

*El Paso Natural Gas Company*  
MAIN OFFICE OCC

TENTH FLOOR BASSETT TOWER

1954 MAR 20 AM 10:00  
*El Paso, Texas*

17 March 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  
Second Expanded Participating Area  
Mesaverde Formation  
Effective 1 December 1953

Gentlemen:

Pursuant to Section 11 (a) 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 determined on 9 November 1953, that one additional well capable of producing un-  
itized substances in paying quantities from the Mesaverde Formation had been com-  
pleted upon committed acreage to this unit and the participating area for the  
Mesaverde Formation is accordingly expanded.

This well is as follows:

El Paso Natural Gas Company's San Juan 27-5 #5 Well, located  
1650' South of the North line and 1650' West of the East line  
of Section 34, Township 27 North, Range 5 West, Rio Arriba  
County, New Mexico. This well was spudded on 22 September  
1953, and reached a total depth of 5674'. The pay section be-  
tween 4910' and 5674' was shot with 2196 quarts of S.N.G.  
The well was tested on 9 November 1953, and after three hour  
blow-down gauged an IP of 1450 MCFGPD with an SIPC of 1103#  
and an SIPT of 1098#. The committed drilling block upon  
which this well is located is described as the E/2 of Section  
34, Township 27 North, Range 5 West, N.M.P.M. and consists  
of 320 acres.

San Juan 27-5 Unit

- 2 -

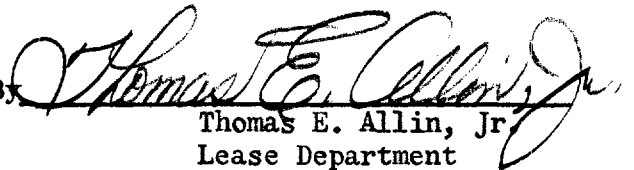
17 March 1954

Attached is Schedule III showing the Second 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 1 December 1953.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

By   
Thomas E. Allin, Jr.  
Lease Department

TEA, Jr/ms  
cc: Attached List

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

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

Mr. G. B. Jenkinson  
Stanolind Oil and Gas Company  
Box 591  
Tulsa, Oklahoma

Mr. J. P. Moroney  
Colorado Oil and 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

SCHEDULE III  
 SECOND EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
 SAN JUAN 27-5 UNIT AREA

<u>SERIAL NUMBER</u>	<u>DRILLING BLOCK</u>	<u>NUMBER OF ACRES</u>	<u>DRILLING BLOCK OWNERSHIP AND PERCENTAGE</u>	<u>COMMITTED</u>	<u>MAXIMUM POSSIBLE PARTICIPATION</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 079391	T-27-N, R-5-W Sec. 9: E/2	320.00	<u>Tract 2</u>			
	Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al;		12.50%	12.50%	3.125%	3.125%
			82.7147%	82.7147%	20.687%	20.687%
			TOTAL $\frac{4.753\%}{100.000\%}$	$\frac{4.753\%}{100.000\%}$	$\frac{1.188\%}{25.000\%}$	$\frac{1.188\%}{25.000\%}$
San Juan 27-5 #2 Well	E/2 Sec. 9	320.00		$\frac{100.000\%}{100.000\%}$	$\frac{25.000\%}{25.000\%}$	$\frac{25.000\%}{25.000\%}$

SCHEDULE III  
SECOND EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
SAN JUAN 27-5 UNIT AREA

SERIAL NUMBER	DRILLING BLOCK	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP AND PERCENTAGE	COMMITTED	MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION	
SF 079392	T-27-N, R-5-W Sec. 17: W/2	320.00	<p style="text-align: center;"><u>Tract 3</u></p> <p>Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al;</p>	<p>12.500%</p> <p>82.747%</p> <p>100.000%</p>	<p>12.500%</p> <p>82.747%</p> <p>100.000%</p>	<p>25.000%</p> <p>3.125%</p> <p>20.687%</p> <p>25.000%</p>	<p>25.000%</p> <p>3.125%</p> <p>20.687%</p> <p>25.000%</p>
San Juan 27-5 <u>#3 Well</u>	<u>W/2 Sec. 17</u>	<u>320.00</u>		<u>100.000%</u>	<u>25.000%</u>	<u>25.000%</u>	

SCHEDULE III  
 SECOND EXPANDED PARTICIPATING AREA FOR THE MESAVERTDE FORMATION  
 SAN JUAN 27-5 UNIT AREA

SERIAL NUMBER	DRILLING BLOCK	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP AND PERCENTAGE		MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
			COMMITTED	PARTICIPATION		
SF 079392	T-27-N, R-5-W Sec. 29: NE/4	160.00	<u>Tract 3</u> Royalty Owner: United States of America; Working Interest Owner: El Paso Natural Gas Company; ORRI Owners: Mike Abraham, et al; TOTAL		12.500%	12.500%
			12.500%	12.500%	1.563%	1.563%
			82.7147%	82.7147%	10.343%	10.343%
			4.753%	4.753%	5.94%	5.94%
			100.000%	100.000%	12.500%	12.500%
			<u>Tract 26</u>			
			Royalty Owner: Pablo Candelaria; Working Interest Owner: T. F. Harrington; ORRI Owners: Foster Morrell, et al; TOTAL	12.500% 12.500% 81.250% 81.250% 6.250% 100.000%	12.500% 1.563% 10.156% 10.156% 7.81% 12.500%	12.500% 1.563% 10.156% 10.156% 7.81% 12.500%
San Juan 27-5 #4 Well	E/2 Sec. 29	320.00		100.000%	25.000%	25.000%

SCHEDULE III  
 SECOND EXPANDED PARTICIPATING AREA FOR THE MESAVARDE FORMATION  
 SAN JUAN 27-5 UNIT AREA

SERIAL NUMBER	DRILLING BLOCK	NUMBER OF ACRES	DRILLING BLOCK OWNERSHIP AND PERCENTAGE	COMMITTED	MAXIMUM POSSIBLE PARTICIPATION	PRESENT ACTUAL PARTICIPATION
SF 079394	T-27-N, R-5-W Sec. 34: E/2	320.00	<u>Tract 5</u> 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%  82.747%  100.000%	12.500%  20.687%  20.687%  100.000%	25.000%  3.125%  3.125%  25.000%
San Juan 27-5 #5 Well	E/2 Sec. 34	320.00		100.000%	25.000%	25.000%

SCHEDULE III  
 SECOND EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION  
 SAN JUAN 27-5 UNIT AREA

RECAPITULATION

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

Section 9: E/2  
 Section 17: W/2  
 Section 29: E/2  
 Section 34: E/2

Total number of acres in Participating Area:	1,280.00
Percent of Basic Royalty committed:	100.00%
Percent of Working Interest committed:	100.00%
Percent of O. R. R. I. committed:	100.00%



*El Paso Natural Gas Company*

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

March 8, 1954

*File  
Hark  
3-12-54*

MAR 11 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 #2 Well  
Determination of effective date for  
Participating Area

Gentlemen:

At the time the request for approval for the Initial Participating Area of the above named well was made it was to be made effective the date of first production. Since that time, and pursuant to existing rules and regulations, we have determined that the effective date of an Initial Participating Area is to be the date of first production which has further been determined to be the date the well was completed.

The completion date for the herein discussed well was prior to the date this unit was approved. Therefore, I submit to you that the effective date of this Participating Area is 31 August 1953, that being the approval date of this Unit.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By

*Thomas E. Allin, Jr.*  
Thomas E. Allin, Jr.  
Lease Department

TEA, Jr: pap  
cc: Attached List

RS

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

December 11, 1953

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

Commissioner of Public Lands of  
the State of New Mexico  
Santa Fe, New Mexico

Oil Conservation Commission of  
the State of New Mexico  
Santa Fe, New Mexico

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

Gentlemen:

This is to advise that the Initial Participating Area, Mesaverde Formation, for the San Juan 27-5 Unit Area was approved by the Director, United States Geological Survey on November 18, 1953, the Commissioner of Public Lands of the State of New Mexico on November 10, 1953, and the Secretary of the Oil Conservation Commission of the State of New Mexico on November 3, 1953.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By   
Charles S. Deason  
Lease Department

CSD:rf  
cc: Attached List

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

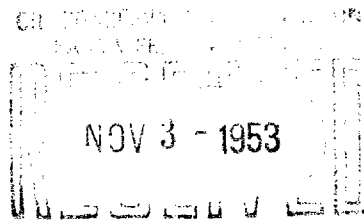
El Paso, Texas

October 26, 1953

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 - Mesaverde Formation  
To Be Effective Date of First Production

Gentlemen:

Pursuant to the provisions of 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, hereby respectfully requests approval of the Initial Participating Area for the Mesaverde Formation. On September 24, 1953, we sent out our Notice of Discovery.

The Initial Participating Area contains 640 acres and is composed of two drilling blocks with two discovery wells located thereon:

Township 27 North Range 5 West

<u>Well</u>	<u>Drilling Block</u>	<u>Acres</u>
San Juan 27-5#2	E/2 Section 9	320

This well is located in the NE/4 of this section. It was completed July 28, 1953, at a total depth of 5997'. On a three-hour open blow test this well gauged an IP of 3590 MCFGPD with SIPC of 1059#. This well is not yet on production.

San Juan 27-5 Unit

-2-

October 26, 1953

<u>Well</u>	<u>Drilling Block</u>	<u>Acres</u>
San Juan 27-5#3	W/2 Section 17	320

This well is located in the SW/4 of this section. It was completed on August 24, 1953, at a total depth of 5474'. On a three-hour open blow test this well gauged an IP of 1230 MCFGPD with SIPC of 1027#. This well is not yet on production.

Attached hereto is our Schedule I legally describing the proposed participating area showing the percentage of unitized substances to be allocated to these unitized tracts and also showing the exact breakdown of the percentages so allocated to these tracts according to the various ownerships in said tracts. We are also attaching a map, Exhibit "A", showing location of these wells and the outline of this 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 R. L. Hamblin  
R. L. Hamblin  
Lease Department

RLH:rf  
cc:Attached List  
encls.

Re: 27-5 Unit

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

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

Mr. G. B. Jenkinson  
Stanolind Oil and Gas Company  
Box 591  
Tulsa, Oklahoma

Mr. J. P. Moroney  
Colorado Oil and 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

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

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>OWNERSHIP AND PERCENTAGE</u>	<u>PERCENTAGE COMMITTED</u>	<u>PERCENTAGE OF PARTICIPATION</u>
SF 079391	T-27-N, R-5-W Sec. 9: E/2	320.00			
<u>Tract 2</u>					
	Royalty Owner:				<u>50.000000%</u>
	United States of America;		12.50%	12.50%	6.250000%
	Working Interest Owner:				
	E1 Paso Natural Gas Co.;		82.747%	82.747%	41.37350%
	ORRI Owners:				
	Nike Abraham, et al;		<u>4.753%</u>	<u>4.753%</u>	<u>2.37650%</u>
	TOTAL		100.00%	100.00%	50.000000%

San Juan 27-5 #2 Well

To Be  
 Effective Date of First Production

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

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>OWNERSHIP AND PERCENTAGE</u>	<u>PERCENTAGE COMMITTED</u>	<u>PERCENTAGE OF PARTICIPATION</u>
SF 079392	T-27-N, R-5-W Sec. 17: W/2	320.00			
<u>Tract 3</u>					
	Royalty Owner:				<u>50.000000%</u>
	United States of America;		12.50%	12.50%	6.250000%
	Working Interest Owner:				
	El Paso Natural Gas Co.;		82.747%	82.747%	41.37350%
	ORRI Owners:				
	Mike Abraham, et al;		<u>4.753%</u>	<u>4.753%</u>	<u>2.37650%</u>
	TOTAL		100.000%	100.000%	50.000000%

San Juan 27-5 #3 Well

To Be  
 Effective Date of First Production

RECAPITULATION

Description of lands in Participating Area:  
Township 27 North, Range 5 West, N.M.P.M.  
Section 9: E/2  
Section 17: W/2

Total number of acres in Participating Area: 640.00  
Percent of Working Interest and Royalty Interest committed: 100.00%

Approved: \_\_\_\_\_ 1953

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.

Approved: \_\_\_\_\_ 1953

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.

Approved: 3/7/53 1953

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.

Director - United States Geological Survey

Commissioner of Public Lands of the State of New Mexico

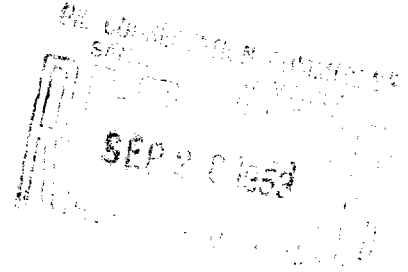
R. R. Swinney  
Oil Conservation Commission of the State of New Mexico



# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas  
September 24, 1953



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 Area  
No. 14-08-001-950  
Rio Arriba County, New Mexico  
NOTICE OF DISCOVERY  
Mesaverde Formation

Gentlemen:

Pursuant to Section 11, paragraph 2, of the above numbered unit agreement you are hereby informed of the discovery of unitized substances in paying quantities from the Mesaverde Formation on lands committed to said unit agreement.

*August*

As of ~~October~~ 31, 1953, the effective date of the unit agreement, there were two (2) committed wells already completed in the Mesaverde Formation. These wells are as follows:

- (1) El Paso Natural Gas Company's San Juan 27-5 #2 Well located 990' South of the North line and 1150' West of the East line of Section 9, Township 27 North, Range 5 West, N.M.P.M. This well was spudded on June 30, 1953, reached a total depth of 5997' and was completed on July 28, 1953. The pay section between 5297' and 5997' was shot with 2100 quarts of nitroglycerine. On August 19, 1953, the well was gauged at 3590 MCFGPD on a 3-hour open flow test with an SIPC of 1059# and an SIPT of 1057#. The drilling block upon which this well is located is the E/2 of Section 9, Township 27 North, Range 5 West, and consists of 320 acres.

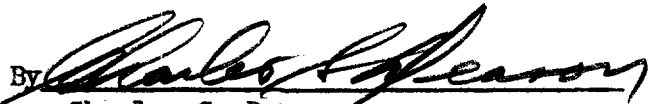
September 24, 1953

- (2) El Paso Natural Gas Company's San Juan 27-5 #3 Well located 990' North of the South line and 990' East of the West line of Section 17, Township 27 North, Range 5 West, N.M.P.M. This well was spudded on August 2, 1953, reached a total depth of 5474' and was completed on August 24, 1953. The pay section between 4844' and 5474' was shot with 1515 quarts of nitroglycerine. On September 18, 1953, this well was gauged at 1230 MCF/GPD on a 3-hour open blow test with an SIPC of 1027# and an SIPT of 1028#. The drilling block upon which this well is located is the W/2 of Section 17, Township 27 North, Range 5 West, and consists of 320 acres.

The drilling blocks upon which these wells are located are fully committed to the unit agreement and pursuant to the above mentioned Section 11 of the unit agreement it is determined by El Paso Natural Gas Company, Unit Operator, that these wells are capable of producing unitized substances in paying quantities.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By   
Charles S. Deason  
Lease Department

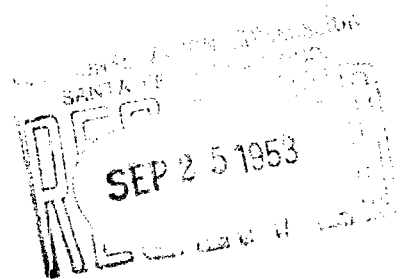
CSD:jaf  
cc: Attached List

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 22, 1953



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 Agreement  
No. 14-08-001-950

Gentlemen:

Enclosed, for your files, is a copy of the letter of transmittal by which the Director of the United States Geological Survey sent us the approved copies of the above numbered Unit Agreement.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By   
Charles S. Deason  
Lease Department

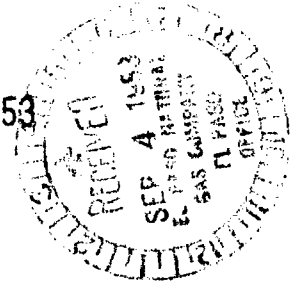
CSD:jaf  
encl.  
cc: Attached List



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON 25, D. C.

PLEASE RETURN TO  
LEASE DEPARTMENT

SEP 1 1953



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

Gentlemen:

On August 31, 1953, Acting Director of the Geological Survey, Arthur A. Baker, approved the San Juan 27-5 unit agreement, Rio Arriba County, New Mexico, filed by your company as unit operator. This agreement has been designated No. 14-08-001-950, and is effective as of the date of approval.

Enclosed are two copies of the approved unit agreement for your records. It is requested that you furnish the State of New Mexico or any other interested principal with whatever evidence of this approval is deemed appropriate.

Although an undivided, unleased one-half interest in tract 18 and the full interest in unleased tract 20 are not committed to the unit agreement, approval was predicated on the premise that the unit operator has sufficient control in the drilling blocks involved to accomplish a normal drilling and producing performance at the proper time, even though it may be necessary to formulate communitization agreements in conformance with existing field spacing and allowable programs or to drill pursuant to approved exceptions to spacing-allowable orders even on a reduced allowable basis, if necessary, in the event commitment of the land can not be secured. As to the partially committed tract 23, that is, the tract in which the working interest is committed but the royalty interest is not, it will be incumbent upon the unit operator to preserve the lease by actual leasehold production in the event subsequent joinder of the outstanding interests can not be obtained during the primary term of the lease involved.

Very truly yours,

For the Director

Enclosures 2

September 14, 1953

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

Attention: Mr. R. L. Hamblin

Re: Proposed San Juan 27-5 Unit Agreement  
Rio Arriba County, N.M.  
REQUEST FOR CHANGE OF TEST WELL LOCATION

Gentlemen:

Reference is made to your request for change of test well location from the SW/4 of Section 29, Township 27 North, Range 5 West in Rio Arriba County, New Mexico, to the NE/4 of Section 29 same township and range as above. Please be advised that we approve your request subject to like approval being had from the Oil Conservation Commission and United States Geological Survey and properly filed in this office.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

cc: United States Geological Survey (3)  
Roswell, New Mexico

Oil Conservation Commission  
Santa Fe, New Mexico (1)

C

O

P

Y