

NORTHWEST PIPELINE CORPORATION

ONE PARK CENTRAL, SUITE 1487  
DENVER, COLORADO 80202  
(303) 623-9303

October 11, 1977

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Mr. Carl C. Traywick  
Assistant Oil and Gas Supervisor  
United States Geological Survey  
Post Office Drawer 1857  
Roswell, New Mexico 88201

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

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

Re: San Juan 32-8 Unit #14-08-001-446  
San Juan County, New Mexico  
INITIAL PARTICIPATING AREA  
FRUITLAND FORMATION  
Effective November 30, 1976

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the date indicated below that the San Juan 32-8 Unit Well No. 36 was capable of producing unitized substances in paying quantities from the Fruitland formation and was completed on a drilling block committed to this Unit which should create the Initial Participating Area for the Fruitland as follows:

Initial Participating Area -- Effective November 30, 1976

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name &amp; Number</u>
E/2 Section 25-32N-8W	320.00	San Juan 32-8 #36

Pertinent well data is as follows:

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The San Juan 32-8 Unit No. 36 well is located 1640 feet from the North Line and 1710 feet from the East Line, Section 25, Township 32 North, Range 8 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on October 2, 1976 and completed on November 30, 1976 in the North Los Pinos Fruitland Formation at a plug back depth of 4017'. The Fruitland Formation was perforated with one hole at each of the following depths: 3773', 3777', 3783', 3787', 3797', 3802', 3829'. These perforations were treated with 15% HCL followed by a sand-water fracturing. The well was shut-in October 13, 1976 for 43 days with a SIPC of 1493 psig. On November 30, 1976, the well was tested through the casing and after flowing for three (3) hours through a 3/4" variable choke on the 8 5/8" casing, the well gauged 1049 MCFD with a calculated AOF of 1054 MCFD. From April 1, 1977 through August 31, 1977, this well has produced 58,277 MCFG.

Attached are Schedule I and ownership map showing the Initial Participating Area for the Fruitland formation of the San Juan 32-8 Unit. The Schedule describes the Initial Participating Area and shows the percentage of unitized substances allocated to the drilling block tract. Inasmuch as this needs no official approval, no provision is made therefor and in the absence of disapproval the captioned Initial Participating Area will become effective November 30, 1976.

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

Sincerely,



Betty R. Burnett  
Supervisor of Contracts and Units

BRB:me  
Attachments  
cc: Working Interest Owners

SCHEDULE I  
 INITIAL PARTICIPATING AREA FOR THE FRUITLAND FORMATION  
 SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
SF 079381	T-32-N, R-8-W Sec 25: E/2	320.00			12.50%	100.00%
	Royalty: Working Interest: El Paso Natural Gas Co.; ORRI;				82.50% 5.00%	
	TOTAL				<u>100.00%</u>	

TRACT 16

San Juan 32-8 Unit  
Working Interest Owners

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

Phillips Petroleum Company  
Attention: Mr. N. N. Beckner  
1000 Security Life Building  
Denver, Colorado 80202

Getty Oil Company  
Attention: Mr. J. E. Hofmann  
Three Park Central, Suite 700  
Denver, Colorado 80202

Sun Oil Company (Delaware)  
12850 Hillcrest Road  
Dallas, Texas 75230  
Attention: Unitization & Joint Operations

Texaco, Inc.  
Box 2100  
1570 Grant Street  
Denver, Colorado 80201

El Paso Natural Gas Company  
Attention: Mr. James R. Permenter  
Post Office Box 1492  
El Paso, Texas 79978