

Case No.

1339

Application, Transcript,  
Small Exhibits, Etc.

CASE 1339: NORTHWESTERN NEW MEXICO  
NOMENCLATURE

NE  
L  
L

BEFORE THE  
OIL CONSERVATION COMMISSION  
November 14, 1957

IN THE MATTER OF:

CASE NO. 1339

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

BEFORE THE  
OIL CONSERVATION COMMISSION  
November 14, 1957

IN THE MATTER OF:

- (a) Extend the Blanco Mesaverde Pool to include:

Township 31 North, Range 12 West  
All of Section 19

Township 31 North, Range 13 West  
All of Section 24  
N/2 of Section 25

- (b) Extend the Aztec-Pictured Cliffs Pool to include:

Township 29 North, Range 8 West  
W/2 of Section 30  
W/2 of Section 31

Township 29 North, Range 9 West  
All of Section 25  
All of Section 36

- (c) Extend the Canyon Largo-Pictured Cliffs Pool to include:

Township 25 North, Range 6 West  
S/2 and NW/4 of Section 16  
All of Section 17  
E/2 of Section 18

- (d) Extend the South Blanco-Pictured Cliffs Pool to include:

Township 24 North, Range 4 West  
N/2 of Section 8  
N/2 of Section 9

Township 25 North, Range 3 West  
S/2 of Section 19

Township 25 North, Range 4 West  
S/2 Section 24

Township 27 North, Range 6 West

All of Section 21  
S/2 of Section 22  
S/2 of Section 23  
SW/4 of Section 24  
W/2 of Section 25  
All of Sections 26 and 27  
N/2 of Section 28  
N/2 of Section 34

Township 27 North, Range 7 West

NW/4 Section 14  
N/2 Section 15  
N/2 Section 16

Township 28 North, Range 8 West

E/2 of Section 34

- (e) Extend the Tapacito-Pictured Cliffs Pool to include:

Township 25 North, Range 3 West

S/2 of Section 10  
E/2 of Section 11

Township 26 North, Range 3 West

W/2 of Section 20

- (f) Extend the Bisti-Lower Gallup Oil Pool to include:

Township 25 North, Range 12 West

SW/4 Section 3

- (g) Extend the Verde-Gallup Oil Pool to include:

Township 30 North, Range 15 West

NE/4 Section 6

Township 31 North, Range 14 West

SE/4 of Section 7

Township 31 North, Range 15 West

SW/4 of Section 23  
NW/4 of Section 24  
NW/4 of Section 33

BEFORE:

Honorable Edwin L. Mechem  
Mr. A. L. Porter  
Mr. Murray Morgan

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will take up case No. 1339.

(Witness sworn.)

ELVIS A. UTZ

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY: MR. COOLEY:

Q State your name and position, please.

A Elvis A. Utz, engineer with the New Mexico Oil Conservation Commission.

Q Mr. Utz, in your official capacity as gas engineer for the New Mexico Oil Conservation Commission, have you had an opportunity to study conditions in oil and gas pools in Northwestern New Mexico?

A Yes, sir, I have.

Q Mr. Utz, are you aware that there were certain errors in Paragraph B and D in the advertisement of this case in the Farmington paper?

A Yes, I am.

Q Do you know whether these errors in advertisement were

corrected and readvertised more than ten days prior to the hearing of this case?

A It is my understanding that they were.

Q Mr. Utz, do you have any recommendations concerning the extension of the Blanco Mesaverde Pool?

A Yes, I recommend that the Blanco Mesaverde gas pool be extended as advertised on the basis of two wells completed in this pool.

Q Do you have any recommendations concerning the extension of the Aztec-Pictured Cliffs Pool?

A I recommend that the Aztec-Pictured Cliffs gas pool be extended as advertised on the basis of four wells completed in this pool.

Q And what are your recommendations concerning the Canyon Largo-Pictured Cliffs Pool?

A I recommend that the Canyon Largo-Pictured Cliffs gas pool be extended as advertised on the basis of three wells completed in this pool.

Q Do you have any recommendations concerning the extension of the South Blanco-Pictured Cliffs Pool?

A Yes, I recommend that the South Blanco-Pictured Cliffs gas pool be extended as advertised on the basis of eleven wells completed in this pool.

Q Do you have any recommendations concerning the extension

of the Tapacito-Pictured Cliffs Pool?

A I also recommend that the Tapacito-Pictured Cliffs gas pool be extended as advertised on the basis of three wells completed in this pool.

Q And what are your recommendations concerning the extension of the Bisti-Lower Gallup Oil Pool?

A I recommend that the Bisti-Lower Gallup Oil Pool be extended as advertised on the basis of one well completed in this pool.

Q Do you have any recommendations concerning the extension of the Verde-Gallup Oil Pool?

A I recommend that the Verde-Gallup Oil Pool be extended as advertised on the basis of four wells completed in this pool.

Q Do you have any further recommendations in this case?

A No, I do not. I have an exhibit I would like to enter which is designated as Exhibit No. 1 in Case 1339 which states the recommendations for extension and the wells on which they are based.

Q Was this exhibit prepared by you or under your supervision?

A Yes.

MR. COOLEY: I move the admission of Exhibit 1 in Case 1339.

MR. PORTER: Without objection, it will be admitted.

Does anyone else have a question of the witness? If not, the



witness may be excused, and we will take the case under advisement,  
and we will recess until tomorrow at 8:30.

\*\*\*\*\*

STATE OF NEW MEXICO       )  
                                  ) ss  
COUNTY OF BERNALILLO

I, J. A. Trujillo, Court Reporter, do hereby certify that  
the foregoing and attached Transcript of Proceedings before the  
New Mexico Oil Conservation Commission was reported by me in  
Stenotype and reduced to typewritten transcript by me, and the  
same is a true and correct record to the best of my knowledge,  
skill and ability.

Witness my Hand and Seal this 6th day of December, 1957,  
in the City of Albuquerque, County of Bernalillo, State of New  
Mexico.

*J. A. Trujillo*  
J. A. TRUJILLO

My Commission Expires:

October 5, 1960

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1339  
Order No. R-1090

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER  
EXTENDING CERTAIN POOLS IN  
SAN JUAN AND RIO ARRIBA COUNTIES,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
November 14, 1957, at Santa Fe, New Mexico, before the Oil  
Conservation Commission of New Mexico, hereinafter referred to  
as the "Commission."

NOW, on this 27<sup>th</sup> day of November, 1957, the Commission,  
a quorum being present, having considered the testimony presented  
and the exhibits received, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this cause and the  
subject matter thereof.

(2) That there is need for certain extensions to the  
Aztec-Pictured Cliffs Pool, the Bisti-Lower Gallup Oil Pool, and  
the Verde-Gallup Oil Pool, all in San Juan County, New Mexico, to  
the Canyon Largo-Pictured Cliffs Pool and the Tapacito-Pictured  
Cliffs Pool, both in Rio Arriba County, New Mexico, and to the  
Blanco Mesaverde Pool and the South Blanco-Pictured Cliffs Pool,  
both in San Juan and Rio Arriba Counties, New Mexico.

IT IS THEREFORE ORDERED:

(a) That the Blanco Mesaverde Pool in Rio Arriba and  
San Juan Counties, New Mexico, as heretofore classified, defined,  
and described, be and the same is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM  
Section 19: All

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM  
Section 24: All  
Section 25: N/2

(b) That the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM  
Section 30: W/2  
Section 31: W/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM  
Section 25: All  
Section 36: All

(c) That the Canyon Largo-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM  
Section 16: E/2 and NW/4  
Section 17: All  
Section 18: E/2

(d) That the South Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM  
Section 8: N/2  
Section 9: N/2

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Section 19: E/2

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM  
Section 24: E/2

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM  
Section 21: All  
Section 22: S/2  
Section 23: S/2  
Section 24: SW/4  
Section 25: W/2  
Sections 26 and 27: All  
Section 28: N/2  
Section 34: N/2

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM  
Section 14: NW/4  
Section 15: N/2  
Section 16: N/2

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM  
Section 34: E/2

-3-

Case No. 1339  
Order No. R-1090

(e) That the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Section 10: S/2  
Section 11: E/2

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM  
Section 20: W/2

(f) That the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM  
Section 3: SW/4

(g) That the Verde-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM  
Section 5: NE/4

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM  
Section 7: SE/4

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM  
Section 23: SW/4  
Section 24: NW/4  
Section 33: NW/4

IT IS FURTHER ORDERED:

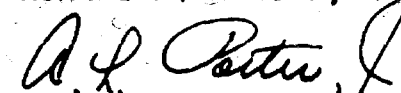
That the effective date of this order and of all of the extensions included herein shall be December 1, 1957.

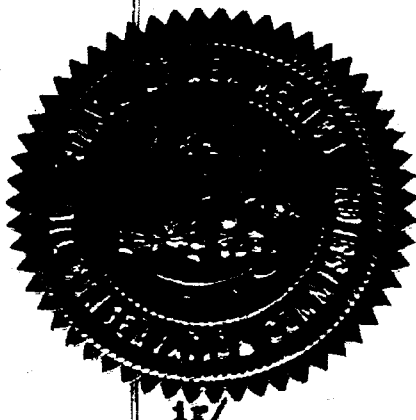
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

  
A. L. PORTER, Jr., Member & Secretary



DOCKET: REGULAR HEARING NOVEMBER 14, 1957

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for December, 1957.
- (2) Consideration of purchasers' nominations for the six-month period beginning January 1, 1958, for six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas for December, 1957, for six prorated pools in Lea County, New Mexico, and consideration of the allowable production of gas from six prorated pools in San Juan and Rio Arriba Counties, New Mexico for December, 1957.

NEW CASES

CASE 1337: Application of Gulf Oil Corporation for approval of a lease automatic custody transfer system to receive and measure the production from more than eight wells and for permission to commingle the oil produced from the McKee and Ellenburger Pools underlying said lease in Lea County, New Mexico, and for permission to produce the wells on said lease in excess of the monthly allowable tolerance for a limited period of time. Applicant, in the above-styled cause, seeks an order approving a lease automatic custody transfer system for its Learcy McBuffington Lease in Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, to receive and measure the production from more than eight wells, and further authorizing the commingling of the oil produced from the McKee and Ellenburger Pools underlying said lease, and further authorizing the production of the wells on said lease in excess of the monthly allowable tolerance until such time as the lease allowable is sufficient to fill and storage volume of the surge tank.

CASE 1338: Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the extension of existing pools in Lea and Eddy Counties, New Mexico.

- (a) Create a new oil pool for Yates production, designated as the South Lusk Pool and described as:

Township 19 South, Range 32 East  
SW/4 of Section 29

- (b) Create a new oil pool for Siluro-Devonian production, designated as the Shugart Siluro-Devonian Pool and described as:

Township 18 South, Range 31 East  
SE/4 of Section 27

- (c) Extend the Crossroads Slaughter Pool to include:

Township 9 South, Range 36 East  
W/2 W/2 of Section 29

- (d) Extend the Drinkard Pool to include:

Township 22 South, Range 37 East  
W/2 NE/4 of Section 27

- (e) Extend the Eumont Gas Pool to include:

Township 20 South, Range 37 East  
S/2 NE/4 of Section 12  
SW/4 of Section 24

- (f) Extend the North Gladiola-Devonian Pool to include:

Township 12 South, Range 38 East  
NE/4 & N/2 SW/4 of Section 8

- (g) Extend the West Henshaw-Grayburg Pool to include:

Township 16 South, Range 30 East  
E/2 of Section 18  
N/2 NE/4 of Section 19

- (h) Extend the Justis Ellenburger Pool to include:

Township 25 South, Range 37 East  
SE/4 of Section 13  
NW/4 of Section 24

- (i) Extend the Maljamar Pool to include:

Township 17 South, Range 33 East  
N/2 of Section 17  
S/2 SW/4 of Section 34

- (j) Extend the Pearl Queen Pool to include:

Township 19 South, Range 35 East  
W/2 & S/2 SE/4 of Section 27

- (k) Extend the San Simon Pool to include:

Township 21 South, Range 35 East  
S/2 SE/4 of Section 29  
NE/4 of Section 32

- (l) Extend the Shugart Pool to include:

Township 18 South, Range 31 East  
N/2 SW/4 of Section 26

- (m) Extend the Square Lake Pool to include:

Township 16 South, Range 29 East  
N/2 S/2 of Section 36

- (n) Extend the Townsend Wolfcamp Pool to include:

Township 16 South, Range 36 East  
Lots 12 & 13 of Section 6

CASE 1339:

- (a) Extend the Blanco Mesaverde Pool to include:

Township 31 North, Range 12 West  
All of Section 19

Township 31 North, Range 13 West  
All of Section 24  
N/2 of Section 25

- (b) Extend the Aztec-Pictured Cliffs Pool to include:

Township 29 North, Range 8 West  
W/2 of Section 30  
W/2 of Section 31

Township 29 North, Range 9 West  
All of Section 25  
All of Section 36

- (c) Extend the Canyon Largo-Pictured Cliffs Pool to include:

Township 25 North, Range 6 West  
S/2 and NW/4 of Section 16  
All of Section 17  
E/2 of Section 18

- (d) Extend the South Blanco-Pictured Cliffs Pool to include:

Township 24 North, Range 4 West  
N/2 of Section 8  
N/2 of Section 9

Township 25 North, Range 3 West  
S/2 of Section 19

Township 25 North, Range 4 West  
S/2 Section 24

Township 27 North, Range 6 West  
All of Section 21  
S/2 of Section 22  
S/2 of Section 23  
SW/4 of Section 24  
W/2 of Section 25  
All of Sections 26 and 27  
N/2 of Section 28  
N/2 of Section 34

Township 27 North, Range 7 West  
NW/4 Section 14  
N/2 Section 15  
N/2 Section 16

Township 28 North, Range 8 West  
E/2 of Section 34

- (e) Extend the Tapacito-Pictured Cliffs Pool to include:

Township 25 North, Range 3 West  
S/2 of Section 10  
E/2 of Section 11

Township 26 North, Range 3 West  
W/2 of Section 20

- (f) Extend the Bisti-Lower Gallup Oil Pool to include:

Township 25 North, Range 12 West  
SW/4 Section 3

- (g) Extend the Verde-Gallup Oil Pool to include:

Township 30 North, Range 15 West  
NE/4 Section 6

Township 31 North, Range 14 West  
SE/4 of Section 7

Township 31 North, Range 15 West  
SW/4 of Section 23  
NW/4 of Section 24  
NW/4 of Section 33

CONTINUED CASES

CASE 1325:

Application of Amerada Petroleum Corporation for an order amending Order R-991 insofar as said order pertains to the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, to extend the horizontal limits of said pool, and to provide for standard drilling units of 320 acres. Applicant, in the above-styled cause, seeks an order extending the Bagley-Upper Pennsylvanian Gas Pool to include the W/2 SW/4 of Section 2; N/2, SE/4 and N/2 SW/4 of Section 3; N/2 and N/2 SE/4 of Section 4, all in Township 12 South, Range 33 East; the S/2 and S/2 N/2 of Section 33; S/2 and S/2 N/2 of Section 34, all in Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further requests the establishment of 320-acre spacing and drilling units in the Bagley-Upper Pennsylvanian Gas Pool and such other rules and regulations as the Commission may deem necessary for the purposes herein stated.



CASE 1327: Application of Texas Pacific Coal and Oil Company for an order immediately terminating gas prorationing in the Jalmat Gas Pool; or in the alternative, revising the Special Pool Rules for the Jalmat Gas Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order immediately terminating gas prorationing in the Jalmat Gas Pool, or in the alternative, an order immediately cancelling all accumulated underproduction and redistributing such underproduction to overproduced wells in the Jalmat Gas Pool, and requiring gas purchasers to nominate a sufficient amount of gas from the pool to permit wells from which purchasers are able to take gas to have an allowable equal to their actual production, and upon this basis to thereafter balance the pool production at the end of each proration period, and establishing deliverability of gas wells as a factor in the proration formula for the pool, and establishing a maximum amount of gas which may be taken from any well in the pool during a specified period of time. Applicant further requests the Commission to issue such further order or orders as will bring the pool immediately into balance and maintain such balance without waste and without abuse of applicant's or others' correlative rights.

ir/

NOMENCLATURE RECOMMENDATIONS FOR THE REGULAR NOVEMBER, 1957  
HEARINGS

Blanco Mesaverde

Township 31N, Range 12W, San Juan County  
Section 19, All

Township 31N, Range 13W, San Juan County  
Section 24, All  
Section 25, N/2

based on:

Colorado Western Exploration, Inc. #1-19 Southern Union-Gov't  
M-19-31N-12W  
IP 5900 MCF; SICP 1086#/7days

Colorado Western Exploration, Inc. #1 Cain  
A, 25-31N-13W  
IP 1494 MCF; SICP 997#

Aztec Pictured Cliffs

Township 29N, Range 8 W, San Juan County  
Section 30, W/2  
Section 31, W/2

Township 29N, Range 9W, San Juan County  
Section 25, All  
Section 36, All

based on:

El Paso Natural Gas #3 Jones  
L, 30-29N-8W  
AOF 1164 MCF; SICP 898#/11 days

Delhi-Taylor #4 Pritchard  
L-31-29N-8W  
AOF 1972 MCF; SICP 922#/7 days

Delhi-Taylor #26 Florance  
M-25-29N-9W  
IP 1393 MCF; SICP 880#/7 days

Aztec Oil & Gas #1 Koch-State  
G-36-29N-9W  
AOF 2261 MCF; SICP 823#/9 days

Canyon Largo Pictured Cliffs

Township 25N, Range 6W, Rio Arriba County  
Section 16, S/2, NW/4  
Section 17, S/2 All  
Section 18, SE/4 E/2

Based on:

El Paso Natural Gas #3 Harvey State  
E-16-25N-6W  
IP 3579 MCF; SICP 836#/21 days

El Paso Natural Gas #11 Harvey State  
N-16-25N-6W  
AOF 1843 MCF; SICP 860#

El Paso Natural Gas #4 Harvey State  
O-16-25N-6W  
IP 2774 MCF; SICP 849#/12 days

*Exhibit # 1*  
*Case 1339*

South Blanco Pictured Cliffs

Township 24N, Range 4W, Rio Arriba County  
Section 8, N/2  
Section 9, N/2

Township 25N, Range 3W, Rio Arriba County  
Section 19, S/2

Township 25N, Range 4W, Rio Arriba County  
Section 24, S/2

Township 27N, Range 6W, Rio Arriba County  
Section 21, All  
Section 22, S/2  
Section 23, S/2  
Section 24, SW/4  
Section 25, W/2  
Section 26, All  
Section 27, All  
Section 28, N/2  
Section 34, N/2

Township 27N, Range 7W, Rio Arriba County  
Section 14, NW/4  
Section 15, N/2  
Section 16, N/2

Township 28N, Range 8W, San Juan County  
Section 34, E/2

based on:

El Paso Natural Gas #8 Jicarilla "H"  
A-8-24N-4W  
AOF 452 MCF; SICP 812#/12 days

El Paso Natural Gas #9 Jicarilla "H"  
C-8-24N-4W  
AOF 404 MCF; SICP 890#/16 days

Skelly Oil Company #1 Lydia Rentz  
M-19-25N-3W  
IP 3690 MCF; SICP #/ days

El Paso Natural Gas #98 Rincon Unit  
A-21-27N-6W  
AOF 4558 MCF; SICP 1071#/40 days

El Paso Natural Gas #53 Rincon Unit  
J-22-27N-6W  
IP 3042 MCF; SICP 1065#/13 days

El Paso Natural Gas #69 SJU 28-6  
M-24-27N-6W  
AOF 2329 MCF; SICP 1036#/31 days

El Paso Natural Gas #70 SJU 28-6  
M-25-27N-6W  
AOF 5218 MCF; SICP 1000#/12 days

El Paso Natural Gas #100 Rincon Unit  
A-26-27N-6W  
AOF 2809 MCF; SICP 1005#/10 days

El Paso Natural Gas #99 Rincon Unit  
A-27-27N-6W  
AOF 3842 MCF; SICP 1035#/15 days

El Paso Natural Gas #85 Rincon Unit  
H-15-27N-7W  
AOF 2359 MCF; SICP 971#/49 days

SICP

Nomenclature - Cont'd Page 3

El Paso Natural Gas #80 SJU 28-7  
E-16-27N-7W  
ACF 4157 MCF; SICP 1025#/12 days

El Paso Natural Gas #4 Storey  
E-34-28N-8W  
ACF 2201 MCF; SICP 884#/8 days

TAPICITO PICTURED CLIFFS

Township 25N, Range 3W, Rio Arriba County

Section 10, S/2  
Section 11, E/2

Township 26N, Range 3W, Rio Arriba County

Section 20, W/2

Based on:

Pan American Petroleum Corp. #1 F. Phillips G.U. "E"  
K-10-25N-3W  
IP 3064 MCF

Clark & Cowden #11-1 Federal  
E-11-25N-3W  
AOF 3755 MCF; SICP 850#/7 days

Magnolia Petroleum Co. #3 Jicarilla "F"  
M-20-26N-3W  
AOF 1623 MCF; SICP 924#

Bisti Lower Gallup Oil Pool

Township 25N, Range 12W, San Juan County

Section 3, SW/4

based on:

Pan American Petroleum Corp. #1 Ka-Da-Fah  
M-3-25N-12W  
IP 204 BOPD

Township:

Verde Gallup Oil Pool

Township 30N, Range 15W, San Juan County

Section 6, NE/4

Township 31N, Range 14W, San Juan County

Section 7, SE/4

Township 31N, Range 15W, San Juan County

Section 23, SW/4  
Section 24, NW/4  
Section 33, NW/4

based on:

Pan American Petroleum Corp. #1 Thurland  
A-6-30N-15W  
IP 96 BOPD

Humble Oil & Refining #2 Ute Indian  
O-7-31N-14W  
IP 153 BOPD

Southern Union Gas #2-23 Ute  
L-23-31N-15W  
IP 95 BOPD

Southern Union Gas #1-24 Ute  
D-24-31N-15W  
IP 86 BOPD