

540

RECEIVED
JAN 11 1957

January 11, 1957

In reply refer to:
Unit Division

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

Re: San Juan 27-5 Unit
1957 Drilling Program

Attention: Mr. Samuel Smith,
Assistant Manager, Lease Department

Gentlemen:

We are enclosing one copy of the San Juan 27-5 Unit 1957 Drilling Program, which was approved by the Commissioner of Public Lands, Mr. M. E. Morgan, on January 11, 1957, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

MEM:MMR/m
enc: 1

cc: USGS-Roswell
OCC-Santa Fe

540

El Paso Natural Gas Company

El Paso, Texas

January 11, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

file

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: (San Juan 27-5 Unit / No. 14-08-001-950
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL AND NINTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective November 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement #14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on October 9, 1956, that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to the Unit. This well is as follows:

The San Juan 27-5 #17 Well located 990' from the South line and 990' from the West line of Section 29, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on September 4, 1956, and completed on September 24, 1956, at a total depth of 5475'. The Point Lookout section in the Mesaverde Formation between 5294' - 5314', 5332' - 5342', 5362' - 5386' was perforated and treated with a sand-water fracturing process on September 21, 1956. The Cliff House section in the Mesaverde Formation between 4805' - 4820', 4836' - 4856', 4868' - 4880' was perforated and treated with a sand-water fracturing process on September 22, 1956. After being shut-in for gauge for fifteen (15) days, the well was tested on October 9, 1956, and following a three hour blow-down period, gauged 5381 MCFGPD through a 3/4"

choke and 11,123 MCFGPD by the calculated absolute open flow method, with an SIPC of 1086# and an SIPT of 1068#. The committed drilling block upon which this well is located is described as the W/2 of Section 29, Township 27 North, Range 5 West, N.M.P.M., containing 320 acres.

This drilling block was included in the San Juan 27-5 Seventh Expanded Participating Area, effective January 1, 1956, as an intervening drilling block.

The completion of the San Juan 27-5 #17 Well creates one (1) intervening drilling block described as the W/2 of Section 20, Township 27 North, Range 5 West, containing 320.00 acres. Under the terms of the Unit Agreement, this intervening drilling block is admitted to the Participating Area on November 1, 1956, and a well must be commenced on said intervening drilling block by November 1, 1957.

Attached is Schedule X showing the Ninth Expanded Participating Area for the San Juan 27-5 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor, and in the absence of disapproval, this expanded participating area will become effective as of November 1, 1956.

Copies of this letter and schedule are being sent to the Working Interest Owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

SS:EN:nb

Enclosure

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

December 31, 1956

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

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

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

Re: San Juan 27-5 Unit, #14-08-001-950
Rio Arriba County, New Mexico
1957 DRILLING PROGRAM

Gentlemen:

By letter dated December 21, 1955, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for the calendar year 1956, regarding the above captioned unit. This Drilling Program was approved by the United States Geological Survey, The Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico. There were four (4) wells on the 1956 Drilling Program that were to be drilled during the calendar year 1956.

The San Juan 27-5 #14 well, located in the E/2 of Section 11, Township 27 North, Range 5 West, was spudded on January 6, 1956, and completed on February 17, 1956, at a total depth of 6,732' with an IP of 4,604 MCFGPD. This Drilling Block was included in the San Juan 27-5 Fifth Expanded Participating Area as an intervening drilling block effective February 1, 1955.

The San Juan 27-5 #15 well, located in the W/2 of Section 16, Township 27 North, Range 5 West, was spudded on February 2, 1956, and completed on April 5, 1956, at a total depth of 5,622' with an IP of 1,882 MCFGPD. This Drilling Block was included in the San Juan 27-5 Eighth Expanded Participating Area effective May 1, 1956.

The San Juan 27-5 #16 well, located in the W/2 of Section 23, Township 27 North, Range 5 West, was spudded on October 24, 1956, and completed on November 15, 1956, at a total depth of 5,639' with an IP of 2,694 MCFGPD.

This Drilling Block was included in the San Juan 27-5 Sixth Expanded Participating Area as an intervening drilling block effective November 1, 1955.

The San Juan 27-5 #17 well, located in the W/2 of Section 29, Township 27 North, Range 5 West, was spudded on September 3, 1956, and completed on October 9, 1956, at a total depth of 5,475', with an IP of 5,381 MCFGPD. This Drilling Block was included in the San Juan 27-5 Seventh Expanded Participating Area as an intervening drilling block effective January 1, 1956.

By letters dated June 19, 1956, and August 6, 1956, Pacific Northwest Pipeline Corporation and Northwest Production Corporation requested El Paso Natural Gas Company, as Unit Operator, to submit a Supplemental Drilling Program consisting of one well to be drilled in the W/2 of Section 36, Township 27 North, Range 5 West. By letter dated August 22, 1956, El Paso Natural Gas Company filed a Supplemental Drilling Program for 1956, which was approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico, and the Oil Conservation Commission of the State of New Mexico. This well, the San Juan 27-5 #18 well, was spudded on September 11, 1956, and completed on October 19, 1956, at a total depth of 5,860' with an IP of 2,804 MCFGPD. This Drilling Block will be included in the San Juan 27-5 Ninth Expanded Participating Area effective November 1, 1956.

Since April 10, 1953, the effective date of the Unit Agreement, the following wells have been completed on acreage committed to the San Juan 27-5 Unit:

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>INITIAL POTENTIAL</u>	<u>FORMATION</u>	<u>TIED-IN</u>
San Juan 27-5 #7	E/2 Sec. 2 T-27-N,R-5-W	2953 MCF	Mesaverde	5-11-56
San Juan 27-5 #1	SE/4 Sec. 4 T-27-N,R-5-W	4380 MCF	Dakota	10-10-52
San Juan 27-5 #2	E/2 Sec. 9 T-27-N,R-5-W	3590 MCF	Mesaverde	8-19-54
San Juan 27-5 #14	E/2 Sec. 11 T-27-N,R-5-W	4604 MCF	Mesaverde	Not tied-in
San Juan 27-5 #6	E/2 Sec. 14 T-27-N,R-5-W	1566 MCF	Mesaverde	Not tied-in
San Juan 27-5 #15	W/2 Sec. 16 T-27-N,R-5-W	1882 MCF	Mesaverde	Not tied-in
San Juan 27-5 #3	W/2 Sec. 17 T-27-N,R-5-W	1230 MCF	Mesaverde	Not tied-in
San Juan 27-5 #9	E/2 Sec. 22 T-27-N,R-5-W	1760 MCF	Mesaverde	5-2-56
San Juan 27-5 #16	W/2 Sec. 23 T-27-N,R-5-W	2694 MCF	Mesaverde	Not tied-in
San Juan 27-5 #10	E/2 Sec. 23 T-27-N,R-5-W	2006 MCF	Mesaverde	5-3-56
San Juan 27-5 #11	E/2 Sec. 27 T-27-N,R-5-W	2595 MCF	Mesaverde	10-25-56
San Juan 27-5 #4	E/2 Sec. 29 T-27-N,R-5-W	1790 MCF	Mesaverde	8-20-54
San Juan 27-5 #17	W/2 Sec. 29	5381 MCF	Mesaverde	Not tied-in

<u>WELL NAME</u>	<u>DRILLING BLOCK</u>	<u>INITIAL POTENTIAL</u>	<u>FORMATION</u>	<u>TIED-IN</u>
San Juan 27-5 #13	E/2 Sec. 30 T-27-N, R-5-W	2039 MCF	Mesaverde	10-25-56
San Juan 27-5 # 8	W/2 Sec. 32 T-27-N, R-5-W	2953 MCF	Mesaverde	10-25-56
San Juan 27-5 # 5	E/2 Sec. 34 T-27-N, R-5-W	1450 MCF	Mesaverde	8-23-54
San Juan 27-5 #12	W/2 Sec. 35 T-27-N, R-5-W	1917 MCF	Mesaverde	10-25-56
San Juan 27-5 #18	W/2 Sec. 36 T-27-N, R-5-W	2804 MCF	Mesaverde	Not tied-in

The San Juan 27-5 Unit Dakota Participating Area had a volume of 109,789 MCF and a value of \$13,825.90 for the first eleven (11) months of 1956, and the San Juan 27-5 Mesaverde Participating Area had a volume of 87,319 MCF and a value of \$10,480.03 for the same period. These figures include value for natural gas, gasoline, butane, propane and condensate.

El Paso Natural Gas Company hereby respectfully requests the approval of its Drilling Program for the calendar year 1957, consisting of nine (9) wells, to be drilled to the Mesaverde and Pictured Cliffs formation on the following locations:

<u>DRILLING BLOCK</u>	<u>FORMATION</u>
W/2 Section 1, T-27-N, R-5-W	Mesaverde
W/2 Section 2, T-27-N, R-5-W	Mesaverde
E/2 Section 3, T-27-N, R-5-W	Mesaverde
W/2 Section 3, T-27-N, R-5-W	Mesaverde
E/2 Section 17, T-27-N, R-5-W	Dual, Mesaverde & Pictured Cliffs
W/2 Section 20, T-27-N, R-5-W	Mesaverde
W/2 Section 26, T-27-N, R-5-W	Mesaverde
E/2 Section 32, T-27-N, R-5-W	Dual, Mesaverde & Pictured Cliffs
E/2 Section 35, T-27-N, R-5-W	Dual, Mesaverde & Pictured Cliffs

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs formation to a depth of approximately 3200'. A 5-1/2" production string will be set through the Mesaverde formation, and the casing of the Mesaverde formation will then be selectively perforated and the Mesaverde formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde-Pictured Cliffs dual wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs formation to a depth of approximately 3200'. A 5-1/2" production liner will be set from this point through



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

December 7, 1956

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah

file

Attention: Mr. Donald L. Anderson

Gentlemen:

Your letter of December 3, 1956, advises that you wish to commence the drilling of certain wells in San Juan Units Nos. 27-5, 28-4, 28-5, 28-6, 29-4, 30-6 and the Rosa Unit prior to the formal submission of plans of development for such units for the calendar year, 1957.

This office offers no objection to commencing the proposed wells. Appropriate consideration of your plans of development for the units listed in the foregoing will be given upon their submission.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Oil Cons. Commission, Santa Fe

the Mesaverde formation. The Mesaverde formation will then be selectively perforated and subjected to a hydraulic fracturing process, after which a bridging plug will be set above the Mesaverde formation and the Pictured Cliffs formation will be selectively perforated and subjected to a hydraulic fracturing process. For completion, a production packer will be set between the two formations using a 2" tubing to produce the Mesaverde. A string of 1-1/4" tubing will be run through which the Pictured Cliffs formation will be produced. Mud will be used in setting the intermediate string of casing and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage, and will comply with any drilling requirement created under the terms of the Unit Agreement calling for additional drilling.

If this Drilling Program is acceptable, please signify your approval of this Drilling Program, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Samuel Smith
Ass't. Manager
Lease Department

SS: EN: nn

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey

Subject to like approval by the appropriate State officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands

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

APPROVED: _____ DATE: _____
Oil Conservation Commission

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

The foregoing approvals are for the 1957 Drilling Program for the San Juan 27-5 Unit, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

November 5, 1956

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

file

Re: San Juan 27-5 Unit Area
14-08-001-950
Rio Arriba County, New Mexico
NOTICE OF APPROVAL OF THE 1956
SUPPLEMENTAL DRILLING PROGRAM

Gentlemen:

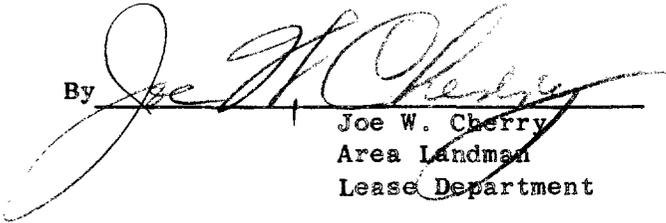
This is to advise that the 1956 Supplemental Drilling Program for the San Juan 27-5 Unit Area was approved as follows:

- (1) Regional Supervisor, United States Geological Survey,
August 27, 1956.
- (2) Commissioner of Public Lands of the State of New Mexico,
August 30, 1956.
- (3) Oil Conservation Commission of the State of New Mexico,
October 29, 1956.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Joe W. Cherry
Area Landman
Lease Department

JWC:EN:nb
cc: Attached List

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 29, 1956

file

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

Re: San Juan 27-5 Unit
Rio Arriba County, New Mexico
1956 Supplemental Drilling
Program

Attention: Mr. R. L. Hamblin

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the supplemental drilling program for the subject unit area for one additional well, a dual completion, to be drilled during calendar year 1956, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

This approval, however, shall not be construed to constitute approval of the dual completion as such, but only of the supplemental plan of development.

One approved copy of the plan is returned herewith.

Very truly yours,

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

ALP:DSN:ir

*See USGS
Comm. Public Lands*

C
O
P
Y

El Paso Natural Gas Company

MAIL OFFICE OCC

El Paso, Texas

RECEIVED 17 PM 1:11

October 10, 1956

file

Mr. Sam Dazzo
604 Simms Building
Albuquerque, New Mexico

Dear Mr. Dazzo:

In reply to your letters dated April 10, 1956, and August 28, 1956, in which you state you do not consider El Paso Natural Gas Company as the Operator of those interests owned by you in the West Half (W/2) of Section 23, Township 27 North, Range 5 West, N.M.P.M., San Juan County, New Mexico, it is the position of El Paso Natural Gas Company that the San Juan 27-5 Unit Agreement and San Juan 27-5 Unit Operating Agreement cannot be unilaterally rescinded.

Section 11 of the Unit Agreement provides in part as follows:

"In the event that any drilling block is admitted to a participating area as hereinabove provided when it lies directly north, south, east or west of any drilling block already included in said participating area, and where there is one, but only one intervening drilling block shall also be admitted to said participating area at the same time, in the same manner and subject to the same conditions as the drilling block which is then admitted to such participating area by reason of the completion of a well thereon capable of producing unitized substances in paying quantities. In such event, the drilling of a well on such undrilled intervening drilling block shall be commenced within one year from the effective date of said drilling block's inclusion in the participating area unless said time be extended by the Director, Commissioner and Commission, and shall be continued with due diligence to a depth necessary to test the horizon from which production is secured in said participating area."

The West Half (W/2) of Section 23, Township 27 North, Range 5 West, N.M.P.M., became an intervening drilling block on November 1, 1955, therefore a well must be commenced on this tract by November 1, 1956.

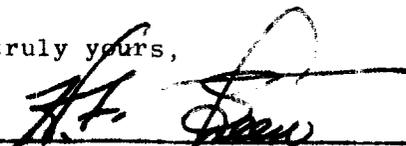
By Letter Agreement dated August 13, 1953, executed by you, your wife Frances Joy Dazzo, and El Paso Natural Gas Company, the latter agreed: "to assume, at our sole cost and risk, all charges and expenses incident to the drilling, equipment, completing and operating of any well or wells drilled or required to be drilled under the said Unit Agreement on the drilling blocks comprising theWest Half (W/2) of Section 23....Township 27 North, Range 5 West, down to and including the base of the Mesaverde Formation".

COPY

The Letter Agreement subsequently provides that "You further agree with us that we are to recover our entire costs incurred hereunder for the proportionate part of the drilling, equipping, completing and operating of any well or wells which may be drilled under the terms of this agreement out of seventy per cent (70%) of all production, produced, saved and marketed from said well or wells".

Pursuant to the above agreements, El Paso Natural Gas Company plans to commence, by November 1, 1956, a well to test the Mesaverde Formation on the West Half (W/2) of Section 23, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, and will withhold seventy per cent (70%) of your production until the costs have been recovered.

Very truly yours,



Vice-President

AAJ

cc: United States Geological Survey

Commissioner of Public Lands

Oil Conservation Commission

El Paso Natural Gas Company

El Paso, Texas

October 3, 1956

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: San Juan 27-5 Unit
#14-08-001-950
**NOTICE OF COMPLETION OF
ADDITIONAL WELL**

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement #14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to the Unit.

This well is as follows:

The San Juan 27-5 #14 Well located 990' from the North line and 990' from the East line of Section 11, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, was spudded on January 6, 1956, and completed on February 17, 1956. The well was drilled to a total depth of 6732' and was then plugged back to a total depth of 6688'. The intervals between 6681' - 6678', 6668' - 6654', 6648' - 6636', 6632' - 6620', 6616' - 6612' were perforated. The Lower Point Lookout was fractured with 41,000 gallons of water only. The intervals between 6596' - 6576', 6572' - 6568', 6564' - 6540' were perforated. The Upper Point Lookout was fractured with 40,200 gallons of water and 25,000# sand. The intervals between 6492' - 6466' , 6438' - 6434', 6426'

- 6422, 6404' - 6396', 6298' - 6294', 6246' - 6242', 6226' - 6212' were perforated. The Menefee was fractured with 42,000 gallons of water only. The intervals between 6182' - 6168', 6162' - 6152', 6148' - 6142', 6138' - 6126', 6118' - 6114', 6078' - 6072', 6062' - 6052', 6046' - 6042' were perforated. The Cliff House was fractured with 42,000 gallons of water only. After being shut-in for gauge for thirteen (13) days, the well was tested on March 1, 1956, and following a three hour blow-down gauged 4604 MCF/GPD, by the calculated absolute open flow method with an SIPC of 1102# and an SIPT of 1105#. The committed drilling block upon which this well is located is described as the E/2 of Section 11, Township 27 North, Range 5 West, N.M.P.M., containing 320.00 acres.

This drilling block was included in the San Juan 27-5 Fifth Expanded Participating Area, effective February 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule IX for the Eighth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Joe W. Cherry
Area Landman
Lease Department

JWC:EN:cr

cc: Attached List

In reply refer to:
Unit Division

Q. m. 2
August 30, 1956

El Paso Natural Gas Co.
El Paso, Texas

Re: San Juan 27-5 Unit -
Rio Arriba County
Supplemental Drilling
Program 1956

Attention: Mr. R. L. Hamblin,
Manager, Lease Department

Gentlemen:

We are enclosing one copy of the Supplemental Drilling Program for 1956 for the San Juan 27-5 Unit Agreement, which was approved by the Commissioner of Public Lands August 30, 1956.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m
enc: 1

cc: USGS-Roswell
OCC-Santa Fe



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

August 27, 1956

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

Gentlemen:

The supplemental plan of development dated August 22, 1956, for the San Juan 27-5 Unit area, New Mexico, No. 14-08-001-950, has been approved on this date, subject to like approval by the appropriate State officials.

The supplemental plan provides for the drilling of one additional well to be dually completed in the Pictured Cliffs and Mesaverde formations, making a total of five wells to be drilled during the calendar year 1955, four of which will be completed in the Mesaverde formation only.

One approved copy of said plan is returned herewith.

Very truly yours,

/s/ JAMES A. KNAUF
Acting Oil and Gas Supervisor

Encl..1
Copy to Washington, Cons. Div., (w/1 copy of plan)
Farrington (w/1 copy of plan)
✓ NIGCC, Santa Fe (ltr. only)

ILLEGIBLE

El Paso Natural Gas Company

El Paso, Texas

August 22, 1956

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: San Juan 27-5 Unit #14-08-001-950
Rio Arriba County, New Mexico
SUPPLEMENTAL DRILLING PROGRAM 1956

Gentlemen:

On December 21, 1955, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1956. This 1956 Drilling Program has been approved by the United States Geological Survey, Commissioner of Public Lands of the State of New Mexico, and the Oil Conservation Commission of the State of New Mexico.

Pacific Northwest Pipeline Corporation and Northwest Production Corporation have requested permission from El Paso Natural Gas Company, as Unit Operator, to drill and dually complete in the Pictured Cliffs and Mesaverde formations a well to be located in the SW/4 of Section 36, Township 27 North, Range 5 West.

Therefore, El Paso Natural Gas Company, as Unit Operator, herewith submits for your consideration and approval a Supplemental Drilling Program for the calendar year 1956, of one (1) well to be completed in the Pictured Cliffs and Mesaverde formations. This program is to supplement the original drilling program of four (4) Mesaverde wells filed for your approval on December 21, 1955. This additional well is to be located as follows:

- (1) W/2 Section 36, Township 27 North, Range 5 West, N.M.P.M.

Pacific Northwest Pipeline Corporation will use a three-string casing program consisting of either 10-3/4 inch surface, 7-5/8 inch intermediate and 5-1/2 inch liner or 9-5/8 inch surface, 7 inch intermediate and 5 inch liner. The intermediate casing will be set into the Lewis shale and the liner will be set at total depth in the Point Lookout. The liner will be hung approximately 100 feet above the bottom of the intermediate string. Water or minimum mud will be used for drilling to set surface and intermediate casing strings, and gas

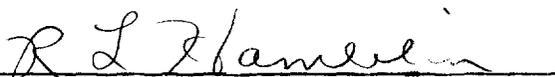
will be used for drilling the remainder of the hole. There are no drill stem tests or cores planned. The liner will be perforated and one or more zones of the Mesaverde formation will be fractured individually. A temporary bridge plug will be set above the Mesaverde formation and the intermediate casing will be perforated opposite the Pictured Cliffs formation. The Pictured Cliffs will then be fractured. The temporary bridge plug will be drilled out and a production packer will be set above the Mesaverde formation. Two inch EUE tubing will be hung approximately 50 feet off bottom with a side-door choke set above the production packer. A straight-through mandril will be installed in the side-door choke in order to produce the Mesaverde through the tubing and the Pictured Cliffs through the tubing-casing annulus. There will be no surface equipment for production installed at the present time.

If this Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company, as Unit Operator.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin
Manager
Lease Department

RLH:BG:eb

cc: Attached List

APPROVED: _____
Supervisor, United States Geological Survey

Date: _____

Subject to like approval by the appropriate State Officials

APPROVED: _____
Commissioner of Public Lands

Date: _____

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

APPROVED: A. L. Pester, Jr.
Oil Conservation Commission

Date: OCT 29 1956

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

Re: San Juan 27-5 Unit
Working Interest Owners

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

Mr. William P. Barnes
General American Oil Co. of Texas
Meadows Building
Dallas 6, Texas

Mr. C. F. Bedford
Stanolind Oil and Gas Company
Post Office Box 1410
Fort Worth, Texas

Mr. J. P. Moroney
Colorado Oil & Gas Corporation
Colorado Springs, Colorado

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Messrs. Carl H. Gilbert & Morey Goodman,
Mrs. Anita S. Friedman, Co-Executors
of the Estate of N. B. Stern, Deceased
Bishop Building
Santa Fe, New Mexico

Mr. Mike Abraham
814 Mercantile Bank Building
Dallas 1, Texas

Mr. Thomas F. Harrington
615 Simms Building
Albuquerque, New Mexico

Mr. Joe Quinn
P. O. Box 335
Santa Fe, New Mexico

Mr. Sam Dazzo
604 Simms Building
Albuquerque, New Mexico

Mr. J. R. Abercrombie
P. O. Box 335
Santa Fe, New Mexico

Mr. W. E. Alsup
1247 Shafter Street
San Mateo, California

Mr. T. H. McElvain
220 Shelby Street
Santa Fe, New Mexico

Mr. R. N. Richey (4)
Mr. M. A. Ehrlich (1)
Pacific Northwest Pipeline Corporation
Post Office Box 1526
Salt Lake City, Utah

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. M. A. Romero
Post Office Box 2011
Santa Fe, New Mexico

Mr. James A. Brown, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn Ellen Wallace, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

Mr. James A. Brown
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn G. Brown
14 Axtell Drive
Scarsdale, New York

Mrs. Omega E. Quinn
P. O. Box 896
Albuquerque, New Mexico

Mr. Robert P. Tinnin
P. O. Box 896
Albuquerque, New Mexico

Mr. H. O. Pool
P. O. Box 1150
Plainview, Texas

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

Mr. Pablo Candelaria
Aztec, New Mexico

Northwest Production Corporation
520 Simms Building
Albuquerque, New Mexico

El Paso Natural Gas Company

El Paso, Texas

July 3, 1956

file

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: San Juan 27-5 Unit, #14-08-001-950
Rio Arriba County, New Mexico
EIGHTH EXPANDED PARTICIPATING AREA
for the Mesaverde Formation
Effective May 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement, #14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon committed acreage to this Unit, and the Participating Area for the Mesaverde Formation is accordingly expanded.

This well is as follows:

The San Juan 27-5 #15 well is located 990' from the South line and 990' from the West line of Section 16, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on February 2, 1956, and completed on March 12, 1956, after reaching a total depth of 5622'. The Cliff House section of the Mesaverde Formation was treated with a water fracturing process. After being shut in for gauge for eight days, the well was tested on April 5, 1956, and again on April 12, 1956, using an absolute open flow, and after a three hour blow-down gauged an IP of 2656 MCFGPD with an SIPC of 1109# and an SIPT of 1034#. The committed drilling block upon which this well is located is described as the W/2 of Section 16, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres.

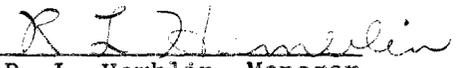
With the admission to the Participating Area of the San Juan 27-5 #15 well, there is one intervening drilling block created. It is as follows: E/2 of Section 17, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres. Under the terms of the Unit Agreement this intervening drilling block is admitted to the Participating Area on May 1, 1956, the time of admission of the San Juan 27-5 #15 well, and a well must be commenced on said intervening drilling block by May 1, 1957.

Attached is Schedule IX showing the Eighth Expanded Participating Area for the Mesaverde Formation for the San Juan 27-5 Unit Area. This describes the expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this expanded Participating Area will become effective as of May 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin, Manager
Lease Department

RLH:BG:pb

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

February 17, 1955

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

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

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

file

Re: San Juan 27-5 Unit Area
#14-08-001-950
Rio Arriba County, New Mexico
Notice of Approval of Plan of
Development for the Calendar
Year 1955

Gentlemen:

This is to advise that the Plan of Development for the San Juan 27-5 Unit Area for the calendar year 1955 was approved as follows:

1. Regional Supervisor, United States Geological Survey, February 4, 1955.
2. Commissioner of Public Lands, State of New Mexico, February 2, 1955.
3. Oil Conservation Commission, State of New Mexico, February 10, 1955.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By

T.W. Bittick

T. W. Bittick
Area Landman
Lease Department

John

802381-1

TWB/BG/mp

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

February 15, 1956

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

file

Re: (San Juan 27-5 Unit, #14-08-001-950
Rio Arriba County, New Mexico
SEVENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective January 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement, #14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon committed acreage to this Unit, and the Participating Area for the Mesaverde formation is accordingly expanded.

These wells are as follows:

1. The San Juan 27-5 #12 well is located 1650' from the South line and 1650' from the West line of Section 35, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on November 7, 1955, and completed on December 6, 1955, after reaching a total depth of 5660'. The Cliff House section of the Mesaverde formation between 5028' - 5040' and 5048' - 5060' and 5066' - 5078' and 5082' - 5090' was treated with a sand-water fracturing process on November 27, 1955. The Point Lookout section of the Mesaverde formation between 5463' - 5478' and 5530' - 5548' and 5586' - 5604' was also treated with a sand-water fracturing process on November 26, 1955. After being shut-in for gauge for 22 days, the well was tested on December 15,

1955, and after a three hour blow-down gauged an IP of 1917 MCFGPD with an SIPC of 1120# and an SIPT of 1110#. The committed drilling block upon which this well is located is described as the W/2 of Section 35, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres.

2. The San Juan 27-5 #13 well is located 990' from the North line and 1650' from the East line of Section 30, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on November 17, 1955, and completed on December 20, 1955, after reaching a total depth of 5672'. The Menpfee section of the Mesaverde formation between 5216' - 5228', 5266' - 5277', 5364' - 5375', and 5382' - 5402' was treated with a sand-water fracturing process on December 9, 1955. The Point Lookout section of the Mesaverde formation between 5476' - 5485', 5502' - 5516', 5522' - 5534', 5576' - 5597' and 5605' - 5622' was also treated with a sand-water fracturing process on December 8, 1955. After being shut-in for gauge for 10 days the well was tested on December 30, 1955, and after a three hour blow-down, gauged an IP of 2039 MCFGPD with an SIPC of 1003#, and an SIPT of 1001#. The committed drilling block upon which this well is located is described as the E/2 of Section 30, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres.

With the admission to the Participating Area of the San Juan 27-5 #13 well, there is one intervening drilling block created. It is as follows: W/2 of Section 29, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres. Under the terms of the Unit Agreement this intervening drilling block is admitted to the Participating Area on January 1, 1956, the time of admission of the San Juan 27-5 #13 well, and a well must be commenced on said intervening drilling block by January 1, 1957.

Attached is Schedule XVIII showing the Seventh Expanded Participating Area for the Mesaverde formation for the San Juan 27-5 Unit Area. This describes the expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this expanded Participating Area will become effective as of January 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin, Manager
Lease Department

RLH:BG:pb
cc: Attached List



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

February 8, 1956

El Paso Natural Gas Company
Box 1192
El Paso, Texas

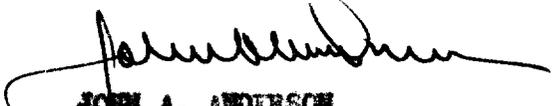
Attention: Mr. F. L. Hamblin

Gentlemen:

Your plan of development dated December 21, 1955, for the San Juan 27-5 unit, New Mexico, for the calendar year 1956, has been approved on this date subject to like approval by the appropriate State of New Mexico officials.

One approved copy of the plan is enclosed.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

Copy to: WASH. (w/copy of plans)
Farmington (w/copy of plan)
Comm. of Public Lands, Santa Fe (letter only)
Oil Comm., Santa Fe (letter only)

ILLEGIBLE

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

540

January 30, 1956

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

Attention: Mr. R. L. Hamblin

Re: San Juan 27-5 Unit
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

This is to advise that the Drilling Program for calendar year 1956 for the San Juan 27-5 Unit Area, dated December 21, 1955 has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:jh

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

C
O
P
Y

January 13, 1956

file

El Paso Natural Gas Company
El Paso, Texas

Re: (San Juan 27-5 Unit) #14-08-001-950
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

We are returning one copy of the San Juan Unit 27-5 1956 Drilling Program, dated December 21, 1955, which was approved by the Commissioner of Public Lands January 13, 1956, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/ia
enc: 1

cc: USGS-Roswell
OCC-Santa Fe

El Paso Natural Gas Company

El Paso, Texas

December 21, 1955

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: San Juan 27-5 Unit, #14-08-001-950
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

By letter dated December 31, 1954, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for the calendar year 1955, regarding the above captioned unit. This Drilling Program was approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico. There were four (4) wells on the 1955 Drilling Program that were to be drilled during the calendar year 1955. Two of these wells, the #10 and #11 wells, were completed and included in the Fifth and Sixth Expanded Participating Areas. The San Juan 27-5 #12 well, located in the E/2 of Section 30, Township 27 North, Range 5 West, was spudded on November 7, 1955, and is drilling at the present time and has not been completed. The San Juan 27-5 #13 well, located in the W/2 of Section 35, Township 27 North, Range 5 West, was spudded on November 17, 1955, and it is also being drilled at the present time and has not been completed. El Paso Natural Gas Company, as Unit Operator, will diligently finish the drilling of these wells.

On October 10, 1955, Pacific Northwest Pipeline Corporation requested El Paso Natural Gas Company, as Unit Operator, to submit a Supplemental Plan of Development for the San Juan 27-5 Unit consisting of two (2) wells. By letter dated October 13, 1955, El Paso Natural Gas Company filed a Supplemental Plan of Development for 1955, which was approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico, covering the following locations:

E/2 Section 11, Township 27 North, Range 5 West

W/2 Section 16, Township 27 North, Range 5 West

As of this date these two drilling blocks have not been drilled, and Pacific Northwest Pipeline Corporation requested El Paso Natural Gas Company to include these two drilling blocks on the 1956 Drilling Program.

Since April 10, 1953, the effective date of the Unit Agreement, the following wells have been completed on acreage committed to the San Juan 27-5 Unit:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Formation</u>	<u>Tied-In</u>
San Juan 27-5 # 1	SE/4 4, 27-5	4380 m.c.f.	Dakota	10-10-52
San Juan 27-5 # 2	E/2 9, 27-5	3590 m.c.f.	Mesaverde	8-19-54
San Juan 27-5 # 3	W/2 17, 27-5	1230 m.c.f.	Mesaverde	No
San Juan 27-5 # 4	E/2 29, 27-5	1790 m.c.f.	Mesaverde	8-20-54
San Juan 27-5 # 5	E/2 34, 27-5	1450 m.c.f.	Mesaverde	8-23-54
San Juan 27-5 # 6	E/2 14, 27-5	1566 m.c.f.	Mesaverde	No
San Juan 27-5 # 7	E/2 2, 27-5	2953 m.c.f.	Mesaverde	No
San Juan 27-5 # 8	W/2 32, 27-5	2953 m.c.f.	Mesaverde	No
San Juan 27-5 # 9	E/2 22, 27-5	1760 m.c.f.	Mesaverde	No
San Juan 27-5 #10	E/2 23, 27-5	2006 m.c.f.	Mesaverde	No
San Juan 27-5 #11	E/2 27, 27-5	2595 m.c.f.	Mesaverde	No

The San Juan 27-5 Unit Dakota Participating Area had a volume of 132,438 m.c.f. and a value of \$15,892.56 for the first ten months of 1955, and the San Juan 27-5 Unit Mesaverde Participating Area had a volume of 67,901 m.c.f. and a value of \$8,160.76 for the same period. These figures include value for natural gas, gasoline, butane, propane and condensate.

El Paso Natural Gas Company hereby respectfully requests the approval of its Drilling Program for the calendar year 1956, consisting of four (4) wells, to be drilled to the Mesaverde formation on the following locations:

<u>Drilling Block</u>	<u>Formation</u>
E/2 Section 11, T-27-N, R-5-W	Mesaverde
W/2 Section 16, T-27-N, R-5-W	Mesaverde
W/2 Section 23, T-27-N, R-5-W	Mesaverde
W/2 Section 29, T-27-N, R-5-W	Mesaverde

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above mentioned wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" casing will be set through the Pictured Cliffs formation to a depth of approximately 3200'. From this point a 5-1/2" production string will be set through the Mesaverde formation, and the casing of the Mesaverde formation will then be selectively perforated and the Mesaverde formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled in with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage, and will comply with any requirements set out by the United States Geological Survey for additional drilling.

All the working interest owners have been contacted, and this Drilling Program reflects their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval of this Drilling Program, as required under Section 10 of the Unit Agreement, in the space provided below, and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin, Manager
Lease Department

RLH:BG:pb
cc: Attached List

PLEASE RETURN TO
LEASE DEPARTMENT

APPROVED: _____
Supervisor, United States Geological Survey

Date: _____

Subject to like approval of the appropriate State officials.

APPROVED: _____
Commissioner of Public Lands

Date: _____

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

APPROVED: W B Macey
Oil Conservation Commission

Date: JAN 30 1956

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

Re: San Juan 27-5 Unit

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

Mr. William P. Barnes
General American Oil Company
Meadows Building
Dallas 6, Texas

Mr. C. F. Bedford
Stanolind Oil and Gas Company
Post Office Box 1410
Fort Worth, Texas

Mr. J. P. Moroney
Colorado Oil & Gas Corporation
Colorado Springs, Colorado

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. Mike Abraham
814 Mercantile Bank Building
Dallas 1, Texas

Mr. Paul Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Miss Lona L. Bingham
Post Office Box 606
Iraan, Texas

Mr. Thomas F. Harrington
615 Simms Building
Albuquerque, New Mexico

Mr. Joe Quinn
P. O. Box 335
Santa Fe, New Mexico

Mr. Pablo Candelaria
Aztec, New Mexico

Mr. Sam Dazzo
604 Simms Building
Albuquerque, New Mexico

Mr. J. R. Abercrombie
Post Office Box 335
Santa Fe, New Mexico

Mr. M. A. Romero
Post Office Box 2011
Santa Fe, New Mexico

Mrs. Omega E. Quinn
Post Office Box 896
Albuquerque, New Mexico

Mr. Robert P. Tinnin
Post Office Box 896
Albuquerque, New Mexico

Mr. H. O. Pool
Post Office Box 1150
Plainview, Texas

Mr. James A. Brown
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn G. Brown
14 Axtell Drive
Scarsdale, New York

Mr. James A. Brown, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn Ellen Wallace, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

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

Mr. W. E. Alsup
1247 Shafter Street
San Mateo, California

Mr. T. H. McElvain
220 Shelby Street
Santa Fe, New Mexico

Messrs. Carl H. Gilbert & Morey Goodman,
Mrs. Anita S. Friedman, Co-Executors
of the Estate of N. B. Stern, Deceased
Bishop Building
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

December 12, 1955

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

file

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: San Juan 27-5 Unit
14-08-001-950
NOTICE OF COMPLETION OF
ADDITIONAL WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement #14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to the Unit.

This well is as follows:

The San Juan 27-5 # 11 Well located 1450' from the North line and 990' from the East line of Section 27, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, was spudded on October 8, 1955 and completed on November 5, 1955. The well was drilled to a total depth of 5640' and was then plugged back to a total depth of 5580'. The interval between 4914 and 4932 was treated with an aqua-frac process. The intervals from 5532' - 5550', 5486' - 5499', and 5422' - 5452' were also treated with an aqua-frac process. After being shut-in for gauge for nine (9) days, the well was tested on November 14, 1955, and following a three hour blow-down gauged an IP of

2595 MCFGPD with an SIPC of 1033# and an SIPT of 1026#. The committed drilling block upon which this well is located is described as the E/2 of Section 27, Township 27 North, Range 5 West, N.M.P.M., containing 320.00 acres.

This drilling block was included in the San Juan 27-5 Fifth Expanded Participating Area, effective February 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule VII for the Sixth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Area Landman
Lease Department

TWB:BG:eb

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

November 30, 1955

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

file

Re: San Juan 27-5 Unit No. 14-08-001-950
Rio Arriba County, New Mexico
SIXTH EXPANDED PARTICIPATING AREA
MESAVERDE FORMATION
Effective November 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement, No. 14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon committed acreage to this Unit and the participating area for the Mesaverde Formation is accordingly expanded:

This well is as follows:

The San Juan 27-5 # 10 Well is located 990' from the North line and 990' from the East line of Section 23, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on September 2, 1955, and completed on October 6, 1955 after reaching a total depth of 5735'. The Cliff House Section of the Mesaverde Formation between 5050' - 5075' and 5105' - 5150' was treated with an aqua-frac process on September 27, 1955. The Point Lookout Section of the Mesaverde Formation between 5551' and 5677' was also treated with an aqua-frac process on September 26, 1955. After being shut-in for gauge for 7 days the well was tested on October 13, 1955, and after a three hour blow-down gauged an IP of 2006 MCFGPD with an SIPC of 968# and an SIPT of 964#. The committed drilling block upon which this well is located is described as the E/2 of Section 23, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.00 acres.

With the admission to the participating area of this well, there is one intervening drilling block created. It is as follows: W/2 of Section 23, Township 27 North, Range 5 West, N.M.P.M., and consists of 320 acres. Under the terms of the Unit Agreement this intervening drilling block is admitted to the participating area on November 1, 1955, the time of admission of the San Juan 27-5 #10 Well, and a well must be commenced on said intervening drilling block by November 1, 1956.

Attached is Schedule VII showing the Sixth Expanded Participating Area for the Mesaverde Formation for the San Juan 27-5 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor, and in the absence of disapproval, this expanded participating area will become effective as of November 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin
Manager
Lease Department

RLH:BG:eb

cc: Attached List

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

October 27, 1955

file #540

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

Attention: Mr. R. L. Hamblin

Re: (San Juan 27-5 Unit)
Rio Arriba County, New Mexico
Supplemental Drilling Program, 1955

Gentlemen:

This is to advise that the Supplemental Drilling Program for the above-captioned unit, dated October 13, 1955, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is herewith returned.

Very truly yours,

W. B. Macey
Secretary-Director

WBM;jh
cc: U.S.G.S. - Roswell
Commissioner of Public Lands
Santa Fe

C
O
P
Y

October 25, 1955

file

El Paso Natural Gas Company
El Paso, Texas

Re: (San Juan 27-5 Unit)
Rio Arriba County
Supplemental Drilling
Program - 1955

Attention: Mr. R. L. Hamblin

Gentlemen:

This is to advise that the Supplemental Drilling Program for 1955, on the above designated Unit, has this date been approved by the Commissioner of Public Lands, subject to like approval by the proper Officials, and same is enclosed herewith.

Since we have no report on completion of any of the wells listed under your December 28, 1954 Drilling Plan, therefore, this Supplemental Drilling Program for 1955, will increase to six the wells which are to be drilled in 1955.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

Encl.
cc: USGS-Roswell
OCC-Santa Fe
MMR/m



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

October 19, 1955

file

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

Gentlemen:

The supplemental plan of development dated October 13, 1955, for the (San Juan 27-5 unit) area, New Mexico, No. 14-08-001-950, has been approved on this date, subject to like approval by the appropriate State officials.

The supplemental plan provides for the drilling of two additional wells making a total of six Mesaverde wells to be drilled during the calendar year 1955.

One approved copy of said plan is returned herewith.

Very truly yours,

John A. Anderson
JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to Cons. Div., Wash (w/1 copy of plan)
Farmington (w/1 copy of plan)
MOCC, Santa Fe (ltr only)✓

El Paso Natural Gas Company

El Paso, Texas

October 13, 1955

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: San Juan 27-5 Unit, #14-08-001-950
Rio Arriba County, New Mexico
SUPPLEMENTAL DRILLING PROGRAM - 1955

Gentlemen:

On December 28, 1954, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year, 1955. This 1955 Drilling Program has been approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico, and the Oil Conservation Commission of the State of New Mexico.

Pacific Northwest Pipeline Corporation has now advised us that they would like to drill two (2) additional Mesaverde wells to be located in the E/2 of Section 11, and the W/2 of Section 16, Township 27 North, Range 5 West.

Therefore, El Paso Natural Gas Company, as Unit Operator, herewith submits for your consideration and approval a Supplemental Drilling Program for the calendar year, 1955, of two (2) Mesaverde wells. This program is to supplement the original Drilling Program of four (4) Mesaverde wells filed for your approval on December 28, 1954. These additional Mesaverde wells are to be located as follows:

- (1) E/2 Section 11, T-27-N, R-5-W
- (2) W/2 Section 16, T-27-N, R-5-W

These wells will make a total of six (6) Mesaverde wells to be drilled on this unit for the calendar year, 1955, and will be drilled in accordance with your operating regulations with due care being taken to protect all horizons.

If this Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided below and return an approved copy to El Paso Natural Gas Company, as Unit Operator.

Copies of this Drilling Program are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin, Manager
Lease Department

RLH:BG:pb
cc: Attached List

APPROVED: _____ Date: _____
Supervisor, United States Geological Survey

Subject to like approval of the appropriate State officials.

APPROVED: _____ Date: _____
Commissioner of Public Lands

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

APPROVED: W B Macey Date: 10-27-55
Oil Conservation Commission

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

El Paso Natural Gas Company

El Paso, Texas

February 23, 1955

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

file

Re San Juan 27-5 Unit No. 14-08-001-950
Rio Arriba County, New Mexico
Fifth Expanded Participating Area
Mesaverde Formation
Effective February 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement, No. 14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation have been completed upon committed acreage to this Unit and the participating area for the Mesaverde Formation is accordingly expanded:

These Wells are as follows:

W

The San Juan 27-5 #7 Well is located 591' from the North line and 1943' from the East line of Section 2, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on December 4, 1954, and reached a total depth of 5930'. The Cliff House Section of the Mesaverde Formation between 5270' and 5520' was treated with a sand-oil fracturing process and the Point Lookout Section of the Mesaverde Formation between 5650' and 5930' was also treated with a sand-oil fracturing process. After being shut-in for gauge for 19 days the well was tested on January 12, 1955, and after a three hour blow-down gauged an IP of 2953 MCFGPD with an SIPC of 1035# and an SIPT of 1033#. The committed drilling block upon which this well is located is described as the E/2 of Section 2, Township 27 North, Range 5 West, N.M.P.M., and consists of 320.04 acres.

The San Juan 27-5 #9 Well is located 1750' from the North line and 1650' from the East line of Section 22, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on July 30, 1954, and reached a total depth of 5680'. The Cliff House Section of the Mesaverde Formation between 5003' and 5180' was treated with a sand-oil fracturing process and the Point Lookout Section of the Mesaverde Formation between 5458' and 5680' was also treated with a sand-oil fracturing process. After being shut-in for gauge for 44 days the well was tested through the tubing on December 20, 1954, and after a three hour blow-down gauged an IP of 1167 MCFGPD. The well was retested through casing on January 7, 1955, after being shut-in in excess of seven days and had an IP of 1065 MCFGPD with an SIPC of 1051# and an SIPT of 1048#. The committed drilling block upon which this well is located is described as the E/2 of Section 22, Township 27 North, Range 5 West, N.M.P.M., which according to our information consists of 320 acres.

With the admission to the participating area of these two wells there are two intervening drilling blocks created. They are as follows: E/2 of Section 11, and the E/2 of Section 27, all in Township 27 North, Range 5 West, N.M.P.M., and consists of 640 acres. Under the terms of the Unit Agreement these intervening drilling blocks are admitted to the participating area on February 1, 1955, the time of admission of the San Juan 27-5 #7 and #9 Wells, and a well must be commenced on said intervening drilling blocks by February 1, 1956.

Attached is Schedule VI showing the Fifth Expanded Participating Area for the Mesaverde Formation for the San Juan 27-5 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefore, and in the absence of disapproval, this expanded participating area will become effective as of February 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH/BG/mas

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

February 10, 1955

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

file

Re: San Juan 27-5 Unit No. 14-08-001-950
Rio Arriba County, New Mexico
Fourth Expanded Participating Area
Mesaverde Formation
Effective January 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 27-5 Unit Agreement, No. 14-08-001-950, approved August 31, 1953, El Paso Natural Gas Company as Unit Operator determined on December 27, 1954, that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon committed acreage to this unit and the participating area for the Mesaverde Formation is accordingly expanded.

This well is as follows:

W/2

The San Juan 27-5 #8 Well, located 1650' from the South line and 1090' from the West line of Section 32, Township 27 North, Range 5 West, Rio Arriba County, New Mexico. This well was spudded on November 23, 1954, and reached a total depth of 5525'. The pay section between 4800' and 5000' was treated with a sand-oil fracture process and the pay section between 5253' and 5525' was treated with a sand-oil fracture process. The well was tested on December 27, 1954, and after a three hour blow-down gauged an IP of 2953 MCFGPD with an SIPC of 1103# and an SIPT of 1100#. The committed drilling block upon which this well is located is described as the W/2 of Section 32, Township 27 North, Range 5 West, N.M.P.M. and consists of 320 acres.

February 10, 1955

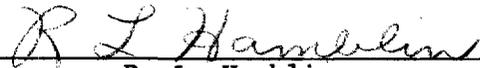
Attached is Schedule V showing the Fourth Expanded Participating Area for the Mesaverde Formation for the San Juan 27-5 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefore, and in the absence of disapproval, this expanded participating area will become effective as of January 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



R. L. Hamblin

Manager

Lease Department

RLH/BG/mp

cc: Attached List

OIL CONSERVATION COMMISSIC

P. O. BOX 871

SANTA FE, NEW MEXICO

February 9, 1955

*file
case 540*

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

Attention: Mr. R. L. Hamblin

Re: San Juan 27-5 Unit
Rio Arriba County, New Mexico
1955 Drilling Program

Gentlemen:

This is to advise that the Plan of Development for calendar year 1955 for the subject unit, dated December 28, 1954, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the Plan is herewith returned.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:jh

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

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas

December 28, 1954

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

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

Mr. W. B. Macey, Secretary
Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 27-5 Unit
#14-08-001-950
Rio Arriba County, N. M.
1955 Drilling Program

Gentlemen:

By letter dated August 6, 1954, El Paso Natural Gas Company, as Unit Operator, filed a drilling program regarding the captioned unit for the remainder of calendar year 1954. One of the two wells on this drilling program was completed on this unit as follows:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-in</u>
San Juan 27-5 #8	W/2 32-27-5	Information not available	No

The San Juan 27-5 #7 Well, located in the NE/4 of Section 2, T-27-N, R-5-W, and scheduled on the 1954 drilling program, is being drilled to the Mesaverde Formation but has not yet been completed. El Paso Natural Gas Company, as Unit Operator, will diligently finish the drilling of this well.

Seven wells have been drilled to the Mesaverde Formation and one well drilled to the Dakota Formation upon lands committed to the unit. Of these eight wells six have been determined to be capable of producing unitized substances in paying quantities. Five wells have been admitted to the Mesaverde Participating Area and one well has been admitted to the Dakota Participating Area. There are three wells in the Mesaverde Par-

ticipating Area and one well in the Dakota Participating Area that are producing into El Paso's gathering system.

El Paso Natural Gas Company, as Unit Operator, gave T. F. Harrington and Sam Dazzo permission to drill the Candelaria #1 Well located in the E/2 of Section 22, T-27-N, R-5-W. This well was spudded on July 30, 1954, and completed on November 6, 1954, at a total depth of 5680 feet and gauged an Initial Potential of 1670 MCF.

The San Juan 27-5 Drilling Program for 1955 does not provide for a Dakota well to be drilled in the Unit due to the fact that a Dakota well is scheduled to be drilled in the San Juan 27-4 Unit.

El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a drilling program for the calendar year 1955, consisting of four (4) wells to be drilled to the Mesaverde formation; such drilling program to constitute all of our drilling obligations for such year. These proposed drilling sites are as follows:

- (1) E/2 Section 23, T-27-N, R-5-W
- (2) E/2 Section 27, T-27-N, R-5-W
- (3) E/2 Section 30, T-27-N, R-5-W
- (4) W/2 Section 35, T-27-N, R-5-W

El Paso Natural Gas Company, as Unit Operator, intends to drill all wells to the base of the Mesaverde Formation, using rotary tools. Surface casing of 9-5/8" will be set to approximately 180' and then a production string of 7" casing will be set down to the top of the Mesaverde Formation. The entire Mesaverde Formation will be drilled in with gas. The Cliff House and Point Lookout sands of the Mesaverde Formation will be separately treated with a sand-oil fracturing process. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this drilling program reflects, insofar as possible, their requests for additional drilling.

If this drilling program is acceptable, please signify your approval of this drilling program as required under Section 10 of the Unit Agreement in the space provided below, and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

BY:


R. L. Hamblin

Manager

Lease Department

APPROVED: _____ Date: _____
Supervisor, United States Geological Survey

Subject to like approval by the appropriate State Officials.

APPROVED: _____ Date: _____
Commissioner of Public Lands

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

APPROVED: W. W. M. M. Date: 2/9/55
Oil Conservation Commission

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

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

Mr. W. H. Sparks
General American Oil Co.
1404 Republic Bank Building
Dallas, Texas

Mr. C. F. Bedford
Stanolind Oil & Gas Company
Oil & Gas Building
Fort Worth, Texas

Mr. J. P. Moroney
Colorado Oil & Gas Corporation
Colorado Springs, Colorado

Mr. Donald Anderson
Malco Refineries, Inc.
Box 660
Roswell, New Mexico

Mr. Mike Abraham
814 Mercantile Bank Building
Dallas, Texas

Mr. Paul Neuenschwander
Southern Petroleum Exploration
Box 192
Sistersville, West Virginia

Miss Lona L. Bingham
Box 606
Irasm, Texas

Mr. Thomas F. Harrington
320 Korber Building
Albuquerque, New Mexico

Mr. Joe Quinn
Box 335
Santa Fe, New Mexico

Mr. Pablo Candelaria
Aztec, New Mexico

Mr. Sam Dazzo
Room 624
First National Bank Building
Albuquerque, New Mexico

Mr. J. R. Abercrombie
P. O. Box 335
Santa Fe, New Mexico

Mr. M. A. Romero
P. O. Box 2011
Santa Fe, New Mexico

Mrs. Omega E. Quinn
Box 896
Albuquerque, New Mexico

Mr. Robert P. Tinnin
P. O. Box 896
Albuquerque, New Mexico

Mr. N. B. Stern
La Fonda Hotel
Santa Fe, New Mexico

Mr. H. O. Pool
P. O. Box 1150
Plainview, Texas

Mr. James A. Brown
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn G. Brown
14 Axtell Drive
Scarsdale, New York

Mr. James A. Brown, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn Ellen Wallace,
Co-trustee for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

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

Mr. W. E. Alsup
1247 Shafter Street
San Mateo, California

Mr. T. H. McElvain
220 Shelby Street
Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

August 26, 1954

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

Gentlemen:

The plan of development dated August 6, 1954, for the period from August 9, 1954 to December 31, 1954, for the San Juan 27-5 unit agreement, New Mexico, No. 14-08-001-950, has been approved on this date subject to like approval by the appropriate State officials.

In addition to the wells provided for in the plan of development, your attention is invited to the obligation of the unit operator to drill all wells necessary to protect the unit area from drainage or pay compensatory royalty as provided in the unit agreement.

One approved copy of the plan is returned herewith.

Very truly yours,

(Or), Signed - CANFIELD

R. E. CANFIELD
Acting Regional Oil and Gas Supervisor

Enclosure

Copy to: Cons. Div., Wash. D.C. (w/1 copy of plan)
N.M.O.C.C. Santa Fe

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

August 6, 1954

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

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

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

Re: San Juan 27-5 Unit
No. 14-08-001-950
Rio Arriba County, New Mexico
PLAN OF DEVELOPMENT for the
Period from 8-9-54 to 12-31-54

Gentlemen:

Pursuant to Section 10 of the above numbered Unit Agreement, El Paso Natural Gas Company, as Unit Operator, herewith submits its proposed Drilling Program for the period from August 9, 1954, to December 31, 1954.

All drilling requirements of the Unit Agreement and the Unit Operating Agreement for this Unit have been satisfied by the completion of five wells on the required locations with an Initial Potential as follows:

San Juan 27-5 #2	NE/4 Section 9	IP	3,590 MCF
San Juan 27-5 #3	SW/4 Section 17	IP	1,230 MCF
San Juan 27-5 #4	NE/4 Section 29	IP	1,790 MCF
San Juan 27-5 #5	NE/4 Section 34	IP	1,450 MCF
San Juan 27-5 #6	NE/4 Section 14	IP	1,566 MCF

These wells have all been determined to be commercial wells and are included in the present Mesaverde Participating Area. They are all shut in awaiting a pipeline connection.

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

Page 2
August 6, 1954
Re: 27-5 Unit

In addition to these five required Mesaverde wells, there is a Dakota well located in the SE/4 of Section 4. This is the San Juan 27-5 #1 well and is included in the present Dakota Participating Area. This well is connected to and producing into El Paso Natural Gas Company's gathering system.

As Unit Operator, we have canvassed all working interest owners in this unit, and the proposed drilling program covers all drilling requests that we have received at the present time. Although we have not yet received a final answer from some working interest owners, we do not see how we can delay any longer the filing of this drilling program inasmuch as it must be filed on or before Aug. 9, 1954.

El Paso Natural Gas Company, as Unit Operator, proposes a drilling program of two wells to be drilled to test the Mesaverde formation, such drilling program to cover the period from August 9, 1954, to December 31, 1954. The proposed wells are to be drilled on the following Drilling Blocks:

1. E/2 Section 2, T-27-N, R-5-W
2. W/2 Section 32, T-27-N, R-5-W

In addition to these two wells, it is our understanding that a well is presently being drilled in the NE/4 of Section 22, T-27-N, R-5-W, upon committed land. We have given permission to the working interest owners of the E/2 of Section 22 to drill this well after having elected not to drill the well as Unit Operator due to some misunderstanding as to payment of the drilling costs of this well.

Additional wells will be drilled if necessary to protect the unit from drainage, or on intervening drilling blocks if necessary under the terms of the Unit Agreement.

It is the intention of El Paso Natural Gas Company to drill, or cause to be drilled, all of these wells to the base of the Mesaverde formation, using rotary tools. Surface casing of 9-5/8" diameter will be set to approximately 170' and then a production string of 7" casing will be run down to the top of the Mesaverde formation. The Mesaverde formation will be drilled in with gas and then shot with nitroglycerin or treated with a sand-oil fracing process. Due care will be taken to protect all horizons. All well locations will be in either the NE/4 or SW/4 of the sections.

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

Page 3
August 6, 1954
Re: 27-5 Unit

If this drilling program is acceptable, please signify your approval of the drilling program as required under Section 10 of the Unit Agreement in the space provided below. Please return an approved copy to El Paso Natural Gas Company, Unit Operator.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin, Manager
Lease Department

RLH:ms

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

APPROVED: _____ Date _____
Commissioner of Public Lands
Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED: _____ Date 8-23-54
Original Signed By W. B. Macey
Oil Conservation Commission
Subject to like approval by the U.S.G.S. and Commissioner Public Lands.

540

12/1/54

El Paso Natural Gas Company

MAIN OFFICE - 699

TENTH FLOOR BASSETT TOWER

RECEIVED JUL 27 1954

El Paso, Texas

July 26, 1954

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: San Juan 27-5 Unit
No. 14-08-001-950
Approval of Initial Participating Area
Dakota Formation

Gentlemen:

This is to advise that the Initial Participating Area, Dakota Formation, for the San Juan 27-5 Unit Area was approved by the Director, United States Geological Survey on June 28, 1954, the Commissioner of Public Lands of the State of New Mexico on July 15, 1954, and the Secretary of the Oil Conservation Commission of the State of New Mexico on June 9, 1954.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

TWB/mas
cc: Attached List

MAIN OFFICE 000
EST. 1911
El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

3 June 1954

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: San Juan 27-5 Unit No. 14-08-001-950
Rio Arriba County, New Mexico
Request for Approval of
Initial Participating Area - Dakota Formation
Effective 31 August 1953

Gentlemen:

Pursuant to the provisions of Section 11 (b) of the San Juan 27-5 Unit Agreement No. 14-08-001-950, approved 31 August 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Initial Participating Area for the Dakota Formation. The Initial Participating Area contains 360 acres comprised of the eight 40 acre tracts immediately surrounding the one 40 acre tract upon which the discovery well is located. This area is described as follows:

Township 27 North, Range 5 West

<u>Well</u>	<u>Participating Area</u>	<u>Acres</u>
San Juan 27-5 #1	Section 3: W/2 SW/4 Section 4: SE/4 Section 9: N/2 NE/4 Section 10: NW/4 NW/4	360

This well is located in the SE/4 of the SE/4 of Section 4. It was spudded on 15 September 1951, and completed 24 April 1952 at a total depth of 7881'. Using a six hour open blow test, conducted on 21 May 1952, this well gauged an IP of 4380 MCFGPD with an SIPC of 2692#. This well is not currently on a producing status.

Attached hereto is our Schedule I legally describing the proposed Participating Area showing percentage of unitized substances to be allocated to these unitized tracts and also showing the exact breakdown of the percentages as allocated to these tracts according to the various ownerships in said tracts. Also attached is a map, Exhibit "A", showing the location of this well and the outline of the Initial Participating Area.

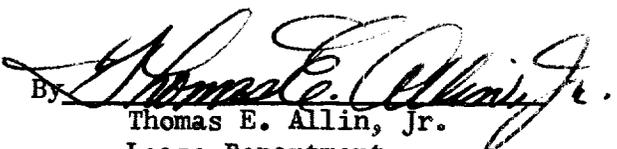
If this Initial Participating Area meets with your approval, please indicate such approval in the space provided on said Schedule I and return approved copy for our files.

Copies of this letter are being sent to all Working Interest Owners, as indicated on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By


Thomas E. Allin, Jr.
Lease Department

TEA, Jr/mas

cc: Attached List

Encls.

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

Mr. W. H. Sparks
General American Oil Co.
1404 Republic Bank Building
Dallas, Texas

Mr. C. F. Bedford
Stanolind Oil & Gas Co.
Oil & Gas Building
Fort Worth, Texas

Mr. J. P. Moroney
Colorado Oil & Gas Corporation
Colorado Springs, Colorado

Mr. Donald Anderson
Malco Refineries, Inc.
Box 660
Roswell, New Mexico

Mr. Mike Abraham
814 Mercantile Bank Building
Dallas, Texas

Mr. Paul Neuenschwander
Southern Petroleum Exploration
Box 192
Sistersville, West Virginia

Miss Lona L. Bingham
Box 606
Iraan, Texas

Mr. Thomas F. Harrington
320 Korber Building
Albuquerque, New Mexico

Mr. Joe Quinn
Box 335
Santa Fe, New Mexico

Mr. Pablo Candelaria
Aztec, New Mexico

Mr. Sam Dazzo
Room 624
First National Bank Building
Albuquerque, New Mexico

Mr. J. R. Abercrombie
P. O. Box 335
Santa Fe, New Mexico

Mr. M. A. Romero
P. O. Box 2011
Santa Fe, New Mexico

Mrs. Omega E. Quinn
Box 896
Albuquerque, New Mexico

Mr. Robert P. Tinnin
P. O. Box 896
Albuquerque, New Mexico

Mr. N. B. Stern
La Fonda Hotel
Santa Fe, New Mexico

Mr. H. O. Pool
P. O. Box 1150
Plainview, Texas

Mr. James A. Brown
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn G. Brown
14 Axtell Drive
Scarsdale, New York

Mr. James A. Brown, Co-Trustee
for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

Mrs. Evelyn Ellen Wallace,
Co-trustee for Evelyn Ellen Wallace
14 Axtell Drive
Scarsdale, New York

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

Mr. W. E. Alsup
1247 Shafter Street
San Mateo, California

Mr. T. H. McElvain
220 Shelby Street
Santa Fe, New Mexico

SCHEDULE I
 INITIAL PARTICIPATING AREA FOR THE DAKOTA FORMATION
 SAN JUAN 27-5 UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>PARTICIPATING AREA OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079393	T-27-N, R-5-W Sec. 3: W/2 SW/4 Sec. 4: SE/4	240.00				
			<u>Tract 4</u>			
	Royalty Owner: United States of America;		12.50%	12.50%	<u>66.667%</u> 8.333%	<u>66.667%</u> 8.333%
	Working Interest Owner: El Paso Natural Gas Company;		85.00%	85.00%	56.667%	56.667%
	ORRI Owners: F. P. Hamrah, et al;		<u>2.50%</u>	<u>2.50%</u>	<u>1.667%</u>	<u>1.667%</u>
	TOTAL		<u>100.00%</u>	<u>100.00%</u>	<u>66.667%</u>	<u>66.667%</u>

SCHEDULE I
INITIAL PARTICIPATING AREA FOR THE DAKOTA FORMATION
SAN JUAN 27-5 UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>PARTICIPATING AREA OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
<u>Tract 2</u>						
SF 079391	T-27-N, R-5-W Sec. 9: N/2 NE/4	80.00	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL	12.500% 82.747% 4.753% 100.000%	12.500% 82.747% 4.753% 100.000%	22.222% 2.778% 18.388% 22.222%
<u>Tract 7</u>						
SF 079491	T-27-N, R-5-W Sec. 10: NW/4 NW/4	40.00	Royalty Owner: United States of America; Working Interest Owner: Stanelind Oil & Gas Company; ORRI Owners: M. A. Romero, et al; TOTAL	12.500% 85.000% 2.500% 100.000%	12.500% 85.000% 2.500% 100.000%	11.111% 9.444% 11.111% 11.111%
San Juan 27-5						
<u>#1 Well</u>						
		360.00		100.000%	100.000%	100.00%

SCHEDULE I
 INITIAL PARTICIPATING AREA FOR THE DAKOTA FORMATION
 SAN JUAN 27-5 UNIT AREA

RECAPITULATION

Description of Lands in Participating Area:
 Township 27 North, Range 5 West, N.M.P.M.

- Sec. 3: W/2 SW/4
- Sec. 4: SE/4
- Sec. 9: N/2 NE/4
- Sec. 10: NW/4 NW/4

Total number of acres in Participating Area	360.00
Percentage of Basic Royalty Committed:	100.00%
Percentage of Working Interest Committed:	100.00%
Percentage of O.R.R.I. Committed:	100.00%

Approved _____ 1954

Approved _____ 1954

Approved _____ June 9 _____ 1954

Subject to like approval by the appropriate State Officials, effective Date of First Production, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and Oil Conservation Commission of the State of New Mexico, effective Date of First Production, pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, effective Date of First Production pursuant to the pertinent provisions of Sec. 11 of the Unit Agreement.

Original Signed By R. R. Spurrer

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

Oil Conservation Commission of the State of New Mexico