMMITTED | PRESENT ACTU. PARTICIPATIOI |
|---------------|-------------|----------|-----------|----------------|----------------------|-----------------------------|
|               |             | OF ACRES | OWNERSHIP |                |                      |                             |

R E C A P I T U L A T I O N

Township 31 North, Range 7 West, N. M. P. M.  
 Section 3: Lots 5,6,7,8, S/2  
 Section 4: Lots 5,6,7,8, S/2  
 Section 5: Lots 5,6,7,8, SE/4 & E/2SW/4  
 Section 8: E/2  
 Section 10: NW/4  
 Section 17: All

Township 32 North, Range 7 West, N. M. P. M.  
 Section 7: (Frac.) All  
 Section 8: (Frac.) All  
 Section 9: (Frac.) W/2W/2  
 Sections 17,20,21,22,35,36: All  
 Sections 16,27,29,32: W/2  
 Section: 23: SW/4  
 Sections: 18,28,33: E/2

Total Number of Acres in Participating Area: 9778.02  
 Total Number of Acres Committed to Participating Area: 9298.02  
 Total Number of Acres Not Committed to Participating Area: 480.00