

Oil Conservation Commission  
San Juan County, New Mexico  
JAN 28 1954

## PHILLIPS PETROLEUM COMPANY

10th Floor West Wing - Phillips Building  
BARTLESVILLE, OKLAHOMA

January 25, 1954

Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Roswell, New Mexico

Re: San Juan 32-8 Unit, #14-08-001-446  
San Juan County, New Mexico  
SECOND REVISION OF MESA-  
VERDE PARTICIPATING AREA  
Effective January 1, 1954

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

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

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 32-8 Unit Agreement, approved January 13, 1953, Phillips Petroleum Company, as Unit Operator, has determined as of December 14, 1953, that a third well, and has determined as of December 30, 1953, that a fourth well and a fifth well, all capable of producing unitized substances in paying quantities from the Mesaverde formation, have been completed upon acreage committed to this unit and the participating area for the Mesaverde formation is accordingly expanded.

The well data upon which the expansion is based is as follows:

<u>First Completion</u>	WELL DESIGNATION: San Juan 32-8 Mesa Well #4-15
	LOCATION: 1500' from south line and 1650' from west line of Section 15-32N-8W, N.M.P.M.
	ELEVATION: 6924' (DF)
	SPUD DATE: July 29, 1953
	CASING: 10 3/4" cemented at 173' with 135 sx 7" cemented at 5628' with 400 sx
	TOTAL DEPTH: 6445'
	DRILLING METHODS: Conventional to casing point; Mesaverde drilled with gas
	SHOT: Interval 5795'-6445' with 1920 quarts SNG
	TUBING: 1 1/4" and 1" hung at 6407'

## COMPLETION TEST DATA

DATE: December 14, 1953

SHUT-IN PERIOD: 85 days

FINAL SHUT-IN PRESSURES: Tubing 995#  
Casing 995#

RATE BY PITOT TUBE  
AFTER 3 HOUR OPEN  
BLOW DOWN: 560 MCFGPD through casing

WORKING PRESSURE: 48# on tubing

The one-half section Drilling Block upon which this well is located is described as the W/2 of Section 15-32N-8W, N.M.P.M., San Juan County, New Mexico.

Second Completion

WELL DESIGNATION: San Juan 32-8 Mesa Well #5-10

LOCATION: 1160' from south line and 1700' from west line of Section 10-31N-8W, N.M.P.M.

ELEVATION: 6652' (DF)

SPUD DATE: September 25, 1953

CASING: 9 5/8" cemented at 169' with 200 sx  
7" cemented at 5376' with 400 sx

TOTAL DEPTH: 6040'

DRILLING METHODS: Conventional to casing point; Mesaverde drilled with gas

SHOT: Interval 5554'-6040' with 1203 quarts SOME

TUBING: 1" hung at 5996' perforation 5978'-5996'

## COMPLETION TEST DATA

DATE: December 30, 1953

SHUT-IN PERIOD: 48 days

FINAL SHUT-IN PRESSURES: Tubing 973#  
Casing 975#

RATE BY PITOT TUBE  
AFTER 3 HOUR OPEN  
BLOW DOWN: 1140 MCFGPD through casing

WORKING PRESSURE: 192# on tubing

The one-half section Drilling Block upon which this well is located is described as the W/2 of Section 10-31N-8W, N.M.P.M., San Juan County, New Mexico.

Third Completion

WELL DESIGNATION: San Juan 32-8 Mesa Well #6-35

LOCATION: 1850' from north line and 790' from  
east line of Section 35-32N-8W, N.M.P.M.

ELEVATION: 6602' (DF)

SPUD DATE: October 6, 1953

CASING: 9 5/8" cemented at 172' with 200 sx  
7" cemented at 5460' with 400 sx

TOTAL DEPTH: 6060'

DRILLING METHODS: Conventional to casing point; Mesaverde  
drilled with gas

SHOT: Interval 5508'-6060' with 1376 quarts SOWE

TUBING: 1" hung at 5984' perforated 5968'-5984'

## COMPLETION TEST DATA

DATE: December 30, 1953

SHUT-IN PERIOD: 47 days

FINAL SHUT-IN Tubing 984#  
PRESSURES: Casing 986#RATE BY PITOT TUBE  
AFTER 3 HOUR OPEN

BLOW DOWN: 537 MCFGPD through casing

WORKING PRESSURE: 10# on tubing

The one-half section Drilling Block upon which this well is located is described as the E/2 of Section 35-32N-8W, N.M.P.M., San Juan County, New Mexico.

Attached are the following schedules showing lands and leases committed and the ownership thereof, together with schedule of allocation of production from the expanded participating area:

1. Schedule III - Second expanded Mesaverde participating area.
2. Exhibit "A" - Schedule of leases and ownership for second expanded Mesaverde participating area.

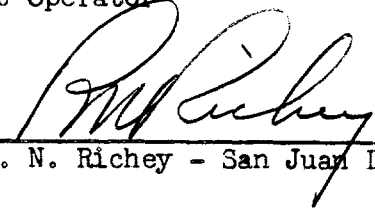
January 25, 1954

3. Exhibit "B" - Schedule of allocation of production from the second expanded Mesaverde participating area, effective January 1, 1954.

Yours very truly

PHILLIPS PETROLEUM COMPANY  
Unit Operator

By

  
R. N. Richey - San Juan Division

Registered

RNR:pw

cc: Manager - Bureau of Land Management  
El Paso Natural Gas Company  
Stanolind Oil and Gas Company  
Sunray Oil Corporation  
General American Oil Company of Texas  
Skelly Oil Company  
The Texas Company  
Messrs: P. T. McGrath  
Mike Abraham & Roseline Abraham  
H. H. Phillips  
A. M. Rippel  
R. B. Stewart  
L. E. Fitzjarrald  
E. M. Gorence  
G. L. Sneed  
H. E. Koopman  
R. E. Parr  
R. L. Powell  
R. L. Pulsifer (3)  
E. R. Holt  
D. M. McBride  
F. D. Smythe (2)  
G. P. Bunn  
P. B. Cordry  
T. E. Smiley (2)  
S. E. Redman  
E. A. Humphrey (3)  
M. A. Tippie  
J. W. Mims  
G. E. Benskin  
W. M. Freeman  
Val R. Reese  
R. A. Wolgast

SCHEDULE III  
SECOND EXPANDED MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

New Mexico Principal Meridian

Township 31 North, Range 8 West

Sec. 10: W/2

Sec. 23: E/2

Township 32 North, Range 8 West

Sec. 15: W/2

Sec. 17: W/2

Sec. 35: E/2

The working interest under leases on the above described lands which have been committed to the Unit is vested:

Phillips Petroleum Company	60.000%
El Paso Natural Gas Company	20.000%*
Skelly Oil Company	20.000%

\*Upon reimbursement of development costs, ownership will be:

Gas Rights:

El Paso Natural Gas Company	3/4
General American Oil Company of Texas	1/4

Royalties are payable on production from these lands to the Government under the provisions of Federal leases:

SF 081089  
SF 079013  
SF 079353  
SF 079381  
SF 079004

The United States of America owns one-eighth (1/8) royalty interest in the above Federal leases.

Attached find: (1) A schedule, marked Exhibit "A", showing leases included in the second expanded participating area.

(2) A schedule, marked Exhibit "B", a recap of committed acreage in the second expanded participating area.

NOTE: This schedule supercedes Schedule II, First Expanded Mesaverde Participating Area which was issued under cover letter dated December 16, 1953.

1/18/54  
DNC

EXHIBIT "A"  
SECOND EXPANDED MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

Tract #4 in Exhibit "B" of Unit Agreement

Lessee: Skelly Oil Company  
Serial Number: Santa Fe 079004  
Lease Description: T 31N - R 8W  
                            Sec. 10: NW/4, E/2 SW/4  
Amount of Acreage: 240.00 Acres  
Percentage of Participation: 15.000000%  
Overriding Royalty: 3.75%\*\* .562500%  
Royalty: U.S.A. 12.50% 1.875000%  
Operating Rights:  
            Skelly Oil Company 100% 12.562500%  
San Juan 32-8 Mesa Well #5-10  
\*\*Skelly's working interest is burdened with an additional 1.25% ORRI in favor of Blanche Trigg which has not been committed to the Unit. Therefore, Skelly must account individually to Blanche Trigg as to production from the San Juan 32-8 Mesa Well #5-10 Well only.

Tract #4 in Exhibit "B" of Unit Agreement

Lessee: Skelly Oil Company  
Serial Number: Santa Fe 079004  
Lease Description: T 31N - R 8W  
                            Sec. 10: W/2 SW/4  
Amount of Acreage: 80.00 Acres  
Percentage of Participation: 5.000000%  
Overriding Royalty: 5.0% .250000%  
Royalty: U.S.A. 12.5% .625000%  
Operating Rights:  
            Skelly Oil Company 100% 4.125000%  
San Juan 32-8 Mesa Well #5-10

Tract #5 in Exhibit "B" of Unit Agreement

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 079013  
Lease Description: T 32N, R 8W  
                            Sec. 17: W/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 20.000000%  
Overriding Royalty: 5.0% 1.000000%  
Royalty: U.S.A. 12.5% 2.500000%  
Operating Rights:  
            Phillips Petroleum Company 100% 16.500000%  
San Juan 32-8 Mesa Well #3-17

Tract #14 in Exhibit "B" of Unit Agreement

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 079353  
Lease Description: T 32N - R 8W  
                            Sec. 15: W/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 20.000000%  
Overriding Royalty: 5.0% 1.000000%  
Royalty: U.S.A. 12.5% 2.500000%  
Operating Rights:  
            Phillips Petroleum Company 100% 16.500000%  
San Juan 32-8 Mesa Well #4-15

Tract #16 in Exhibit "B" of Unit Agreement

Lessee: El Paso Natural Gas Company  
Serial Number: Santa Fe 079381  
Lease Description: T 32N - R 8W  
Sec. 35: E/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 20.000000%  
Overriding Royalty: 5.0% 1.000000%  
Royalty: U.S.A. 12.5% 2.500000%  
Operating Rights:  
El Paso Natural Gas Company 100%\* 16.500000%  
San Juan 32-8 Mesa Well #6-35

\*Upon reimbursement of development costs the ownership will be:

El Paso Natural Gas Company 3/4  
General American Oil Company of Texas 1/4

Tract #20 in Exhibit "B" of Unit Agreement

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 081089  
Lease Description: T 31N - R 8W  
Sec. 23: E/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 20.000000%  
Overriding Royalty: 5.0% 1.000000%  
Royalty: U.S.A. 12.5% 2.500000%  
Operating Rights:  
Phillips Petroleum Company 100% 16.500000%  
San Juan 32-8 Mesa Well #1-23

EXHIBIT "B"  
SECOND EXPANDED MESAVEDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

SECOND EXPANDED PARTICIPATING AREA			WORKING INTEREST PARTICIPATION		ROYALTY PARTICIPATION		ORRI PARTICIPATION		W. I. OWNER
Tract No.	Area Acres	Committed Acres	Participation %	% of Production	%	% of Production	%	% of Production	
4	240.00	240.00	15.000000%	83.75%**	12.562500%	12.5%	1.875000%	3.75%**	562500% Skelly Oil Company
4	80.00	80.00	5.000000%	82.50%	4.125000%	12.5%	.625000%	5.00%	.250000% Skelly Oil Company
5	320.00	320.00	20.000000%	82.50%	16.500000%	12.5%	2.500000%	5.00%	1.000000% Phillips Petroleum Company
14	320.00	320.00	20.000000%	82.50%	16.500000%	12.5%	2.500000%	5.00%	1.000000% Phillips Petroleum Company
16	320.00	320.00	20.000000%	82.50%	16.500000%	12.5%	2.500000%	5.00%	1.000000% El Paso Natural Gas Company*
20	320.00	320.00	20.000000%	82.50%	16.500000%	12.5%	2.500000%	5.00%	1.000000% Phillips Petroleum Company
TOTAL 1,600.00			100.000000%		82.687500%		12.500000%	4.812500%	

TOTAL COMMITTED			TOTAL NET PERCENTAGE OF PARTICIPATION		
Federal Lands	Acres	Percentage			
	1,600.00	100.0000%			
			Phillips Petroleum Company		49.5000%
			El Paso Natural Gas Company		16.5000%
			Skelly Oil Company		16.6875%
			Royalty Owners		12.5000%
			Overriding Royalty		4.8125%
					100.0000%

\*Upon reimbursement of development costs the ownership will be:

Gas Rights:  
El Paso Natural Gas Company 3/4  
General American Oil Company of Texas 1/4

\*\* Skelly's working interest is burdened with an additional 1.25% ORRI in favor of Blanche Trigg which has not been committed to the Unit. Therefore, Skelly must account individually to Blanche Trigg as to production from the San Juan 32-8 Mesa #5-10 Well only.



RS  
400

## PHILLIPS PETROLEUM COMPANY

10th Floor West Wing - Phillips Building

BARTLESVILLE, OKLAHOMA

December 16, 1953

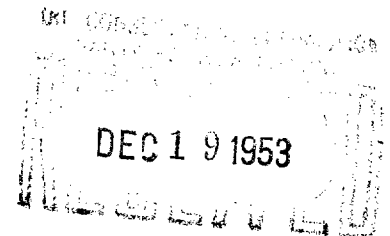
Re: San Juan 32-8 Unit, #14-08-001-446  
San Juan County, New Mexico

Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Building  
Roswell, New Mexico

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

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

FIRST REVISION OF MESAVERDE  
PARTICIPATING AREA - EFFECTIVE  
JANUARY 1, 1954.



Gentlemen:

Pursuant to Section 11 (a) of San Juan 32-8 Unit Agreement approved January 13, 1953, Phillips Petroleum Company, as Unit Operator, determines that a second well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this unit and the participating area for the Mesaverde formation is accordingly expanded.

The well is Phillips Petroleum Company's San Juan 32-8 Mesa Well #3-17, located 1600' from the south line and 1650' from the west line of Section 17-32N-8W, N.M.P.M., San Juan County, New Mexico. It was spudded May 10, 1953, and reached total depth of 5962' on June 23, 1953. 7" casing was cemented at 5360' with 450 sacks. The Mesaverde formation was drilled with gas drilling tools and the pay section from 5460' to 5962' was shot with 1592 quarts of nitroglycerin. Following a twenty day shut-in period the SITP was 959# and the SICP was the same. On November 30, 1953, after a three hour blow down the well was gauged at 1190 MCFGPD by pitot tube and mercury manometer with working pressure of 282#. The flow was through a 2" nipple.

The one-half section Drilling Block upon which this well is located is described as the W/2 of Section 17-32N-8W, N.M.P.M., San Juan County, New Mexico.

Attached are schedules showing lands and leases committed and the ownership thereof, together with schedule of allocation from the expanded participating area:

1. Schedule II - First revision of Mesaverde participating area.

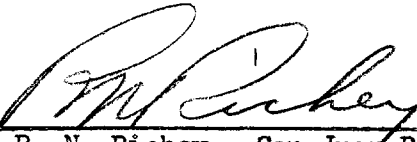
December 16, 1953

2. Exhibit "A" - Schedule of leases and ownership for first revision of Mesaverde participating area.
3. Exhibit "B" - Schedule of allocation of production from first revision of Mesaverde participating area, effective January 1, 1954.

Yours very truly

PHILLIPS PETROLEUM COMPANY  
Unit Operator

By

  
R. N. Richey - San Juan Division

RNR:pw  
Registered return receipt  
requested.

cc: Manager - Bureau of Land Management  
El Paso Natural Gas Company  
Stanolind Oil and Gas Company  
(Tulsa and Ft. Worth)  
The Texas Company  
Messrs. P. T. McGrath  
J. A. DeLany  
Mike & Roseline Abraham  
H. H. Phillips  
A. M. Rippel  
R. B. Stewart  
L. E. Fitzjarrald  
E. M. Gorence  
H. E. Koopman  
R. E. Parr  
R. L. Powell  
R. L. Pulsifer (3)  
E. R. Holt  
D. M. McBride  
F. D. Smythe (2)  
G. P. Bunn  
P. B. Cordry  
T. E. Smiley (2)  
S. E. Redman  
Val Reese  
E. A. Humphrey (3)  
M. A. Tippie  
J. W. Mims  
G. E. Benskin  
Merle Freeman  
G. L. Sneed  
R. A. Wolgast

SCHEDULE II  
FIRST EXPANDED MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
RIO ARriba COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

New Mexico Principal Meridian

Township 31 North, Range 8 West  
Sec. 23: E/2

Township 32 North, Range 8 West  
Sec. 17: W/2

The working interest under leases on the above described lands which have been committed to the Unit is vested:

Phillips Petroleum Company                      100.000%

Royalties are payable on production from these lands to the Government under the provisions of Santa Fe Leases:

081089  
079013

The United States of America owns one-eighth (1/8) royalty interest in the above Federal leases.

Attached find: (1) A schedule, marked Exhibit "A", showing leases included in the participating area.

(2) A schedule, marked Exhibit "B", a recap of committed acreage in the participating area.

EXHIBIT "A"  
FIRST EXPANDED MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
RIO ARriba COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

Tract #5

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 079013  
Lease Description: Township 32N, Range 8W  
                            Sec. 17: W/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 50.000000%  
Overriding Royalties: 5.0% 2.500000%  
Royalty U.S.A.: 12.5% 6.250000%  
Operating Rights:  
            Phillips Petroleum Company 100.000% 41.250000%  
San Juan #3-17 Mesa Well

Tract #20

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 081089  
Lease Description: Township 31N, Range 8W  
                            Sec. 23: E/2  
Amount of Acreage: 320.00 Acres  
Percentage of Participation: 50.000000%  
Overriding Royalties: 5.0% 2.500000%  
Royalty U.S.A.: 12.5% 6.250000%  
Operating Rights:  
            Phillips Petroleum Company 100.000% 41.250000%  
San Juan #1-23 Mesa Well

EXHIBIT "B"  
FIRST EXPANDED MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
RIO ARriba COUNTY, NEW MEXICO  
EFFECTIVE JANUARY 1, 1954

FIRST EXPANDED PARTICIPATING AREA				WORKING INTEREST PARTICIPATION		ROYALTY PARTICIPATION		ORRI PARTICIPATION		W. I. OWNER
Tract No.	Area Acres	Committed Acres	Tract Participation	% of Production	%	% of Production	%	% of Production		
5	320.00	320.00	50.000000%	82.500%	41.250000%	12.5%	6.250000%	5.0%	2.500000%	Phillips Petroleum Company
20	320.00	320.00	50.000000%	82.500%	41.250000%	12.5%	6.250000%	5.0%	2.500000%	Phillips Petroleum Company
TC	640.00	640.00	100.000000%	82.500000%		12.500000%		5.000000%		

TOTAL COMMITTED  
Federal Lands      Acres      Percentage  
640.00      100.000000%

TOTAL NET PERCENTAGE OF PARTICIPATION  
Phillips Petroleum Company      82.500000%  
Royalty Owners      12.500000%  
Overriding Royalty Owners      5.000000%  
100.000000%

# PHILLIPS PETROLEUM COMPANY

10th Floor West Wing - Phillips Building  
BARTLESVILLE, OKLAHOMA

LAND AND GEOLOGICAL DEPARTMENT

September 30, 1953

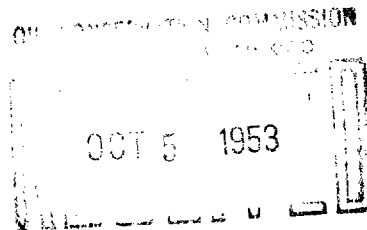
C. O. STARK, VICE PRESIDENT  
D. E. LOUNSBERY, CHIEF GEOLOGIST  
D. C. HEMSELL, MGR. LAND DIVISION  
W. B. WEEKS, MGR. GEOLOGICAL SECTION  
A. J. HINTZE, MGR. EXPLORATION SECTION

Re: San Juan 32-8 Unit  
No. 14-08-001-446  
San Juan County, New Mexico  
SCHEDULE OF OWNERSHIP AND  
ALLOCATION OF PRODUCTION  
FROM INITIAL MESAVERDE  
PARTICIPATING AREA.

Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Building  
Roswell, New Mexico

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

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



Gentlemen:

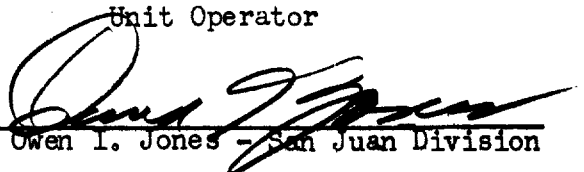
On May 14, 1953, you were furnished a "Schedule of Ownership and Allocation of Production From Initial Mesaverde Participating Area" in San Juan 32-8 Unit, San Juan County, New Mexico. This schedule has been approved as follows:

- (1) Approved by Thomas B. Nolan, Acting Director - United States Geological Survey, September 17, 1953.
- (2) Approved by E. S. Walker, Commissioner of Public Lands, State of New Mexico, June 12, 1953.
- (3) Approved by R. R. Spurrier for Oil Conservation Commission, State of New Mexico, May 25, 1953.

Your copy of the above referred to schedule should be noted to show these approvals.

Yours very truly,

PHILLIPS PETROLEUM COMPANY  
Unit Operator

By   
Owen I. Jones - San Juan Division

OIJ:wg  
cc: See Attached

RECEIVED

**PHILLIPS PETROLEUM COMPANY**

10th Floor West Wing - Phillips Building  
BARTLESVILLE, OKLAHOMA

MAY 27 1953

LAND DEPARTMENT  
SAN JUAN DIVISION

May 14, 1953

Re: San Juan 32-8 Unit  
No. 14-08-001-446  
San Juan County, New Mexico  
SCHEDULE OF OWNERSHIP AND  
ALLOCATION OF PRODUCTION  
FROM INITIAL MESAVERDE  
PARTICIPATING AREA.

Regional Supervisor  
United States Geological Survey  
Department of the Interior  
Post Office Building  
Roswell, New Mexico

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

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

Gentlemen:

By letter dated April 13, 1953, Phillips Petroleum Company as Unit Operator filed Notice of Discovery of unitized substances in paying quantities from the Mesaverde formation on this Unit Area with you and each of the working interest owners, pursuant to Sec. 11 (a) of the San Juan 32-8 Unit Agreement, No. 14-08-001-446, approved by the Acting Director of the United States Geological Survey on January 13, 1953. The latest receiving date on any of the registered return receipts is April 15, 1953, and the thirty day period has accordingly run. No protests of this finding have been received by the Unit Operator.

The well is Phillips Petroleum Company's San Juan 32-8 Mesa Well No. 1-23 located 1800' from the north line and 1600' from the east line of Section 23-31N-8W, N.M.P.M., San Juan County, New Mexico. This well was spudded on December 19, 1952, and completed at a total depth in the Mesaverde formation of 6240' on April 10, 1953. The Mesaverde formation from 5355' to 6240' was shot with 2,575 quarts of nitroglycerin and following a 602 hour shut-in period at which time SITP was 893 psig and SICP was 878 psig the well was blown open for three hours at the end of which time it gauged with pitot tube 1,540 MCFGPD and at the end of six hour blow down test, gauged with pitot tube, 1,070 MCFGPD.

The 320 acre Drilling Block upon which this well is located described as E/2 Section 23-31N-8W, N.M.P.M., (SF 081089) is fully committed to the San Juan 32-8 Unit Agreement.

Attached are the following schedules showing lands and lease committed and the ownership thereof together with schedule of allocation of production on this initial Mesaverde participating area, effective date of first production.

## Schedules & Exhibits

-2-

May 14, 1953

1. Schedule I - Initial Mesaverde participating area
2. Exhibit "A"- Schedule of lease and ownership therein
3. Exhibit "B"- Allocation of production.

Will you kindly indicate your approval on the extra attached copy for our records.

Yours very truly

PHILLIPS PETROLEUM COMPANY

Unit Operator

Registered

RFR: pw

By

R. F. Rood - San Juan Division

cc: Manager - Bureau of Land Management  
El Paso Natural Gas Company  
General American Oil Company of  
Texas

Approved, effective date of first production.

Skelly Oil Company  
Sunray Oil Corporation  
Stanolind Oil and Gas Company  
(Tulsa and Ft. Worth)

Director - United States Geological Survey

The Texas Company  
Messrs. P. T. McGrath

\_\_\_\_\_ day of \_\_\_\_\_, 1953.

D. C. Hemsell  
A. M. Rippel  
R. B. Stewart  
L. E. Fitzjarrald  
G. E. Benskin  
G. L. Knight  
O. I. Jones  
E. M. Gorence  
G. L. Sneed  
H. E. Koopman  
R. E. Parr  
R. L. Powell (1)  
R. L. Pulsifer (3)  
E. R. Holt  
D. M. McBride  
F. D. Smythe (2)  
G. P. Bunn  
P. B. Cordry  
T. E. Smiley (2)  
S. E. Redman  
Val Reese  
E. A. Humphrey (3)  
M. A. Tippie  
J. W. Mims  
G. E. Benskin  
Merle Freeman  
O. I. Jones  
G. L. Sneed

Approved, effective date of first production.

Commissioner of Public Lands of the State of  
New Mexico

\_\_\_\_\_ day of \_\_\_\_\_, 1953.

Approved, effective date of first production.

Oil Conservation Commission of the State of  
New Mexico

25 May 53



SCHEDULE I  
INITIAL MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
RIO ARriba COUNTY, NEW MEXICO

New Mexico Principal Meridian

Township 31 North, Range 8 West  
Sec. 23: E/2

The working interest under leases on the above described lands which have been committed to the Unit is vested:

Phillips Petroleum Company	100.000%
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Royalties are payable on production from these lands to the Government under the provisions of Santa Fe Lease:

081089

The United States of America owns one-eighth (1/8) royalty interest in the above federal lease.

Attached find: (1) A schedule, marked Exhibit "A", showing leases included in the participating area. (2) A schedule, marked Exhibit "B", a recap of committed acreage in the participating area.

5/14/53

EXHIBIT "A"  
INITIAL MESAVERDE PARTICIPATING AREA  
SAN JUAN 32-8 UNIT  
RIO ARriba COUNTY, NEW MEXICO

Tract #20

Lessee: Phillips Petroleum Company  
Serial Number: Santa Fe 081089  
Lease Description: Township 31 North, Range 8 West  
                    Sec. 23: E/2  
Amount of Acreage: 320.00 acres  
Percentage of Participation: 100.000000%  
Overriding Royalties:  
    Carl Ilfeld, et al      5.000%      5.000000%  
Royalty U.S.A.:      12.500%      12.500000%  
Operating Rights:  
    Phillips Petroleum Company 100.000%      82.500000%

5/14/53

EXHIBIT "B"  
 INITIAL MESAVEDE PARTICIPATING AREA  
 SAN JUAN 32-8 UNIT  
 RIO ARriba COUNTY, NEW MEXICO

INITIAL PARTICIPATING AREA		WORKING INTEREST PARTICIPATION		ROYALTY PARTICIPATION		O&RI PARTICIPATION		W. I. OWNER		
Tract No.	Area Acres	Committed Acres	%	% of W.I. Participation	% of Production	%	% of Production			
20	320.00	320.00	82.5%	100.000000%	82.500000%	12.5%	12.500000%	5.0%	5.000000%	Phillips Petroleum Company

TOTALS	320.00	320.00		100.000000%	82.500000%		12.500000%		5.000000%	
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TOTALS COMMITTED:					TOTAL NET PERCENTAGE OF PARTICIPATION:				
Federal Lands		<u>Acres</u> 320.00		<u>Percentage</u> 100.000000%		Phillips Petroleum Company	82.500000%		
						Royalty Owners	12.500000%		
						Overriding Royalty Owners	<u>5.000000%</u>		
							100.000000%		

PHILLIPS PETROLEUM COMPANY

10th Floor West Wing - Phillips Building  
BARTLESVILLE, OKLAHOMA

APR 15 1953

April 13, 1953

Re: NOTICE OF DISCOVERY

San Juan 32-8 Unit  
Unit No. 14-08-001-446  
San Juan County, New Mexico

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

Dear Sir:

The above numbered unit was approved by the Acting Director of the United States Geological Survey on January 13, 1953. Pursuant to Section 11, paragraph 2 of the Unit Agreement you are advised of a discovery of unitized substances in paying quantities from the Mesa-verde formation in the following well located thereon:

Phillips Petroleum Company San Juan 32-8 Mesa,  
Well No. 1-23 located 1800' from the north line  
and 1600' from the East line of Section 23,  
Township 31 North, Range 8 West, N.M.P.M., San  
Juan County, New Mexico.

The well was spudded on December 19, 1952, and completed at a total depth in the Mesaverde formation of 6,240' on April 10, 1953. The pay section in the Mesaverde formation from 5355' to 6240' was shot with 2575 quarts of nitroglycerin.

On April 10, 1953, the shut-in tubing pressure was 893# and the shut-in casing pressure was 878#. The well made a potential of 1,070 MCFGPD on a six hour blow down test gauged with pitot tube on April 10, 1953.


The 320 acre Drilling Block described as the E/2 Section 23-31N-8W, N.M.P.M. (SF 081089) upon which this well is located is fully committed to the San Juan 32-8 Unit Agreement and pursuant to the above mentioned Section 11 of said Unit Agreement it is determined by Phillips Petroleum Company, Unit Operator, that this well is capable of producing unitized substances in paying quantities.

April 13, 1953

The initial participating area to be established as a result of this discovery will be the 320 acre Drilling Block upon which the well is located, above described, and schedule of ownership and allocation of production will follow at the end of the 30 day period.

Yours very truly

PHILLIPS PETROLEUM COMPANY  
Unit Operator

By   
R. F. ROOD  
San Juan Division

Registered

RFR:pw

cc: Honorable E. S. Walker - Commissioner of Public Lands  
State of New Mexico

Oil Conservation Commission of the State of New Mexico COPY FOR

Manager - Bureau of Land Management

El Paso Natural Gas Company

General American Oil Company of Texas

Skelly Oil Company

Sunray Oil Corporation

Stanolind Oil and Gas Company

The Texas Company

Messrs. D. C. Hemsell

A. M. Rippel

R. B. Stewart

L. E. Fitzjarrald

G. E. Benskin

G. L. Knight

O. I. Jones

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