

P. O. Box 6721
Roswell, New Mexico

September 22, 1959

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Gentlemen:

Receipt is acknowledged of the following papers pertaining to the Gallegos Canyon unit agreement (No. 1-Sec. 344), San Juan County, New Mexico:

1. Seven copies each of joinders to the unit agreement and unit operating agreement by HUGH J. MITCHELL and RAIMONDA MITCHELL, his wife, covering the record and working interests in State land unit tract No. 69. Pursuant to your letter of March 13, 1959, we have corrected Exhibit "B" to show Hugh J. Mitchell as owner of the record and working interest.
2. Seven copies of joinder to the unit agreement by J. F. (James) ZANOLIO and FRANCES D. ZANOLIO, his wife covering the basic royalty interest in fee land tract No. 109. Pursuant to your letter of August 7, 1959, we have corrected Exhibit "B" to show that J. F. Zanolio now owns the basic royalty in tract No. 109 in its entirety.
3. Seven copies of joinder to the unit agreement by PAN AMERICAN PETROLEUM CORPORATION covering the working interest in tract No. 109.

By virtue of the joinders listed as items 1, 2, and 3 above, State land unit tracts Nos. 69 and 109 are considered effectively committed to the unit agreement, effective April 1, 1959, the first day of the month following filing of the joinders. Both tracts are within the participating area for the Pictured Cliffs formation, and such commitments necessitate a revision of the schedule for the participating area.

By letter of April 23, 1959, you submitted six copies of the revised schedule to be effective May 1, 1959. Your letter of

June 2, 1958, advises that the effective date should be corrected to read April 1, 1958, rather than May 1, 1959. We noted several errors in the schedule and have made the following changes on our copies:

	<u>Shown as</u>	<u>Should be</u>
2nd line, page 2	11-B(SF 073209)	11 (SF 073209)
3rd line, page 3	SF 073903-A	SF 073903-B
5th line, page 3	SF 073904	SF 073904-A
2nd line, page 5	SF 080862	SF 080962
last line, page 6	Attachment No. 059132	I-149-Ind-3479

Copies of the above papers are being distributed to appropriate Federal offices for inclusion in the official case records. It is assumed you will furnish other interested parties with appropriate evidence of this action. Three copies of each of the joinders and two copies of the revised schedule are surplus to our needs and are returned herewith.

Very truly yours,

ERWIN M. THOMASSEN
Acting Oil and Gas Supervisor

Copy to: Washington (w/cy of Joinder & Schedule)
Farmington " "
BLM-Santa Fe " "
State Land Office, (Mrs. Rhea)(Letter only)
NMOC

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

FL 24

June 8, 1959

File: GWK-4263-416 x 993.1

Subject: Corrected Exhibit "B"
for Revision of Participation
Pictured Cliffs Participating
Area, Gallegos Canyon Unit
Effective April 1, 1959

Director (6)
United States Geological Survey
c/o Oil and Gas Supervisor
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Pictured Cliffs Participating
Area Owners
(See Attached Addressee List)

Gentlemen:

Furnished herewith are corrected Pages 7, 8, and 9 for the Exhibit "B", Pictured Cliffs Participating Area ownership, Gallegos Canyon Unit, San Juan County, New Mexico as previously furnished by our letter of April 23, 1959, File: GWK-4127-416 x 993.1. The attached corrections are being furnished to permit inclusion of the State Lease number on certain tracts where they were previously omitted and to correct the notation in connection with Tracts 46-A, 64, 90, and 91 which previously reflected Mr. George J. Darneille as a record owner.

Very truly yours,

E. V. Hewitt

AJI:lj
Attachment

MAILING LIST PICTURED CLIFFS OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

Aztec Oil and Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Brookhaven Oil Company
P. O. Box 396
Scottsdale, Arizona

E. H. Colby
45 Woodstock
Crystal Lake, Illinois

George J. Darneille
5521 Borcley
Houston, Texas

Devonian Gas and Oil Company
2003 Commonwealth Building
Pittsburg 22, Pennsylvania

L. B. Hodges
P. O. Box 671
Roswell, New Mexico

Edward J. Johnson
223 Greenbank Avenue
Piedmont 10, California

Elman R. Jones
764 Twentieth Avenue
San Francisco, California

Delta Oil Company of Utah
1225 Newhouse Hotel
Salt Lake City, Utah

Glenn J. Smith
First National Building
Tulsa, Oklahoma

Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. R. T. Maxwell

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth 1, Texas

American Petrofina Company of Texas
P. O. Box 2159
Dallas 21, Texas

EXHIBIT MBM
PICTURED CLIFFS PARTICIPATING AREA OWNERSHIP
CALEFOS CANYON UNIT, SAN JUAN COUNTY, NEW MEXICO
AS OF
MAY 1, 1959

<u>Unit Tract Number</u>	<u>Serial No. & Date Of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract Owner</u>	<u>Percent</u>	<u>Acres Included Description</u>	<u>Amount</u>	<u>Percent Participation</u>
<u>FEDERAL LANDS</u>							
1	NM-014376	Devonian Gas and Oil Company	Devonian Gas & Oil Co.	100.00	N/2 S/2 Sec 24-29N-13W	160.00	.58273
4	NM-03654 2-1-51	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.000	NE/4 NE/4 Sec 26-29N-13W	40.00	.14568
6	077966 2-1-48	Aztec Oil and Gas Company	Aztec Oil & Gas Company	100.00	Sec 24 and SE/4 Sec 14- 28N-13W	800.00	2.91365
7	077967 2-1-46	Southern Union Gas Company	Southern Union Gas Co.	100.00	E/2 Sec 36- 28N-13W	320.00	1.16546
(8)	078072 2-1-48	Louise M. Phillips	Robert Mims	100.00	E/2 Sec 11- 28N-13W	(137.78)	-
9	078106 12-1-47	Sunray Mid-Continent Oil Co.	Sunray Mid-Continent Oil Company	100.00	Sections 15, 17, 18, NW/4 Sec 19; NW/4 and SE/4 Sec 21; NW/4 Sec 22-28N-12W	2,536.94	9.23970
10	078109 2-1-48	Sunray Mid-Continent Oil Company	Sunray Mid-Continent Oil Company	100.00	Sec. 31; SE/4 1, 801.19 Sec 33-29N- 12W, Sections 7, 8, 10, W/2 Sec 9; Lots 3 & 4 Sec. 11-28N-12W	6.56005	

EXHIBIT "B"
PICTURED CLIFFS PARTICIPATING AREA OWNERSHIP
GALEGOS CANYON UNIT, SAN JUAN COUNTY, NEW MEXICO
AS OF
MAY 1, 1959

<u>Unit Tract & Date of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract Owner</u>	<u>Percent</u>	<u>Acres Included Description</u>	<u>Amount</u>	<u>Percent Participation</u>
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FEDERAL LANDS

1	NM-014376	Devonian Gas and Oil Company	Devonian Gas & Oil Co.	100.00	N/2 S/2 Sec 160.00	.58273
4	NM-03654 2-1-51	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.000	NE/4 NE/4 Sec 26-29N-13W	.14568
6	077966 2-1-48	Aztec Oil and Gas Company	Aztec Oil & Gas Company	100.00	Sec 24 and SE/4 Sec 14- 28N-13W	2.91365
7	077967 2-1-46	Southern Union Gas Company	Southern Union Gas Co.	100.00	E/2 Sec 36- 28N-13W	1.16546
(8)	078072 2-1-48	Louise M. Phillips	Robert Mims	100.00	E/2 Sec 11- 28N-13W	-
9	078106 12-1-47	Sunray Mid-Continent Oil Co.	Sunray Mid-Continent Oil Company	100.00	Sections 15, 17, 18, NW/4 Sec 19; NW/4 and SE/4 Sec 21; NW/4 Sec 22-28N-12W	9.23970
10	078109 2-1-48	Sunray Mid-Continent Oil Company	Sunray Mid-Continent Oil Company	100.00	Sec. 31; SE/4 Sec 33-29N- 12W; Sections 7, 8, 10, W/2 Sec 9; Lots 3	6.56005

<u>Unit Tract Number</u>	<u>Serial No. & Date Of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract</u>	<u>Acres Included</u>	<u>Percent Participation</u>
<u>FEDERAL LANDS</u>					
11-A	078209-B 10-1-49	George J. Darnelle	George J. Darnelle	100.00	S/2 NE/4 Sec 33-29N- 12W 80.00 .29137
11-B	078209 10-1-49	American Petrofina Inc.	American Petrofina Inc.	100.00	NE/4 NE/4, NE/4 SE/4 and Lot 4 Sec 30-29N- 12W 119.68 .43588
16	078807-A 4-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	Lots 1, 2, 3, 4 and S/2 S/2 of Sec 12; Sec 13; NE/4 Sec 14-28N- 13W 1075.40 3.91668
17	078828 8-1-49	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NE/4 NE/4, SW/4 NE/4 Sec. 14, NE/4 Sec 22 W/2 NW/4 Sec 23, SE/4 Sec 29-28N- 12W 480.00 1.74819
17-A	078828-A 8-1-49	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	W/2 S/2 S/2 Sec 11; SW/4 Sec 14, Sec 27; Sec 28; NE/4 Sec 29-28N- 12W 1680.00 6.11867

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
FEDERAL LANDS							
18	078903-A 2-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	Sec. 34-28N-12W	640.00	2.33092
18-A	078903 2-1-48	George J. Darnelle	George J. Darnelle	100.00	Sec 35; Sec 36-28N-12W	1280.00	4.66184
18-B	078903-A 2-1-48	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	Sec 33-28N-12W	640.00	2.33092
19	078904 2-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	E/2, SW/4, E/2 NW/4 Sec 23; Sec 24; Sec 26-28-N-12W	1840.00	6.70140
19-A	078904 2-1-48	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	Sec 25-28N-12W	640.00	2.33092
20	078905 7-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NW/4, NW/4 NE/4, SE/4 NE/4, SE/4 Sec 14; S/2 Sec 22; Lots 3&4, E/2 SW/4 Sec 31-28N-12W	872.00	3.17588
21	078926 5-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	S/2 NW/4, S/2 Sec 25; W/2 NE/4, SE/4 NE/4 Sec 26; Sec 35-29N-13W	1160.00	4.22480

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
<u>FEDERAL LANDS</u>							
21-A	078926-A 5-1-48	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	S/2, NW/4 Sec 26-29N- 13W	480.00	1.74819
22	078949 2-1-48	L. B. Hodges	L. B. Hodges	100.00	E/2 NW/4, NW/4 NE/4 Sec 19-29N- 12W	120.00	.43705
24	079244 5-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NW/4 Sec 20- 28N-12W	160.00	.58273
24-A	079244-A 5-1-48	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NE/4 Sec 19 28N-12W	160.00	.58273
25	079346 5-1-49	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SE/4 Sec 32 28N-12W	160.00	.58273
25-A	078902 2-1-48	George J. Darnelle	George J. Darnelle	100.00	Sec 4; Lots 800.62 1&2, S/2 NE/4 Sec 5-27N-12W		2.91591
25-B	079346-A 5-1-49	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	N/2, SW/4 Sec 32-28N- 12W	480.00	1.74819
34	080723 1-1-50	Pan American Petroleum Corp.	Edward J. Johnson	100.00	E/2 NE/4, NE/4 SE/4 Sec 19; N/2 S/2, SE/4 SE/4 Sec 20-29N-12W	320.00	1.16546

Unit Tract Number	Serial No. & Date of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
<u>FEDERAL LANDS</u>							
35-A	080844 10-1-51	George J. Darnelle	George J. Darnelle	100.00	S/2 Sec 31 28N-11W	317.39	1.15596
36	080862 7-1-50	Elma R. Jones	Elma R. Jones	100.00	NE/4 SE/4, NE/4 SW/4 Sec 29-29N- 12W	80.00	.29137
159	SF-078902-A 2-1-48	Pan American Petroleum Corporation George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	N/2 Sec 9 27N-12W	320.00	1.16546
160	SF-080111	Pan American Petroleum Corporation George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	Lots 3, 4&5, SE/4 NW/4 Sec 6-27N- 12W	152.04	.55374
<u>INDIAN LEASES</u>							
37	I-149- Ind-8474	Glenn J. Smith	Glenn J. Smith	100.00	Lots 1&2, S/2 SE/4 Sec 9; N/2 Sec 16-28N- 12W	456.24	1.66166
38	I-149- Ind. 8475	The Texas Company	The Texas Company	100.00	S/2 Sec 16; NE/4, SW/4 Sec 21-28N- 12W	640.00	2.33092

<u>Unit Tract Number</u>	<u>Serial No. & Date Of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract Owner</u>	<u>Percent</u>	<u>Acres Included Description</u>	<u>Amount</u>	<u>Percent Participation</u>
<u>INDIAN LEASES</u>							
39	I-149- Ind 8476	The Texas Company	The Texas Company	100.00	S/2 Sec 19; S/2, NE/4 Sec 20-28N-12W	792.62	2.88677
40	I-149- Ind-8477	The Texas Company	The Texas Company	100.00	W/2 Sec 29- 28N-12W	320.00	1.16546
41	I-149- Ind-8478	The Texas Company	The Texas Company	100.00	N/2, SE/4 Sec 31-28N-12W	472.00	1.71906
42	I-149- Ind-8470	Aztec Oil & Gas Company	Aztec Oil & Gas Co.	100.00	Sec 30-28N-12W	624.60	2.27484
43	I-149- Ind-8471	Pan American Petroleum Corp. Southern Union Gas Company	Southern Union Gas Co.	100.00	E/2 Sec 25- 28N-13W	320.00	1.16546
45	I-149- Ind-8486	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SE/4 NE/4 Sec. 32; NE/4 NW/4, S/2 NW/4, SW/4 Sec 33- 29N-12W	320.00	1.16546
162	Indian Pat. Allotment No. 059132 5-27-50	The Texas Company	The Texas Company	100.00	Lots 1&2, S/2 NE/4 Sec 6- 27N-12W	159.88	.58230

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
STATE LEASES							
46-A	E-2447 2-10-54	Pan American Petroleum Corp.	Pan American Pet. Corp. George J. Darneille	50.00 50.00	SW/4, NE/4, NE/4 SW/4 Sec 32-29N- 12W, NW/4, NE/4 Sec 36 29N-13W	120.00	•43705
62	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	NW/4, NW/4 Sec 32-29N- 12W	40.00	•14568
63	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal & Oil Co.	100.00	SW/4, NW/4 Sec 32-29N- 12W	40.00	•14568
64	B-10405-24 6-24-53	Pan American Petroleum Corp.	Pan American Pet. Corp. George J. Darneille	50.00	SE/4, NW/4 Sec 32-29N- 12W	40.00	•14568
65	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	NW/4, SW/4 Sec 32-29N- 12W	40.00	•14568
66	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	SE/4, SW/4 Sec 32-29N- 12W	40.00	•14568
67	B-11318-10 6-26-54	Brookhaven Oil Company	Brookhaven Oil Company	100.00	SW/4, SW/4 Sec 32-29N- 12W	40.00	•14568

MAIN OFFICE 000

<u>Unit Tract Number</u>	<u>Serial No. & Date of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract</u>	<u>Acres Included</u>	<u>Participation</u>
			<u>Owner</u>	<u>Percent</u>	<u>Description</u> <u>Amount</u>
<u>STATE LEASES</u>					
68	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal & Oil Co.	100.00	NW/4 SE/4 Sec 32-29N- 12W 40.00 .14563
69	E-2754 7-8-54	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	SW/4 SE/4 Sec 32-29N- 12W 40.00 .14568
70	B-10405-9 6-24-53	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	NE/4 SE/4 Sec 32-29N- 12W 40.00 .14568
71	B-10405-27 6-24-53	Brookhaven Oil Company	Brookhaven Oil Company	100.00	SE/4 SE/4 Sec 32-29N- 12W 40.00 .14568
78	B-9104-4 4-30-51	American Petrofina Inc.	American Petrofina Inc.	100.00	SE/4 NW/4 Sec 36-29N- 13W 40.00 .14568
(82)	E-3374-1 3-13-50	Pubco Development Co.	Pubco Development Co.	100.00	NE/4 NE/4 Sec 36-29N- 13W (40.00) -
83	E-5462 8-10-51	T&P Coal and Oil Co.	T&P Coal and Oil Co.	100.00	NE/4 NW/4 Sec 36-29N- 13W 40.00 .14568
84	B-11017-8 2-18-54	Brookhaven Oil Co.	Brookhaven Oil Co.	100.00	W/2 NW/4 Sec 36-29N- 13W 80.00 .29137

<u>Unit Tract Number</u>	<u>Serial No. & Date Of Lease</u>	<u>Record Owner</u>	<u>Working Interest Ownership in Tract Owner</u>	<u>Percent</u>	<u>Acres Included Description</u>	<u>Amount</u>	<u>Percent Participation</u>
<u>STATE LEASES</u>							
85	E-331-9 5-16-50	Brookhaven Oil Company	Brookhaven Oil Co.	100.00	NW/4 SW/4 Sec 36-29N-13W	40.00	.14568
86	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	SE/4 NE/4 Sec 36-29N-13W	40.00	.14568
87	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	SW/4 NE/4 Sec 36-29N-13W	40.00	.14568
88	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	NE/4 SW/4 Sec 36-29N-13W	40.00	.14568
89	E-5462 8-10-51	T&P Coal and Oil Company	T&P Coal and Oil Co.	100.00	NW/4 SE/4 Sec 36-29N-13W	40.00	.14568
90	B-11017 2-18-54	Pan American Pet. Corp.	Pan American Pet. Corp. George J. Darneille	50.00 50.00	NE/4 SE/4 Sec 36-29N-13W	40.00	.14568
91	B-11017-15 2-18-54	Pan American Pet. Corp.	Pan American Pet. Corp. George J. Darneille	50.00 50.00	SW/4 SW/4 Sec 36-29N-13W	40.00	.14568
92	B-11017-11 2-18-54	Brookhaven Oil Company	Brookhaven Oil Company	100.00	SE/4 SW/4 Sec 36-29N-13W	40.00	.14568
93	B-11017-1 2-18-54	E. H. Colby	E. H. Colby	100.00	SW/4 SE/4 Sec 36-29N-13W	40.00	.14568

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
STATE LEASES							
94	E-2526 3-10-54	Delta Oil Co. of Utah	Delta Oil Co. of Utah	100.00	SE/4 SE/4 Sec 36-29N-13W	40.00	.14568
PATENTED LEASES							
105	9-17-47	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	W 12 Ac. NW/4 NW/4 Sec 24-29N-13W	12.00	.04371
106	3-13-47	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00	E 28 Ac. NW/4 NW/4 Except 2 Ac on Eastern Edge Sec 24-29N-13W	26.00	.09469
106-A	12-3-52	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	E 2 Ac. NW/4 NW/4 Sec 24-29N-13W	2.00	.00729
107	3-8-47	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NE/4 NW/4 Sec 24-29N-13W	40.00	.14568
108	3-8-47	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00	S/2 NW/4, SW/4 NE/4, except 3 Ac in NW Corner, Sec 24-29N-13W	117.00	.42612
108-A	12-6-47	Pan American Petroleum Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00	3 Ac in NW Corner of SW/4 NW/4 Sec 24-29N-13W	3.00	.01093
109	10-3-56	Pan American Petroleum Corp.	Pan American Pet. Corp.	100.00	NW/4 NE/4 except 1/2 Ac in Extreme SE Corner, Sec 24-29N-13W	39.50	.14386

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
<u>PATENTED LEASES</u>							
110	9-8-48	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	E/2 NE/4 Except East 5 Ac of SE/4 NE/4 Sec 24-29N-13W	75.00	.27316
111	12-3-47	George J. Darnelle	George J. Darnelle	100.00	1/2 Ac South of Public Road in SE Corner NW/4 NE/4 Sec 24-29N-13W	.50	.00182
112	5-15-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	S/2 S/2 Sec 24, N/2 598.93 N/2 Sec 25-29N-13W, NW/4 NE/4, SE/4 NW/4, S/2 NE/4, N/2 NW/4 Sec 30, SW/4 SW/4 Sec 19-29N-12W	2.18134	
113	2-24-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SW/4 NE/4 Sec 25- 29N-13W, W/2 SW/4, SE/4 SW/4 Sec 29-29N-12W	160.00	.58273
114	2-11-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SE/4 NE/4 Sec 25- 29N-13W, SW/4 NW/4, N/2 SW/4 Sec 30- 29N-12W	159.12	.57953
117	8-17-48	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SE/4 SE/4 Sec 19, W/2 SW/4 SW/4 Sec 20-29N-12W	60.00	.21852
118 & 118-A	5-8-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	75.00 25.00	E 60 Ac of E/2 SW/4 Sec 19-29N- 12W	60.00	.21852
119	9-17-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	West 20 Ac E/2 SW/4 Sec 19-29N-12W	20.00	.07284

Unit Tract Number	Serial No. & Date Of Lease	Record Owner	Working Interest Ownership in Tract		Acres Included		Percent Participation
			Owner	Percent	Description	Amount	
120	2-8-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	W/2 NW/4, West 23.46 Ac of NW/4 SW/4 Sec 19-29N-12W, East 5 Ac of SE/4 NE/4 Sec 24-29N-13W	107.31	.39083
121	9-17-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	East 16 Ac of NW/4 SW/4 Sec 19-29N- 12W	16.00	.05827
122	2-12-51	Pan Am. Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	W/2 SE/4, SW/4 NE/4 Sec 19-29N- 12W	120.00	.43705
123	2-11-47	Pan Am. Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	SE/4 SE/4, W/2 SE/4, SE/4 SW/4 Sec 30-29N-12W	160.00	.58273
124	10-13-52	Pan Am. Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	N/2 NE/4, NE/4 NW/4 Sec 32; NW/4 SE/4, S/2 SE/4 Sec 29; NW/4 NW/4 Sec 33 -29N-12W	280.00	1.01978
125	8-17-48	Pan Am. Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NE/4 Sec 29; SW/4 SE/4 Sec 20-29N-12W	200.00	.72841
126	1-31-47	Pan Am. Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	NW/4 Sec 29, SE/4 SW/4 Sec 20-29N-12W	200.00	.72841

Unit Tract Number	Serial No. & Date of Lease	Record Owner	Working Interest Ownership in Tract Owner	Percent	Acres Included Description	Amount	Percent Participation
PATENTED LEASES							
127	8-17-58	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	E/2 SW/4 SW/4 Sec 20-29N-12W	20.00	.07284
144	3-12-47	Pan American Pet. Corp. George J. Darnelle	Pan American Pet. Corp. George J. Darnelle	50.00 50.00	N/2 NE/4 Sec 33- 29N-12W	80.00	.29137
164	5-10-51	Taylor and Locke Drilling Co.	Taylor & Locke Drilling Co.	100.00	Lots 3 & 4, S/2 NW/4 Sec 5-27N-12W	(159.94)	-

R E C A P I T U L A T I O N

Type Of Acreage	Total Acreage	Committed Acreage	Percent Participation
Federal Lands	19,853.04	19,715.26	71.80426
Indian Land	4,105.34	4,105.34	14.95193
State Land	1,120.00	1,080.00	3.93338
Patented Land	2,716.30	2,556.36	9.31043
	<u>27,794.68</u>	<u>27,456.96</u>	<u>100.00000</u>

Note: All interest shown in the above schedule as owned by George J. Darnelle is presently a matter of litigation. The interest will be adjusted as necessary once litigation of this matter has been settled.

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT

DIVISION PRODUCTION SUPERINTENDENT

June 2, 1959

File: GWK-4251-416 x 993.1

Subject: Effective Date for Revision
of Participation, Pictured
Cliffs Participating Area,
Gallegos Canyon Unit

Director (6)
United States Geological Survey
C/O Oil and Gas Supervisor
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Pictured Cliffs Participating
Area Owners
(See Attached Addressee List)

Gentlemen:

Pan American Petroleum Corporation by letter of April 23, 1959, File: GWK-4127-416 x 993.1, submitted a revised ownership schedule for the Pictured Cliffs Participating Area reflecting joinder by both the working interest and royalty owners of Tract 69 and 109. Notice was given that the subject revision of participation would be effective May 1, 1959 unless some objection was received. Notice has been received from the U.S.G.S. that papers necessary to establish effective commitment were filed with the Supervisor during the month of March, 1959, and consequently, in compliance with Article 24 of the Unit Agreement the effective date of commitment should have been April 1, 1959 rather than May 1, 1959. Notice is hereby given that the effective date of the subject revision of participation is April 1, 1959 and you are asked to kindly revise your records accordingly.

Very truly yours,



AJI:lj
Attachment

MAILING LIST PICTURED CLIFFS OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

Aztec Oil and Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Brookhaven Oil Company
P. O. Box 396
Scottsdale, Arizona

E. H. Colby
45 Woodstock
Crystal Lake, Illinois

George J. Darneille
5521 Bordley
Houston, Texas

Devonian Gas and Oil Company
2003 Commonwealth Building
Pittsburg 22, Pennsylvania

L. B. Hodges
P. O. Box 671
Roswell, New Mexico

Edward J. Johnson
223 Greenbank Avenue
Piedmont 10, California

Elman R. Jones
764 Twentieth Avenue
San Francisco, California

Delta Oil Company of Utah
1225 Newhouse Hotel
Salt Lake City, Utah

Glenn J. Smith
First National Building
Tulsa, Oklahoma

Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. R. T. Maxwell

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth 1, Texas

American Petrofina Company of Texas
P. O. Box 2159
Dallas 21, Texas

In reply refer to
Unit Division

May 28, 1959

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

File
Case
247
↓

Re: Gallegos Canyon Unit
San Juan County, New Mexico

ATTENTION: Mr. E. V. Hewitt

Gentlemen:

We received your letter dated April 23, 1959 to which you attached a revised Exhibit "B" Pictured Cliffs Participating Ownership, Gallegos Canyon Unit, San Juan County, New Mexico, effective May 1, 1959.

In reviewing this exhibit, we find 25 state tracts listed. There are ten of these tracts which do not have a lease number or date listed. This omission of lease numbers occurs only on State tracts. We wonder how you can know the record owner when apparently you do not have a record of the lease. Furthermore, four state tracts have listed George J. Darrielle under the record owner. Our records do not reflect Mr. Darrielle as being an owner of record on any of the four tracts. This is certainly of concern to this office especially in view of your "note" on Page 13 of this Exhibit, in regard to George J. Darneille's interests being under litigation.

We do not feel we should consider this Exhibit "B" adequate and will expect to hear from you immediately.

C
O
P
Y

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

5-28-59
(Page 2.)

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m
cc:

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

C
O
P
Y

In reply refer to:
Unit Division

May 28, 1959

Pan American Petroleum Corporation
P. O. Box 487
Farmington, New Mexico

ATTENTION: Mr. Ben R. Kee

Re: Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

We have received an original and three photostatic copies of ratification and joinder, executed by Hugh J. Mitchell and Raimonda Mitchell for tract No. 69 State of New Mexico, Lease No. E-2754 covering the SW/4SE/4 of Section 32, Township 29-North, Range 12-West.

This ratification was executed October 19, 1958 and received in this office May 25, 1959, however, this acreage was assigned by Hugh J. Mitchell by assignment No. 2, January 5, 1959. We wish to know if this ratification was filed with the United States Geological Survey and if so what date. Was the Unit Operating Agreement ratified. What date is Pan American requesting this office to consider this acreage committed.

You refer to the date and fact that this ratification was recorded in San Juan County. This office is in no way concerned as to such filing, but we are of the opinion that it should be of much more importance to the Unit Operator to have this on record in the Unit Division and on your lease.

We called Pan American's Farmington Office, May 26, 1959, in our usual manner, however, Mr. Kee was in conference and did not return our call.

File
Case
247
↓

C
O
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Y

In reply refer to:
Unit Division

May 28, 1959

Pan American Petroleum Corporation
P. O. Box 487
Farmington, New Mexico

ATTENTION: Mr. Ben R. Kee

Re: Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

We have received an original and three photostatic copies of ratification and joinder, executed by Hugh J. Mitchell and Raimonda Mitchell for tract No. 69 State of New Mexico, Lease No. E-2754 covering the SW/4SE/4 of Section 32, Township 29-North, Range 12-West.

This ratification was executed October 19, 1958 and received in this office May 25, 1959, however, this acreage was assigned by Hugh J. Mitchell by assignment No. 2, January 5, 1959. We wish to know if this ratification was filed with the United States Geological Survey and if so what date. Was the Unit Operating Agreement ratified. What date is Pan American requesting this office to consider this acreage committed.

You refer to the date and fact that this ratification was recorded in San Juan County. This office is in no way concerned as to such filing, but we are of the opinion that it should be of much more importance to the Unit Operator to have this on record in the Unit Division and on your lease.

We called Pan American's Farmington Office, May 26, 1959, in our usual manner, however, Mr. Kee was in conference and did not return our call.

File
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Pan American Petroleum Corp.
P. O. Box 487
Farmington, New Mexico

5-28-59
(Page 2.)

We will retain this ratification and our record will remain unposted until such time as Pan American wish to clarify this matter.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public
Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m
cc:

Pan American Pet. Corp.
Oil and Gas Building
Fort Worth, Texas

United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

C
O
P
Y

In reply refer to:
Unit Division

April 27, 1959

C
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Y

Pan American Petroleum Corporation
P. O. Box 1714
Albuquerque, New Mexico

ATTENTION: Mr. Ben R. Kee, District Landman

Re: GALLEGOS CANYON UNIT
Leases OG-1531 and OG-1045
San Juan County, New Mexico

Gentlemen:

We have received the two carbon copies of Ratifications and Joinder of Unit Agreement covering Lot 4 in Section 18, Township 27-North, Range 11-West, San Juan County, New Mexico, being Tract No. 53 of the Gallegos Canyon Unit, Lease No. OG-1531, which was executed by Pan American on February 23, 1959.

Also attached were two carbon copies of Ratification and Joinder of Unit Agreement covering the SE/4SW/4, SW/4SE/4, Section 7, Township 28-North, Range 11-West, and the NE/4SW/4 of Section 18, Township 28-North, Range 11-West, San Juan County, New Mexico, being Tracts No. 49, 50 and 52 of the Gallegos Canyon Unit, Lease No. OG-1045, which was executed by Pan American on January 15, 1959.

The effective date of these ratifications shall be as of the 1st day of the month following filing with the United States Geological Survey.

We are returning to you several extra copies of these ratifications as we have enough for our files.

Our records have been changed accordingly.

Pan American Petroleum Corporation
P. O. Box 1714
Albuquerque, New Mexico

4-27-59
(Page 2.)

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/m

cc: USGS- Roswell
OCC- Santa Fe

C
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Y

File-247

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT

DIVISION PRODUCTION SUPERINTENDENT

April 23, 1959

File: GWK-4127-416 x 993.1

Subject: Revision of Participation
Pictured Cliffs Participating
Area, Gallegos Canyon UnitDirector
United States Geological Survey
C/O Oil and Gas Supervisor
P. O. Box 6721
Roswell, New MexicoCommissioner of Public Lands
The State of New Mexico
Capitol Annex Building
Santa Fe, New MexicoOil Conservation Commission of
The State of New Mexico
Capitol Annex Building
Santa Fe, New MexicoAll Pictured Cliffs Participating
Area Owners
(See Attached Addressee List)

Gentlemen:

Pursuant to Section 24 of the Gallegos Canyon Unit Agreement subsequent joinder has been made by both the working interest and royalty owners in Tracts 69 and 109 of the Pictured Cliffs Participating Area. Evidence of such joinder has recently been submitted by Pan American's Albuquerque, New Mexico Office.

Attached hereto is a revised ownership schedule for the Pictured Cliffs Participating Area to be effective May 1, 1959. It is presumed in accordance with the Unit Agreement that this revised schedule will be effective unless we are otherwise notified by your respective offices.

Very truly yours,

AJI:lj
Attachment

PAN AMERICAN PETROLEUM CORPORATION

Fort Worth, Texas
April 16, 1959

File: GWK-4086-416 x 993.1

Subject: 1959 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

This is to advise that the 1959 Plan of Development for the Gallegos Canyon Unit, San Juan County, New Mexico was approved as follows:

- (1) Approved by the U.S.G.S. on March 23, 1959.
- (2) Approved by the Commissioner of Public Lands of the State of New Mexico on February 3, 1959.
- (3) Approved by the Oil Conservation Commission of the State of New Mexico on January 7, 1959.

Copies of this letter and one approved copy of the 1959 Plan of Development are being sent to the working interest owners shown on the attached list.

Very truly yours,

AJI:lj
Attachment

MAILING LIST OF WORKING INTEREST OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

Aztec Oil and Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Mary Roberts Berry
208 E. Washington Street
Washington, Iowa

Brookhaven Oil Company
P. O. Box 396
Scottsdale, Arizona

E. H. Colby
45 Woodstock
Crystal Lake, Illinois

B. H. and Dyvena Crawford
Bloomfield
New Mexico

George J. Darneille
5521 Bordley
Houston, Texas

Devonian Gas and Oil Company
2003 Commonwealth Building
Pittsburg 22, Pennsylvania

Phillip Gates
802 N. LaBrea Avenue
Englewood, California

Ernest A. Hanson
P. O. Box 852
Roswell, New Mexico

L. B. Hodges
P. O. Box 671
Roswell, New Mexico

Edward J. Johnson
223 Greenbank Avenue
Piedmont 10, California

Elman R. Jones
764 Twentieth Avenue
San Francisco, California

Nathan Kessler
5900 States Drive
Oakland, California

George H. Krause, et al
P. O. Box 1107
Colorado Springs, Colorado

Charles and Eunice McDonald
3130 W. Pierce
Phoenix, Arizona

Delta Oil Company of Utah
1225 Newhouse Hotel
Salt Lake City, Utah

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attention: Mr. Donald L. Anderson

M. H. and Eula Stark
Route 3
Farmington, New Mexico

Petro-Atlas Corporation
First National Building
Tulsa 3, Oklahoma

John J. Redfern, Jr.
Box 1747
Midland, Texas

H. K. Riddle
65 East 4th South
Salt Lake City, Utah

Robb Woods
501 W. Grand River Street
Clinton, Missouri

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. T. F. Thompson

Glenn J. Smith
First National Building
Tulsa, Oklahoma

Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

Summit Oil Company
Burt Building
Dallas, Texas

Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

Arthur W. Sunter
2210 Tenth Street
Berkeley, California

The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. R. T. Maxwell

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth 1, Texas

John H. Trigg
P. O. Box 5629
Roswell, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

P.O. Box 1714
Albuquerque, New Mexico
April 15, 1959

Re: AFE 8939
Leases 170345
and 170390
Gallegos Canyon Unit
San Juan County,
New Mexico

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

File
247

Gentlemen:

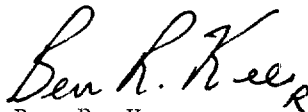
Enclosed for your files and information is a photo copy of Ratification and Joinder of Unit Agreement executed by Pan American on January 15, 1959 and covering the acreage under State of New Mexico lease OG-1045, being Tracts 49, 50 and 52 of the Gallegos Canyon Unit. Also attached is a photorapid copy of Ratification and Joinder of Unit Agreement executed on February 23, 1959 by Pan American and covering the acreage under State of New Mexico lease OG-1531, being Tract No. 53 of the Gallegos Canyon Unit.

We have furnished copies of the above described Ratifications to the Commissioner of Public Lands and the United States Geological Survey in order to effectively commit these two leases to the Gallegos Canyon Unit.

Please advise us if you have any questions or desire additional information in connection with these two instruments.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


Ben R. Kee
District Landman

RKR/jln

Encl.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico dated the 1st day of November, 1950, in form approved on behalf of the Secretary of the Interior, the undersigned, whether one or more, hereby expressly joins said Unit Agreement and ratifies, approves and adopts said Agreement, its terms and any modifications thereof.

This ratification and joinder shall be effective as to the undersigned's interest in any lands and leases or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unmineral substances, covering any of the following described land:

~~Tracts 14, 20 and 21;~~
NE 1/4 NW 1/4, Section 7, and NE 1/4 NW 1/4, Section 15,
Township 28 North, Range 11 West, N.M.P.M., San Juan County,
New Mexico.

It is the intent of the parties to describe above all the lands in the Unit Area in which the undersigned has any interest, but if the undersigned shall be found to have any interests as above described in any additional lands within the Unit Area, the undersigned expressly joins said Unit Agreement and fully ratifies, approves, and adopts it as to said additional lands and interests even though they may not be specifically described above.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns, or successors in interest.

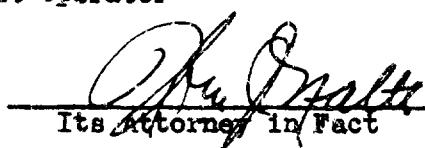
EXECUTED as of the 15 day of January, 1959.

ATTEST:


Assistant Secretary

PAN AMERICAN PETROLEUM CORPORATION
Working Interest Owner and
Unit Operator

By


Its Attorney in Fact

APPROVED

THE STATE OF _____
COUNTY OF _____

On this _____ day of _____, 1959, before me personally appeared _____, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 1959.

My Commission Expires:

Notary Public in and for

County,

THE STATE OF _____
COUNTY OF _____

On this _____ day of _____, 1959, before me personally appeared _____, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 1959.

My Commission Expires:

Notary Public in and for

County,

THE STATE OF TEXAS)
COUNTY OF TARRANT)

On this 10 day of April, 1959, before me personally appeared Wm. J. Nolte, to me personally known, who, being by me duly sworn, did say that he is the Attorney in Fact of PAN AMERICAN PETROLEUM CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Wm. J. Nolte acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10 day of April, 1959.

My Commission Expires:

6-1-59

Edwin M. Agnes
Notary Public in and for
Tarrant County, Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico dated the 1st day of November, 1950, in form approved on behalf of the Secretary of the Interior, the undersigned, whether one or more, hereby expressly joins said Unit Agreement and ratifies, approves and adopts said Agreement, its terms and any modifications thereof.

This ratification and joinder shall be effective as to the undersigned's interest in any lands and leases or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any of the following described land:

Township 28 North, Range 11 West,
N.M.P.M., San Juan County, New Mexico

Section 18: Lot 4

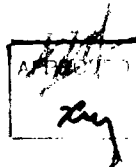
It is the intent of the parties to describe above all the lands in the Unit Area in which the undersigned has any interest, but if the undersigned shall be found to have any interests as above described in any additional lands within the Unit Area, the undersigned expressly joins said Unit Agreement and fully ratifies, approves, and adopts it as to said additional lands and interests even though they may not be specifically described above.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns, or successors in interest.

EXECUTED as of the 23rd day of February, 1959.

ATTEST:

Karl R. Garlsmith
Assistant Secretary



PAN AMERICAN PETROLEUM CORPORATION
Working Interest Owner and
Unit Operator

By [Signature]
Its Attorney in Fact

THE STATE OF Texas)
COUNTY OF Tarrant)

On this 23rd day of February, 1959, before me personally appeared Wm. J. Rolte, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23rd day of February, 1959.

My Commission Expires:

June 1, 1959

Velma B. Craft
Notary Public in and for
Tarrant County,
Texas

VELMA B. CRAFT

THE STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1959, before me personally appeared _____, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 1959.

My Commission Expires:

Notary Public in and for

County,

THE STATE OF TEXAS)
COUNTY OF TARRANT)

On this _____ day of _____, 1959, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the Attorney in Fact of PAN AMERICAN PETROLEUM CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 1959.

My Commission Expires:

Notary Public in and for
Tarrant County, Texas

P. O. Box 6721
Roswell, New Mexico

March 23, 1959

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Gentlemen:

Your Plan of Development for 1959, dated December 29, 1958, for the Gallegos Canyon unit area, I-Sec. No. 844, San Juan County, New Mexico, which proposes the drilling of two Dakota formation wells, has been approved on this date subject to like approval by the appropriate State Officials.

Three approved copies of the plan are enclosed.

Very truly yours,



EDWIN M. THOMASSON
Acting Oil and Gas Supervisor

Enclosures 3

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (letter only) ✓
Comm. of Pub. Lands, Santa Fe (letter only)

STATION OFFICE OCC

REC FEB 5 AM 8:09

In reply refer to:
Unit Division

February 3, 1959

File
247

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

ATTENTION: Mr. E. V. Hewitt

Re: 1959 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

The Commissioner of Public Lands has of this date approved the 1959 Plan of Development for the Gallegos Canyon Unit Area- subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

We enclose two executed copies and upon complete approval please return one fully executed copy to this office.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMM/m

cc:

OCC- Santa Fe
USGS- Roswell

C
O
P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 7, 1959

File
247

C
O
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Y

Pan American Petroleum Corporation
Oil And Gas Building
Fort worth, Texas

ATTENTION: Mr. E. V. Hewitt

RE: 1959 Plan of Development
Gallegos Canyon Unit San
Juan County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1959 Plan of Development for the Gallegos Canyon Unit San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the application are returned herewith.

Very truly yours,

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

ALP/RLS/ig

cc: State Land Office - Santa Fe
US Geological Survey - Roswell

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

ALEX CLARKE, JR.
DIVISION ENGINEER

December 29, 1958

File: GWK-6079-416

Subject: 1959 Plan of Development
Gallegos Canyon Unit
San Juan County, New
Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, and designated I-Sec. No. 844 Pan American as Unit Operator respectfully submits for your approval a Plan of Development for the calendar year 1959.

History of Past Development - Up to December 31, 1957 there had been 81 wells drilled, of which nine were dry holes, one was a non-commercial Dakota well and 71 were Pictured Cliffs producers. An amended 1958 Plan of Development calling for the completion of two Dakota tests during 1958 was approved by the Supervisor of the United States Geological Survey on July 30, 1958, The Commissioner of Public Lands of the State of New Mexico, and the Oil Conservation Commission of the State of New Mexico July 29, 1958. The subject Dakota wells have been drilled to total depth and testing of the Gallup and Dakota Zones is presently being conducted.

Proposed Additional Wells - It is planned to drill at least two additional Dakota wells during 1959. As it appears that Unit Well No. 84 will be a commercial completion it is planned to drill the next well in the NW/4 Section 25-28N-13W. The location of the second well will be dependent upon results obtained in Unit Well No. 83, and the well to be drilled in Section 25-28N-13W.

We propose to drill no additional Pictured Cliffs wells during 1958 in view of the high risk presently involved in connection with further development of this zone.

December 29, 1958

Well Casing Program - The well casing program will generally follow the program currently used in Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top, partially through or completely through the producing zone.

Off-Set Obligations - Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Gallegos Canyon Unit Agreement, or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 15 of said Agreement.

Further Development - This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1959. Before this plan expires, another plan for further development of the unit area will be submitted.

Modifications - It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

Effective Date - This plan of development shall be effective January 1, 1959.

Dated: December 30, 1958.

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By



E. V. HEWITT

Division Production Superintendent

File: GWK-6079-416

December 29, 1958

Approved: _____ Date _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date _____
Commissioner of Public Lands
State of New Mexico

Approved: A. H. Peter Date Jan 7, 1959
Oil Conservation Commission
State of New Mexico

MAILING LIST OF WORKING INTEREST OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

Aztec Oil and Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Mary Roberts Berry
208 E. Washington Street
Washington, Iowa

Brookhaven Oil Company
P. O. Box 396
Scottsdale, Arizona

E. H. Colby
45 Woodstock
Crystal Lake, Illinois

B. H. and Dyvena Crawford
Bloomfield
New Mexico

George J. Darneille
5521 Bordley
Houston, Texas

Devonian Gas and Oil Company
2003 Commonwealth Building
Pittsburg 22, Pennsylvania

Phillip Gates
802 N. LaBrea Avenue
Englewood, California

Ernest A. Hanson
P. O. Box 852
Roswell, New Mexico

L. B. Hodges
P. O. Box 671
Roswell, New Mexico

Edward J. Johnson
223 Greenbank Avenue
Piedmont 10, California

Elman R. Jones
764 Twentieth Avenue
San Francisco, California

Nathan Kessler
5900 States Drive
Oakland, California

George H. Krause, et al
P. O. Box 1107
Colorado Springs, Colorado

Charles and Eunice McDonald
3130 W. Pierce
Phoenix, Arizona

Delta Oil Company of Utah
1225 Newhouse Hotel
Salt Lake City, Utah

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attention: Mr. Donald L. Anderson

M. H. and Eula Stark
Route 3
Farmington, New Mexico

Petro-Atlas Corporation
First National Building
Tulsa 3, Oklahoma

John J. Redfern, Jr.
Box 1747
Midland, Texas

H. K. Riddle
65 East 4th South
Salt Lake City, Utah

Robb Woods
501 W. Grand River Street
Clinton, Missouri

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. T. F. Thompson

Glenn J. Smith
First National Building
Tulsa, Oklahoma

Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

Summit Oil Company
Burt Building
Dallas, Texas

Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

Arthur W. Sunter
2210 Tenth Street
Berkeley, California

The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. R. T. Maxwell

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth 1, Texas

John H. Trigg
P. O. Box 5629
Roswell, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

FORT WORTH, TEXAS

August 13, 1958

File: GWK-3613-416

Subject: Amended 1958 Plan of Development
for the Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

Pan American Petroleum Corporation, on behalf of the Gallegos Canyon Unit Owners, filed an application for an amended 1958 Plan of Development by letter of July 21, 1958, File: GWK-3549-416. The amended plan was approved by the various regulatory bodies as follows:

United States Geological Survey July 30, 1958

Commissioner of Public Lands, State of
New Mexico July 29, 1958

Oil Conservation Commission, State of
New Mexico July 29, 1958

Yours very truly,

E. V. Hewitt

AJI:cb
Attachment



IN REPLY REFER TO:

UNITED STATES
MAIN OFFICE OCC DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

1958 AUG 4 AM 8:30

P. O. Box 6721
Roswell, New Mexico

July 30, 1958

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Gentlemen:

Your 1958 plan of development, dated July 21, 1958, for the Gallegos Canyon unit area, San Juan County, New Mexico, I-Sec. No. 844, has been approved on this date, subject to like approval by the appropriate officials of the State of New Mexico. The plan proposes the drilling of two Dakota test wells during the calendar year 1958.

Three approved copies of the plan of development are enclosed.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosures 3

Copy to: Wash. (w/cy of plan)
Farmington (w/cy of plan)
Oil Cons. Comm., Santa Fe (ltr only)
Comm. of Public Land, Santa Fe (ltr only)

File
Case no. 24

NEW MEXICO
P. O. BOX 971
SANTA FE, NEW MEXICO

July 29, 1958

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Re: Amended 1958 Plan of
Development for the Gallegos
Canyon Unit, San Juan County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the amended 1958 Plan of Development for the Gallegos Canyon Unit San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the Plan are returned herewith.

Very truly yours,

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

AJP/BLS/ga

cc United States Geological Survey, Roswell
New Mexico State Land Office-Santa Fe

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

July 21, 1958

File: GWK-3549-416

Subject: Amended 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

Pan American Petroleum Corporation filed on December 20, 1957 an application for a 1958 Plan of Development for the Gallegos Canyon Unit, San Juan County, New Mexico. This application was in compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950 and designated I-Sec. No. 844. The subject Plan of Development called for the drilling of one Dakota test well. By letter of June 9, 1958 the U.S.G.S. returned the application unapproved and requested that an additional Dakota well be added. Submitted below is an amended Plan calling for the drilling of two Dakota wells and your approval of this amended plan is respectfully requested.

History of Past Development. Up to December 31, 1956 there had been 79 wells drilled, of which seven were dry holes, one was a non-commercial Dakota well and 71 were Pictured Cliffs producers. The 1957 Plan of Development filed for approval on December 11, 1956 and approved by the Supervisor of the United States Geological Survey February 6, 1957, The Commissioner of Public Lands of the State of New Mexico March 6, 1957 and the Oil Conservation Commission in the State of New Mexico March 1, 1957 called for the drilling of four Pictured Cliffs wells at the following locations:

SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 13, T-29-N, R-13-W

Gallegos Canyon Unit Well No. 77 located in the SW/4 Section 18, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 77 as a dry hole caused the two locations in Section 13 to become undesirable drilling prospects. Title difficulties were encountered in connection with the tract in the NE/4 Section 29, T-29-N, R-12-W and no well could be completed during 1957.

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

July 21, 1958

File: GWK-3549-416

Subject: Amended 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

Pan American Petroleum Corporation filed on December 20, 1957 an application for a 1958 Plan of Development for the Gallegos Canyon Unit, San Juan County, New Mexico. This application was in compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950 and designated I-Sec. No. 844. The subject Plan of Development called for the drilling of one Dakota test well. By letter of June 9, 1958 the U.S.G.S. returned the application unapproved and requested that an additional Dakota well be added. Submitted below is an amended Plan calling for the drilling of two Dakota wells and your approval of this amended plan is respectfully requested.

History of Past Development. Up to December 31, 1956 there had been 79 wells drilled, of which seven were dry holes, one was a non-commercial Dakota well and 71 were Pictured Cliffs producers. The 1957 Plan of Development filed for approval on December 11, 1956 and approved by the Supervisor of the United States Geological Survey February 6, 1957, The Commissioner of Public Lands of the State of New Mexico March 6, 1957 and the Oil Conservation Commission in the State of New Mexico March 1, 1957 called for the drilling of four Pictured Cliffs wells at the following locations:

SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 13, T-29-N, R-13-W

Gallegos Canyon Unit Well No. 77 located in the SW/4 Section 18, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 77 as a dry hole caused the two locations in Section 13 to become undesirable drilling prospects. Title difficulties were encountered in connection with the tract in the NE/4 Section 29, T-29-N, R-12-W and no well could

July 21, 1958

In view of the above a 1957 Amended Plan of Development was filed for approval on November 15, 1957 and approved by the Supervisor of the United States Geological Survey on November 22, 1957, The Commissioner of Public Lands of the State of New Mexico November 22, 1957 and the Oil Conservation Commission in the State of New Mexico November 21, 1957 changing the location of three of the wells to the following:

SW/4 Section 28, T-29-N, R-12-W
NE/4 Section 32, T-29-N, R-12-W
NE/4 Section 33, T-29-N, R-12-W

Subsequent to filing the amended plan Gallegos Canyon Unit Well No. 82 located in the SW/4 Section 28, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 82 renders the two locations in the NE/4 of Sections 32 and 33 undesirable. The above explains the reason we were unable to complete four additional wells as specified by the 1957 Plan of Development.

Proposed Additional Wells. During the calendar year 1958 we plan to drill two Dakota wells in NE/4 Section 26, T-28-N, R-12-W and the NW/4 Section 26, T-28-N, R-13-W. No participating area has been established as yet for the Dakota Zone. We do not plan, at this time, to drill any additional Pictured Cliffs wells during 1958 in view of the two dry holes drilled during 1957 and the high risk involved in further development of this zone.

Well Casing Program. The well casing program will generally follow the program currently used in Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top, partially through or completely through the producing zone.

Off-Set Obligations. Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Gallegos Canyon Unit Agreement, or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 15 of said Agreement.

Further Development. This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1958. Before this plan expires, another plan for further development of the unit area will be submitted.


July 21, 1958

Modifications. It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

Effective Date. This plan of development shall be effective January 1, 1958.

Dated: July 21, 1958

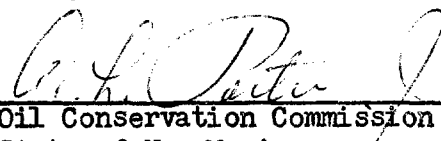
PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By 
E. V. HEWITT
Division Production Superintendent

AJI:lj

Approved: _____ Date _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date _____
Commissioner of Public Lands
State of New Mexico

Approved:  Date 7/29/58
Oil Conservation Commission
State of New Mexico

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT

DIVISION PRODUCTION SUPERINTENDENT

July 7, 1958

File: GWK-3527-416

Subject: 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Dear Sir:

By your letter of June 9, 1958 you returned unapproved Pan American's application for a 1958 Plan of Development for the Gallegos Canyon Unit, San Juan County, New Mexico which proposed the drilling of one Dakota test well and no Pictured Cliffs wells during the calendar year of 1958.

It was requested by your June 9 letter that an additional Dakota test well in Section 26, T-28-N, R-13-W, be added to the 1958 Plan of Development. Pan American is agreeable and intends to submit such a plan to the other working interest owners for their approval. We also plan to request a change in location for the Dakota well originally planned for the SW/4 Section 26, T-28-N, R-12-W to the NE/4, of the same section. The proposed new location will fit the Pictured Cliffs Development pattern and will permit possible completion in the Pictured Cliffs as a salvage zone in the event the Dakota is dry.

It was also requested that two Pictured Cliffs wells be added to the 1958 Plan of Development. You suggested that these wells be drilled in the SW/4 Section 15 and the NE/4 Section 23, T-28-N, R-12-W. A review of Pictured Cliffs development to date and the general gas market situation in the area leads us to conclude that these wells are not justified from an economic or maximum recovery standpoint. As you are aware, the Gallegos Canyon Unit is a portion of the West Kutz Pictured Cliffs Field wherein the total field allowable for the first half of 1958 has averaged approximately 20,200 MCFPD or about 102 MCF per well per day. The Gallegos Canyon Unit receives approximately 35% of this total field allowable. Assuming that an average field well capable of producing an assigned allowable of 102 MCFPD were obtained it would take approximately 56 months to pay out the well. If it is assumed that the total field allowable would not be increased by the drilling of one or two additional wells only about 75 MCFPD allowable would be obtained for each well drilled, and the payout period would be lengthened to approximately 84 months. It is our considered opinion that the wells currently producing in the area of Sections 15 and 23, T-28-N, R-12-W will adequately recover all available gas reserves in that vicinity. Also as pointed out above, the Dakota test

July 7, 1958

planned for Section 26, T-28-N, R-12-W is being located so that it can be completed as an additional Pictured Cliffs well in the event the Dakota is dry.

Based upon the above, we request that you reconsider the matter of further Pictured Cliffs development at this time. A copy of this letter is being sent to the other Working Interest Owners, and their agreement to placing an additional Dakota well on the 1958 Plan of Development is being requested.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. V. Gentry". The signature is written in a cursive, flowing style with a prominent initial "E" and a long, sweeping underline.

AJI:Lj

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

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

All Committed Working Interest Owners in
Unit Area

C _ CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 28, 1958

**Pan American Petroleum Corporation
Box 1414
Fort Worth, Texas**

Attention: Mr. E. V. Hewitt

**Re: 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1958 Plan of Development for the Gallegos Canyon Unit Area, dated December 20, 1957, 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,

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

ALP/RLS/ga

Enclosure

C
O
P
Y

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT

DIVISION PRODUCTION SUPERINTENDENT

December 20, 1957

File: GWK-5088-416

Subject: 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New
Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, approved by the Survey on July 25, 1951, and designated I-Sec. No. 844, Pan American Petroleum Corporation, as Unit Operator, on behalf of itself and the other affected working interest owners, hereby submits for your approval the Plan of Development for the Unit Area for the calendar year 1958.

History of Past Development. Up to December 31, 1956 there had been 79 wells drilled, of which seven were dry holes, one was a non-commercial Dakota well and 71 were Pictured Cliffs producers. The 1957 Plan of Development filed for approval on December 11, 1956 and approved by the Supervisor of the United States Geological Survey February 6, 1957, The Commissioner of Public Lands of the State of New Mexico March 6, 1957 and the Oil Conservation Commission in the State of New Mexico March 1, 1957 called for the drilling of four Pictured Cliffs wells at the following locations:

SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 13, T-29-N, R-13-W

Gallegos Canyon Unit Well No. 77 located in the SW/4 Section 18, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 77 as a dry hole caused the two locations in Section 13 to become undesirable drilling prospects. Title difficulties were encountered in connection with the tract in the NE/4 Section 29, T-29-N, R-12-W and no well could be completed during 1957.

December 20, 1957

In view of the above a 1957 Amended Plan of Development was filed for approval on November 15, 1957 and approved by the Supervisor of the United States Geological Survey on November 22, 1957, The Commissioner of Public Lands of the State of New Mexico November 22, 1957 and the Oil Conservation Commission in the State of New Mexico November 21, 1957 changing the location of three of the wells to the following:

SW/4 Section 28, T-29-N, R-12-W
NE/4 Section 32, T-29-N, R-12-W
NE/4 Section 33, T-29-N, R-12-W

Subsequent to filing the amended plan Gallegos Canyon Unit Well No. 82 located in the SW/4 Section 28, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 82 renders the two locations in the NE/4 of Sections 32 and 33 undesirable. The above explains the reason we were unable to complete four additional wells as specified by the 1957 Plan of Development.

Proposed Additional Wells. During the calendar year 1958 we plan to drill one Dakota well in the SW/4 Section 26, T-28-N, R-12-W. No participating area has been established as yet for the Dakota Zone. We do not plan, at this time, to drill any additional Pictured Cliffs wells during 1958 in view of the two recent dry holes and the high risk involved in further development of this zone.

Two possible Pictured Cliffs locations exist just outside the Unit Area in the NE/4 Section 8 and the SE/4 Section 9, T-28-N, R-12-W. These locations have not been drilled previously due to title difficulties, but it is planned to drill at least one of these wells during 1958. Successful completion of a well in this area would no doubt lead to enlargement of the present Unit Area.

Well Casing Program. The well casing program will generally follow the program currently used in Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top, partially through or completely through the producing zone.

Off-Set Obligations. Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Gallegos Canyon Unit Agreement, or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 15 of said Agreement.

December 20, 1957

Further Development. This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1958. Before this plan expires, another plan for further development of the unit area will be submitted.

Modifications. It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

Effective Date. This plan of development shall be effective January 1, 1958.

Dated: December 20, 1957

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By

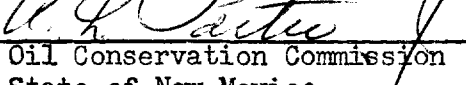

E. V. HEWITT

Division Production Superintendent

AJI:lj

Approved: _____ Date _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date _____
Commissioner of Public Lands
State of New Mexico

Approved:  Date 3/28/58
Oil Conservation Commission
State of New Mexico

MAILING LIST OF WORKING INTEREST OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

* Aztec Oil and Gas Company 920 Mercantile Securities Building Dallas 1, Texas	Ernest A. Hanson P. O. Box 852 Roswell, New Mexico
Benson and Montin 1501 Republic Building Oklahoma City, Oklahoma	John W. Hjertstedt P. O. Box 326 Grand Central Station New York, New York
Mary Roberts Berry 208 E. Washington Street Washington, Iowa	*L. B. Hodges P. O. Box 671 Roswell, New Mexico
* Brookhaven Oil Company P. O. Box 396 Scottsdale, Arizona	*Edward J. Johnson 223 Greenbank Avenue Piedmont, 10, California
Carroll and Cornell Albuquerque Associated Oil Company 824 Simms Building Albuquerque, New Mexico	*L. M. Johnson Box 594 Greensboro, North Carolina
* E. H. Colby 45 Woodstock Crystal Lake, Illinois	*Elma R. Jones 764 Twentieth Avenue San Francisco, California
Thelma Gapen 3601 W. Lincoln Avenue Sacramento, California	Nathan Kessler 5900 States Drive Oakland, California
B. H. and Dyvena Crawford Bloomfield, New Mexico	George H. Krause, et al P. O. Box 1107 Colorado Springs, Colorado
* George J. Darneille 3251 Cold Water Canyon North Hollywood, California	Charles and Eunice McDonald 3130 W. Pierce Phoenix, Arizona
Billie Dunlap Day 302 W. Third Street Roswell, New Mexico	*Pauline S. McNaughton 1423 Madison Street Oakland, California
* Devonian Gas and Oil Company 1406 Keystone Building 324 Fourth Avenue Pittsburg 22, Pennsylvania	*New Mexico Natural Gas Company 918 Simms Building Albuquerque, New Mexico Attention: Clinton C. Seymour, Pres.
Phillip Gates 802 N. LaBrea Avenue Englewood, California	Nilaco Company 1107 Mercantile Securities Building Dallas 1, Texas

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attention: Mr. Donald L. Anderson

*Petro-Atlas Corporation
First National Bldg.
Tulsa 3, Oklahoma

Paul T. Purcell
Box 317
Manhattan Beach, California

Bertha Rahn and Frieda Rahn
1775 Cullom Avenue
Chicago 13, Illinois

John J. Redfern, Jr.
Box 1747
Midland, Texas

H. K. Riddle
Box 129
Payette, Idaho

Otto Schindler
Box 449
Schenectady, New York

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. T. F. Thompson

*Glenn J. Smith
First National Building
Tulsa, Oklahoma

*Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

M. H. and Eula Stark
Route 3
Farmington, New Mexico

Summit Oil Company
Burt Building
Dallas, Texas

*Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

Arthur W. Sunter
2210 Tenth Street
Berkeley, California

*The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. E. W. Lewis

*Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, 1, Texas

John H. Trigg
P. O. Box 5629
Roswell, New Mexico

Robb Woods
501 W. Grand River Street
Clinton, Missouri

* Members of Pictured Cliffs
Participating Area

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

December 20, 1957

File: GWK-5088-416

Subject: 1958 Plan of Development
Gallegos Canyon Unit
San Juan County, New
Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, approved by the Survey on July 25, 1951, and designated I-Sec. No. 844, Pan American Petroleum Corporation, as Unit Operator, on behalf of itself and the other affected working interest owners, hereby submits for your approval the Plan of Development for the Unit Area for the calendar year 1958.

History of Past Development. Up to December 31, 1956 there had been 79 wells drilled, of which seven were dry holes, one was a non-commercial Dakota well and 71 were Pictured Cliffs producers. The 1957 Plan of Development filed for approval on December 11, 1956 and approved by the Supervisor of the United States Geological Survey February 6, 1957, The Commissioner of Public Lands of the State of New Mexico March 6, 1957 and the Oil Conservation Commission in the State of New Mexico March 1, 1957 called for the drilling of four Pictured Cliffs wells at the following locations:

SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 13, T-29-N, R-13-W

Gallegos Canyon Unit Well No. 77 located in the SW/4 Section 18, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 77 as a dry hole caused the two locations in Section 13 to become undesirable drilling prospects. Title difficulties were encountered in connection with the tract in the NE/4 Section 29, T-29-N, R-12-W and no well could be completed during 1957.

December 20, 1957

In view of the above a 1957 Amended Plan of Development was filed for approval on November 15, 1957 and approved by the Supervisor of the United States Geological Survey on November 22, 1957, The Commissioner of Public Lands of the State of New Mexico November 22, 1957 and the Oil Conservation Commission in the State of New Mexico November 21, 1957 changing the location of three of the wells to the following:

SW/4 Section 28, T-29-N, R-12-W
NE/4 Section 32, T-29-N, R-12-W
NE/4 Section 33, T-29-N, R-12-W

Subsequent to filing the amended plan Gallegos Canyon Unit Well No. 82 located in the SW/4 Section 28, T-29-N, R-12-W was completed as a dry hole. The completion of Well No. 82 renders the two locations in the NE/4 of Sections 32 and 33 undesirable. The above explains the reason we were unable to complete four additional wells as specified by the 1957 Plan of Development.

Proposed Additional Wells. During the calendar year 1958 we plan to drill one Dakota well in the SW/4 Section 26, T-28-N, R-12-W. No participating area has been established as yet for the Dakota Zone. We do not plan, at this time, to drill any additional Pictured Cliffs wells during 1958 in view of the two recent dry holes and the high risk involved in further development of this zone.

Two possible Pictured Cliffs locations exist just outside the Unit Area in the NE/4 Section 8 and the SE/4 Section 9, T-28-N, R-12-W. These locations have not been drilled previously due to title difficulties, but it is planned to drill at least one of these wells during 1958. Successful completion of a well in this area would no doubt lead to enlargement of the present Unit Area.

Well Casing Program. The well casing program will generally follow the program currently used in Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top, partially through or completely through the producing zone.

Off-Set Obligations. Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Gallegos Canyon Unit Agreement, or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 15 of said Agreement.

December 20, 1957

Further Development. This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1958. Before this plan expires, another plan for further development of the unit area will be submitted.

Modifications. It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

Effective Date. This plan of development shall be effective January 1, 1958.

Dated: December 20, 1957

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By

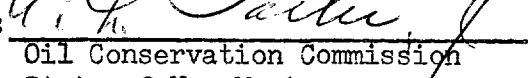

E. V. HEWITT

Division Production Superintendent

AJI:lj

Approved: _____ Date _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date _____
Commissioner of Public Lands
State of New Mexico

Approved:  _____ Date 3/28/58
Oil Conservation Commission
State of New Mexico

MAILING LIST OF WORKING INTEREST OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

* Aztec Oil and Gas Company 920 Mercantile Securities Building Dallas 1, Texas	Ernest A. Hanson P. O. Box 852 Roswell, New Mexico
Benson and Montin 1501 Republic Building Oklahoma City, Oklahoma	John W. Hjertstedt P. O. Box 326 Grand Central Station New York, New York
Mary Roberts Berry 208 E. Washington Street Washington, Iowa	*L. B. Hodges P. O. Box 671 Roswell, New Mexico
* Brookhaven Oil Company P. O. Box 396 Scottsdale, Arizona	*Edward J. Johnson 223 Greenbank Avenue Piedmont, 10, California
Carroll and Cornell Albuquerque Associated Oil Company 824 Simms Building Albuquerque, New Mexico	*L. M. Johnson Box 594 Greensboro, North Carolina
* E. H. Colby 45 Woodstock Crystal Lake, Illinois	*Elma R. Jones 764 Twentieth Avenue San Francisco, California
Thelma Gapen 3601 W. Lincoln Avenue Sacramento, California	Nathan Kessler 5900 States Drive Oakland, California
B. H. and Dyvena Crawford Bloomfield, New Mexico	George H. Krause, et al P. O. Box 1107 Colorado Springs, Colorado
* George J. Darneille 3251 Cold Water Canyon North Hollywood, California	Charles and Eunice McDonald 3130 W. Pierce Phoenix, Arizona
Billie Dunlap Day 302 W. Third Street Roswell, New Mexico	*Pauline S. McNaughton 1423 Madison Street Oakland, California
* Devonian Gas and Oil Company 1406 Keystone Building 324 Fourth Avenue Pittsburg 22, Pennsylvania	*New Mexico Natural Gas Company 918 Simms Building Albuquerque, New Mexico Attention: Clinton C. Seymour, Pres.
Phillip Gates 802 N. LaBrea Avenue Englewood, California	Nilaco Company 1107 Mercantile Securities Building Dallas 1, Texas

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attention: Mr. Donald L. Anderson

*Petro-Atlas Corporation
First National Bldg.
Tulsa 3, Oklahoma

Paul T. Purcell
Box 317
Manhattan Beach, California

Bertha Rahn and Frieda Rahn
1775 Cullom Avenue
Chicago 13, Illinois

John J. Redfern, Jr.
Box 1747
Midland, Texas

H. K. Riddle
Box 129
Payette, Idaho

Otto Schindler
Box 449
Schenectady, New York

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. T. F. Thompson

*Glenn J. Smith
First National Building
Tulsa, Oklahoma

*Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

M. H. and Eula Stark
Route 3
Farmington, New Mexico

Summit Oil Company
Burt Building
Dallas, Texas

*Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

Arthur W. Sunter
2210 Tenth Street
Berkeley, California

*The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. E. W. Lewis

*Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, 1, Texas

John H. Trigg
P. O. Box 5629
Roswell, New Mexico

Robb Woods
501 W. Grand River Street
Clinton, Missouri

* Members of Pictured Cliffs
Participating Area

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 26, 1957

file

Pan American Petroleum Corporation
Oil & Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Re: Amended 1957 Plan of
Development - Gallegos
Canyon Unit - San Juan
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your Amended Plan of Development for the calendar year 1957 for the Gallegos Canyon Unit dated November 15, 1957, subject to like approval by the U. S. Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

DSN:omg

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

C
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IN REPLY REFER TO:

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

November 22, 1957

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Gentlemen:

The amended plan of development for 1957, dated November 15, 1957, your file GWK-5008-416, for the Gallegos Canyon unit area, New Mexico, I-Sec. No. 844, has been approved today, subject to like approval by the appropriate State officials. The amended plan changes the location of three Pictured Cliffs wells included in the 1957 plan of development heretofore approved by this office.

Three approved copies of said plan are enclosed.

Very truly yours,

JAMES A. KNAUF
Acting Oil and Gas Supervisor

Copy to: Washington (w/copy of plan)
Farmington (w/copy of plan)
✓ NMOCC, Santa Fe (letter only)

PAN AMERICAN PETROLEUM CORPORATION

(FORMERLY STANOLIND OIL AND GAS COMPANY)

OIL AND GAS BUILDING

FORT WORTH, TEXAS

November 15, 1957

E. V. HEWITT
DIVISION PRODUCTION SUPERINTENDENT

File: GWK-5008-416

Subject: Amended 1957 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, approved by the Survey on July 25, 1951, and designated I - Sec. No. 844, Pan American Petroleum Corporation as Unit Operator, filed the Plan of Development for this Unit Area on December 11, 1956. The 1957 Plan of Development was approved by the Supervisor of the United States Geological Survey February 6, 1957, The Commissioner of Public Lands of the State of New Mexico March 6, 1957, and the Oil Conservation Commission in the State of New Mexico March 1, 1957. The Plan of Development called for the drilling of four Pictured Cliffs wells at the following locations:

SW/4 Section 13, T-29-N, R-13-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W

Thus far during 1957, Well No. 77, located in the SW/4 Section 18, T-29-N, R-12-W, has been completed as a dry hole. As title difficulties presently exist in connection with the tract designated NE/4 Section 29, T-29-N, R-12-W, no well has been drilled. It is not considered possible to clear up the title difficulties in time to drill a well during 1957; therefore, Well No. 82 is being drilled in the SW/4 Section 28, T-29-N, R-12-W in lieu of drilling on the tract having title difficulties. The dry hole in Section 18 renders the two locations specified in Section 13 undesirable and we prefer not to drill these locations at the present time, as we feel there are other more desirable locations available.

In view of the above, we wish to amend the 1957 Plan of Development to provide for the drilling of four wells located as follows:

SW/4 Section 18, T-29-N, R-12-W
SW/4 Section 28, T-29-N, R-12-W
NE/4 Section 32, T-29-N, R-12-W
NE/4 Section 33, T-29-N, R-12-W

November 15, 1957

Your favorable consideration of this amended Plan of Development is respectfully requested. We regret having to amend our plans at this time, but cannot justify from a sound development standpoint drilling the wells called for in Section 13, in view of the dry hole which has been drilled in Section 18 as mentioned above.

Very truly yours,



AJI:ljj

Plan of Development

Approved: _____ Date: _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date: _____
Commissioner of Public Lands
State of New Mexico

Approved: A. L. Patten, Jr. Date: _____
Oil Conservation Commission
State of New Mexico

NOV 21 1957

PAN AMERICAN PETROLEUM CORPORATION

(FORMERLY STANOLIND OIL AND GAS COMPANY)

OIL AND GAS BUILDING

FORT WORTH, TEXAS

E. V. HEWITT

DIVISION PRODUCTION SUPERINTENDENT

April 1, 1957

File: KJB-4236-416

Subject: Plan of Development
Calendar Year 1957Gallegos Canyon Unit

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:


This is to advise that the 1957 Plan of Development for the Gallegos Canyon Unit, San Juan County, New Mexico was approved as follows:

- (1) Supervisor, United States Geological Survey,
February 6, 1957.
- (2) Commissioner of Public Lands of the State of New Mexico,
March 6, 1957.
- (3) Oil Conservation Commission of the State of New Mexico,
March 1, 1957.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By


Division Production Superintendent

FAM:lj

2,17

March 6, 1957

In reply refer to:
Unit Division

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Re: Plan of Development for the
Calendar Year 1957 -
Gallegos Canyon Unit

Attention: Mr. E. V. Hewitt

Gentlemen:

We are enclosing your Plan of Development for 1957 for the Gallegos Canyon Unit, which was approved by the Commissioner of Public Lands on March 6, 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

By: Ted Bilberry, Supervisor
Oil and Gas Department

MEM:MMR/m
enc: 1

cc: USGS-Roswell
CCC-Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 1, 1957

file

Pan-American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Re: Gallegos Canyon Unit
San Juan County, New Mexico
1957 Plan of Development

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1957 Plan of Development for the above-captioned unit, dated December 11, 1956, 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,

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

ALP/DSN/ir

bcc - U. S. G. S. - Roswell
Commissioner of Public Lands - Santa Fe

C
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IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

February 6, 1957

file

Pan American Petroleum Corporation
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. E. V. Hewitt

Gentlemen:

Your plan of Development dated December 11, 1956, for the Callegos Canyon Unit Area, New Mexico, for the calendar year 1957, 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,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

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

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

December 11, 1956

File: RGH-4637-416

Subject: Plan of Development for the
Calendar Year 1957
Gallegos Canyon Unit
San Juan County, New Mexico

The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Gentlemen:

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, approved by the Survey on July 25, 1951, and designated I - Sec. No. 844, Stanolind Oil and Gas Company, as Unit Operator, on behalf of itself and the other affected working interest owners, hereby submits for your approval the plan of development of the unit area for the calendar year 1957. Your early consideration is respectfully requested.

History of Past Development. A total of 79 wells have been drilled within the present unit area, of which seven were dry holes and one was a non-commercial Dakota well. The 1956 Plan of Development, as amended, provided for the drilling of five wells at the following locations:

<u>Location</u>	<u>Well No.</u>	<u>Status</u>
SW/4 Section 29, T-29-N, R-12-W	74	Producing
NE/4 Section 19, T-29-N, R-12-W	75	Producing
SW/4 Section 23, T-28-N, R-12-W	76	Producing
SW/4 Section 18, T-29-N, R-12-W	77	Location - Titles not yet clear
NE/4 Section 20, T-29-N, R-12-W	78	Dry Hole

As noted above four of the five wells included on the 1956 Plan of Development as amended have been drilled. The undrilled location is included on our 1957 Plan of Development. Our inability to fulfill the 1956 Plan of Development was due to a combination of title difficulties at proposed locations and the shortage of casing which developed late in the year.

The present Pictured Cliffs participating area consists of 27,794.68 acres.

Proposed Additional Wells. During the calendar year 1957, it is planned that four Pictured Cliffs wells will be drilled at the following locations:

SW/4 Section 13, T-29-N, R-13-W
NE/4 Section 13, T-29-N, R-13-W
SW/4 Section 18, T-29-N, R-12-W
NE/4 Section 29, T-29-N, R-12-W

Of the four wells proposed for drilling in 1957, one is located within the present participating area. The three wells proposed in Section 13, T-29-N, R-13-W and Section 18, T-29-N, R-12-W are located outside the present participating area but within the unit area.

Well Casing Program. The well casing program will generally follow the program currently used in Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top of or partially through or completely through the producing zone.

Off-Set Obligations. Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Gallegos Canyon Unit Agreement, or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 15 of said Agreement.

Further Development. This plan of development shall constitute the drilling obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1957. Before this plan expires, another plan for further development of the unit area will be submitted.

Modifications. It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

Effective Date. This plan of development shall be effective January 1, 1957.

Dated: December 11, 1956

STANOLIND OIL AND GAS COMPANY
Unit Operator

By


E. V. HEWITT

Division Production Superintendent

Plan of Development


-3-

Approved: _____
Regional Oil and Gas Supervisor
United States Geological Survey

Date: _____

Approved: _____
Commissioner of Public Lands
State of New Mexico

Date: _____

Approved:  _____
Oil Conservation Commission
State of New Mexico

Date: 3-1-57

MAILING LIST OF WORKING INTEREST OWNERS
GALLEGOS CANYON UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

* Aztec Oil and Gas Company 920 Mercantile Securities Building Dallas 1, Texas	Ernest A. Hanson P. O. Box 852 Roswell, New Mexico
Benson and Montin 1501 Republic Building Oklahoma City, Oklahoma	John W. Hjertstedt P. O. Box 326 Grand Central Station New York, New York
Mary Roberts Berry 208 E. Washington Street Washington, Iowa	*L. B. Hodges P. O. Box 671 Roswell, New Mexico
* Brookhaven Oil Company P. O. Box 396 Scottsdale, Arizona	*Edward J. Johnson 223 Greenbank Avenue Piedmont, 10, California
Carroll and Cornell Albuquerque Associated Oil Company 824 Simms Building Albuquerque, New Mexico	*L. M. Johnson Box 594 Greensboro, North Carolina
* F. H. Colby 45 Woodstock Crystal Lake, Illinois	*Elma R. Jones 764 Twentieth Avenue San Francisco, California
Thelma Capen 3601 W. Lincoln Avenue Sacramento, California	Nathan Kessler 5900 States Drive Oakland, California
B. H. and Dyvena Crawford Bloomfield, New Mexico	George H. Krause, et al P. O. Box 1107 Colorado Springs, Colorado
* George J. Darneille 3251 Cold Water Canyon North Hollywood, California	Charles and Eunice McDonald 3130 W. Pierce Phoenix, Arizona
Billie Dunlap Day 302 W. Third Street Roswell, New Mexico	*Pauline S. McNaughton 1423 Madison Street Oakland, California
* Devonian Gas and Oil Company 1406 Keystone Building 324 Fourth Avenue Pittsburg 22, Pennsylvania	*New Mexico Natural Gas Company 918 Simms Building Albuquerque, New Mexico Attention: Clinton C. Seymour, Pres.
Phillip Gates 802 N. LaBrea Avenue Englewood, California	Nilaco Company 1107 Mercantile Securities Building Dallas 1, Texas

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attention: Mr. Donald L. Anderson

*Petro-Atlas Corporation
First National Bldg.
Tulsa 3, Oklahoma

Paul T. Purcell
Box 317
Manhattan Beach, California

Bertha Rahn and Frieda Rahn
1775 Cullom Avenue
Chicago 13, Illinois

John J. Redfern, Jr.
Box 1747
Midland, Texas

H. K. Riddle
Box 129
Payette, Idaho

Otto Schindler
Box 449
Schenectady, New York

Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Mr. T. F. Thompson

*Glenn J. Smith
First National Building
Tulsa, Oklahoma

*Southern Union Gas Company
Burt Building
Dallas, Texas
Attention: D. W. Whitlow

M. H. and Eula Stark
Route 3
Farmington, New Mexico

Summit Oil Company
Burt Building
Dallas, Texas

*Sunray Mid-Continent Oil Company
P. O. Box 2039
Tulsa, Oklahoma
Attention: Mr. J. H. Douma

Arthur W. Sunter
2210 Tenth Street
Berkeley, California

*The Texas Company
Box 1720
Fort Worth 1, Texas
Attention: Mr. E. W. Lewis

*Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, 1, Texas

John H. Trigg
P. O. Box 5629
Roswell, New Mexico

Robb Woods
501 W. Grand River Street
Clinton, Missouri

* Members of Pictured Cliffs
Participating Area

STANOLIND OIL AND GAS COMPANY
FORT WORTH, TEXAS

file

October 19, 1956

File: RGN-8361-416

Subject: Gallegos Canyon Unit
San Juan County, New Mexico

Registered Mail
Receipt Requested

Mr. John A. Anderson
Regional Oil and Gas Supervisor
U. S. Geological Survey
P. O. Box 6721
Roswell, New Mexico

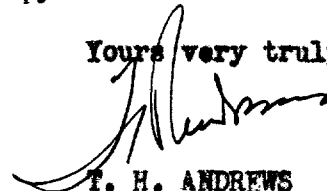
Dear Sir:

We are attaching for your files four copies of "Ratification and Joinder of Unit Agreement" and three copies of "Ratification and Joinder of Unit Operating Agreement" relating to the subject unit, all of which have been duly executed by Pacific Northwest Pipeline Corporation, and Skelly Oil Company. This joinder serves to commit to the Unit the working interest under Tract 56 and has been accepted, subject to title examination, by Stanolind Oil and Gas Company as Unit Operator. The acreage involved is described as follows:

N/2, NE/4, Section 13, T-28-N, R-12-W, San Juan County,
New Mexico

Upon your acknowledging receipt of these instruments, copies will be furnished to the other working interest owners. Since the lease on the tract involved will expire unless committed to the unit as of November 1, 1956 we would appreciate your stating in your acknowledgement that these instruments were received during October 1956. By carbon copy of this letter to the Commissioner and Commission we are transmitting to them one copy each of said instruments.

Yours very truly,



T. H. ANDREWS
Asst. Division Production Superintendent

VJD:lj

cc: Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

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

Pacific Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City 10, Utah
Attn: Mr. Donald L. Anderson

Skelly Oil Company
Skelly Building
Tulsa 2, Oklahoma

COPY

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico dated the 1st day of November, 1950, in form approved on behalf of the Secretary of the Interior, the undersigned, whether one or more, hereby expressly joins said Unit Agreement and ratifies, approves, and adopts said Agreement, its terms and any modifications thereof.

This ratification and joinder shall be effective as to the undersigned's interest in any lands and leases or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any of the following described land:

N/2 NE/4, Section 13, T-28-N, R-12-W, San Juan County, New Mexico

notwithstanding anything herein contained to the contrary, this Ratification and Joinder shall apply only to the acreage specifically described herein.

~~It is the intent of the parties to describe above all the lands in the Unit Area in which the undersigned has any interest, but if the undersigned shall hereafter have any interest in any additional lands within the Unit Area, the undersigned expressly joins said Unit Agreement and hereby ratifies, approves, and adopts it as to said additional lands and interests, even though they may not be specifically described above.~~

As a part and parcel of this ratification and joinder, the undersigned to the extent of his or its interest, expressly agrees:

(1) That the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement.

(2) That the drilling, development, and producing requirements of all leases and other contracts in which undersigned's rights and interest are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

(3) That payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns, or successors in interest.

EXECUTED this 2nd day of October, 1956.

ATTEST:

SKELLY OIL COMPANY

~~Name~~ Skelly Building Sec. Address
Tulsa, Oklahoma

~~Name~~ By: Skelly Building Vice-Pres.
Tulsa, Oklahoma

Name _____
Address _____

Name _____
Address _____

Attest: Assistant Secretary

Party PACIFIC NORTHWEST PIPELINE CORPORATION

Address: _____

By Vice President

10-27-56

OIL AND GAS COMPANY

APPROVED

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person _____ described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 19____.

My commission expires:

Notary Public

STATE OF
STATE OF OKLAHOMA

COUNTY OF TULSA

On this 8th day of October, 1956, before me appeared A. L. Cashman, to me personally known, who, being by me duly sworn, did say that he is the Vice-President of SKELLY OIL COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. L. Cashman acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8th day of October, 1956.

Ezell M. Brady
Notary Public

STATE OF Utah)
COUNTY OF Jerome)

On this 2nd day of Oct., 1956, before me personally appeared Allen B. Piatt, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Pacific Northwest Pipeline Corporation and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Allen B. Piatt acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND NOTARIAL SEAL THIS 2nd day of Oct., 1956.

My commission expires:

Nov. 15, 1959

Michael Sullivan
Notary Public

RATIFICATION AND JOINDER
OF UNIT OPERATING AGREEMENT

In consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement dated January 15, 1951, and entered into by and between EARL A. BENSON AND WILLIAM V. MONTIN as original Unit Operator, STANOLIND OIL AND GAS COMPANY present Unit Operator and others, in connection with the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico, dated November 1, 1950, a copy of which Unit Agreement and Unit Operating Agreement, with all exhibits attached to each, has been furnished the undersigned and examined by him, the undersigned does hereby expressly ratify, approve, adopt, confirm and join in said Unit Operating Agreement, ~~and agrees to be governed by all of the terms and provisions thereof and that the terms and conditions of any and all leases, or other agreements covering lands described in said Unit Agreement shall be modified and amended to conform to the terms and provisions of said Unit Operating Agreement, as fully to all intents and purposes as though the undersigned had executed said Unit Operating Agreement and all counterparts thereof, and the undersigned especially agrees that distribution and allocation of production and of costs of operations shall be made as provided in said Unit Agreement and said Unit Operating Agreement.~~

This Ratification and Joinder may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

***to the extent of all of the undersigned's interest in the NE4 Section 13-28N-12W, lying within the unit area,**

SIGNATURES AND ADDRESSES

ATTEST:

NAME Earl A. Benson
Asst. Sec.
Address Shelly Building, Tulsa, Okla.

Name _____

Address _____

ATTEST:

William V. Montin
Secretary

SKELLY OIL COMPANY

NAME Chas. A. Skelly
Vice-Pres.
Address Shelly Bldg., Tulsa, Okla.

Name _____

Address _____

PARTY: PACIFIC NORTHWEST PIPELINE CORP.

By Allen B. Smith
Vice President

Earl A. Benson
Asst. Sec.

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____ to me known to be the person _____ described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 19____.

My commission expires:

Notary Public

STATE OF OKLAHOMA

COUNTY OF TULSA

On this 8th day of October, 1956, before me appeared A. L. Cashman, to me personally known, who, being by me duly sworn, did say that he is the Vice-President of SKELLY OIL COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. L. Cashman acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8th day of October, 1956.

HAZEL M. PRADY

Hazel M. Prady
Notary Public

Notary Public

STATE OF Utah)
COUNTY OF Salt Lake)

On this 2nd day of October, 1956, before me appeared Allen B. Piatt, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Pacific Northwest Pipeline Corporation and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Allen B. Piatt acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2nd day of October, 1956.

My commission expires:

Nov. 15, 1959

Michael Sullivan
Notary Public

STANOLIND OIL AND GAS COMPANY

OFFICE 000

RECEIVED JUL 17 1956

Roswell, New Mexico
July 16, 1956

File: E-580-416

Subject: Amended 1956
Plan of Development
Gallegos Canyon Unit
San Juan County,
New Mexico

file

TO: All Working Interest Owners
Gallegos Canyon Unit

Gentlemen:

This is to advise that the Amended 1956 Plan of Development for the Gallegos Canyon Unit as outlined in our letter of May 23, 1956, File: RGH-8187-416, has been approved by the regulatory bodies as follows:

- (1) Oil Conservation Commission - June 21, 1956.
- (2) United States Geological Survey - June 6, 1956.
- (3) Commissioner of Public Lands - June 1, 1956.

Yours very truly,

STANOLIND OIL AND GAS COMPANY

C. L. Kelley
C. L. Kelley
District Superintendent

JWM/ms

cc: Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

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

Commission of Public Lands
State of New Mexico
Santa Fe, New Mexico

STANOLIND OIL AND GAS COMPANY
FORT WORTH, TEXAS

July 3, 1956

File: RGM-8241-416

Subject: Gallegos Canyon Unit
San Juan County,
New Mexico

Regional Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Dear Sir:

Attached for your files are four counterparts of "Ratification and Joinder of Unit Agreement" duly executed by Della Calloway and H. L. Miller, Co-Executors of the estate of W. T. Calloway, Deceased. This ratification serves to commit all of the royalty interest under the land described thereon (Tract 114) to the Gallegos Canyon Unit. By copies of this letter, the Commissioner and the Commission each are being furnished one counterpart of the aforementioned ratification.

Upon your acknowledging receipt of these instruments copies will be distributed to the working interest owners.

Very truly yours,

Original of record
G. F. Bedford
by AG

JEM:lj


cc: Commission of Public Lands
Oil Conservation Commission

COPY


The undersigned owners of working interests under Tract 114 in the Gallegos Canyon Unit, San Juan County, New Mexico, hereby approve and consent to the joinder to said unit of Zella Calloway and R. L. Miller, Co-Executors of the Estate of W. T. Calloway, Deceased, as evidenced by said Co-Executors' execution of "Ratification and Joinder of Unit Agreement" dated the first day of November, 1955, which served to commit the royalty interest of the W. T. Calloway Estate to said Unit.



George J. Darneille

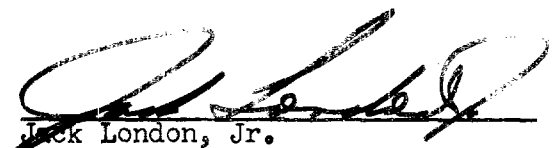

Earl A. Benson



William V. Montin


Donald Benson

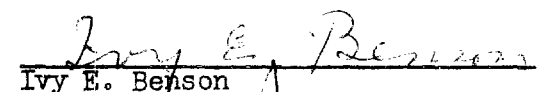

Walter Benson



Alfred C. Montin, Jr.

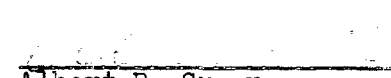

Jack London, Jr.


Kathleen Montin


Oliver E. Benson


Ivy E. Benson


Weston Payne


Albert R. Greer

Tract 114

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico dated the 1st day of November, 1950, in form approved on behalf of the Secretary of the Interior, the undersigned, whether one or more, hereby expressly joins said Unit Agreement and ratifies, approves, and adopts said Agreement, its terms and any modifications thereof.

This ratification and joinder shall be effective as to the undersigned's interest in any lands and leases or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any of the following described land:

~~Section 34: 10/1 10/1, 1/1 10/1~~

~~Section 35: 10/1 10/1~~

It is the intent of the parties to describe above all the lands in the Unit Area in which the undersigned has any interest, but if the undersigned shall be found to have any interests as above described in any additional lands within the Unit Area, the undersigned expressly joins said Unit Agreement and fully ratifies, approves, and adopts it as to said additional lands and interests even though they may not be specifically described above.

As a part and parcel of this ratification and joinder, the undersigned to the extent of his or its interest, expressly agrees:

(1) That the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement.

(2) That the drilling, development, and producing requirements of all leases and other contracts in which undersigned's rights and interest are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

(3) That payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns, or successors in interest.

EXECUTED this 1st day of November, 1955.

Name Zella Callaway
Address Alto, N. Mex.

Name R. L. Miller
Address Alto, N. Mex.

~~Said parties being co-tenants of the Estate of W. T. Callaway, deceased.~~

Name _____
Address _____

Name _____
Address _____

Attest: _____
Assistant Secretary

Party _____

Address: _____

By _____
Vice President

APPROVED AND CONSENTED TO:
STANCLIND OIL AND GAS COMPANY
BY Frank L. Anderson
Vice President
WORKING INTEREST OWNER

APPROVED
1/2 12

T-114

STATE OF New Mexico.)
COUNTY OF Luna.)

On this 3rd day of November, 1955, before me personally appeared Robert L. Miller Co-Executor of Estate of W.H. Calloway, deceased, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed, **and in the capacity therein stated.**

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd. day of November, 1955, 19 .

My commission expires:

12/5/66

Notary Public

STATE OF New Mexico
COUNTY OF San Juan

On this 1st day of November, 1955, before me personally appeared Zella Calloway, Co-Executor of
Estate of W.H. Calloway, Deceased, to me known to be the person described in and
who executed and delivered the foregoing instrument, and acknowledged to me that
she executed the same as her free act and deed, **and in the capacity**
therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of November, 1955.

My commission expires:

February 3, 1959

~~Notary Public~~

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President of _____

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND NOTARIAL SEAL THIS _____ day of _____ 19____.

My commission expires:

Notary Public

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Case 247

June 21, 1956

file

C
O
P
Y

Stanolind Oil and Gas Company
Oil and Gas Building
Fort Worth, Texas

Attention: Mr. C. F. Bedford

RE: (Gallegos Canyon Unit) San
Juan County, New Mexico.
Amended 1956 Plan of
Development.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the amended plan of development for calendar year 1956, for the Gallegos Canyon Unit, dated May 23, 1956, wherein you propose to change the locations of three wells from the original locations as given on the plan of development dated December 21, 1955.

Approval of this amended plan is granted subject to like approval being obtained from the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the amended plan is herewith returned.

Very truly yours,

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

DSN:ALP:ds

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
New Mexico State Land Office
Santa Fe, New Mexico

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD
DIVISION PRODUCTION SUPERINTENDENT

May 23, 1956

File: RGH-8187-416

Subject: Amended 1956 Plan of Development,
Gallegos Canyon Unit,
San Juan County,
New Mexico

To: The Oil and Gas Supervisor (6)
United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Each of you has previously approved a Plan of Development dated December 21, 1955, which provided for development of the Gallegos Canyon Unit Area during the calendar year, 1956. Stanolind Oil and Gas Company, as Unit Operator, on behalf of itself and the other affected working interest owners hereby requests that the aforementioned Plan of Development be amended as follows:

1. Move location from NE/4 Section 29, T-29-N, R-12-W to NE/4 Section 19, T-29-N, R-12-W.
2. Move location from NE/4 Section 26, T-28-N, R-12-W to SW/4 SW/4 Section 18, T-29-N, R-12-W.
3. Move location from SE/4 Section 5, T-27-N, R-12-W to NE/4 Section 20, T-29-N, R-12-W.

As before, Pictured Cliffs wells are proposed for the new locations.

May 23, 1956

We respectfully request that you give the foregoing amendments your early consideration and approval.

Very truly yours,



JEM:jm

cc: To all working interest owners.

Approved: _____ Date: _____
Regional Oil and Gas Supervisor
United States Geological Survey

Approved: _____ Date: _____
Commissioner of Public Lands
State of New Mexico

Approved:  Date: JUN 21 1956
Oil Conservation Commission
State of New Mexico

STANOLIND OIL AND GAS COMPANY

MAIL OFFICE 600

1956 JUN 20 PM 1:30

Post Office Box 899
Roswell, New Mexico
June 18, 1956

File Gallegos Canyon Unit

File: E-568-416

Subject: Gallegos Canyon Unit
San Juan County
New Mexico

Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

The Oil Conservation Commission ✓
State of New Mexico
Santa Fe, New Mexico

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

Gentlemen:

Please refer to our letter of June 13, 1956, File: E-567-416 which advised that you were being furnished a corrected copy of a page of Exhibit "B" for the application covering the Fourth Enlargement of the Pictured Cliffs Participating Area in the Gallegos Canyon Unit.

These corrected attachments were inadvertently detached from our above letter before mailing and are therefore being furnished herewith.

Yours very truly

C. L. Kelley
C. L. Kelley

JWM/jl

Attach

COPY

Unit Tract No.	Serial No. And Date Of Lease	Record Owner	Acreage Included in Participating Area			Working Interest Ownership In Lease	
			Description	Acres	%	Owner	%
124	10-13-47	Stanolind Geo. J. Darneille	29N, 12W N/2 NE/4, NE/4 NW/4 Sec. 32 NW/4 SE/4, S/2 SE/4 Sec. 29 NW/4 NW/4 Sec. 33	280.00	1.02274	(Same as Tract 16 above)	
125	8-17-43	Stanolind Geo. J. Darneille	NE/4 Sec. 29, 29N 12W	200.00	.73053	(Same as Tract 16 above)	
126	1-31-47	Stanolind Geo. J. Darneille	NW/4 Sec. 29, 29N 12W	200.00	.73053	(Same as Tract 16 above)	
127	8-17-43	Stanolind Geo. J. Darneille	E/2 SW/4 SW/4 Sec. 20, 29N, 12W	20.00	.07305	(Same as Tract 16 above)	
144	3-12-42	Stanolind Geo. J. Darneille	N/2 NE/4 Sec. 33 29N-12W	80.00	.29221	(Same as Tract 16 above)	

FOLLOWING TRACTS BEING ADDED BY THIS FOURTH ENLARGEMENT

FEDERAL LAND							
159	SF-078902 2-1-48	Earl A. Benson & William B. Montin	N/2 Sec. 9; 27N, 12W	320.00	1.16884	<u>Pictured Cliffs and Above</u> Stanolind Darneille <u>Below Pictured Cliffs</u> Stanolind Darneille Benson-Montin, et al	43.75 43.75 43.7500 32.8125 10.9375
160	SF-080111 4-1-48	Earl A. Benson & William B. Montin	Lots 3, 4 & 5, SE/4 NW/4 Sec. 6, 27N, 12W	152.04	.55535	Stanolind * Geo. F. Darneille * Bankers Life & Casualty Co.	43.750 4.375 39.375



MAIN OFFICE OCC

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

JUN 7 PM 1:18

June 6, 1956

file
247

Stanolind Oil and Gas Company
Oil and Gas Building
Fort Worth, Texas

Gentlemen:

The amended plan of development dated May 23, 1956, for the
(Gallegos Canyon unit area, New Mexico, I-Sec. No. 844, has been approved
on this date, subject to like approval by the appropriate State officials.

The amended plan changes the locations of three wells included
in the plan of development heretofore approved.

Three approved copies of said plan are returned herewith.

Very truly yours,

(Orig. Sgd) R. E. CARFIELD

R. E. CARFIELD
Acting Oil & Gas Supervisor

cc: Mr. Carr, Bix., (w/1 copy of plan)
for review (w/1 copy of plan)
NMOCC, Santa Fe (ltr only)

6-1-56
MAIN OFFICE OCC

35 JUN 4 PM 1:14

June 1, 1956

In reply refer to:
Unit Division

Stanolind Oil and Gas Co.
Oil and Gas Building
Fort Worth, Texas

Re: Amended 1956 Plan
of Development -
(Gallegos Canyon Unit,
San Juan County, N. Mex.)

Gentlemen:

We are enclosing two copies of the amended 1956 Plan of Development for Gallegos Canyon Unit, which was approved as of June 1, 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/m
enc: 2

cc: USGS-Roswell
OCC- Santa Fe

STANOLIND OIL AND GAS COMPANY

Roswell, New Mexico

April 20, 1956

File: E-534-416

Subject: Gallegos Canyon Unit

To: All Working Interest Owners
in the Gallegos Canyon Unit
(Addressee List Attached)

Gentlemen:

Attached you will find recently approved applications for enlargements of the unit area and participating area for the Gallegos Canyon Unit. These applications are listed as follows:

1. Application covering the second enlargement of the Pictured Cliffs Participating Area, approved effective as of January 1, 1956.
2. Application covering the third enlargement of the Pictured Cliffs Participating Area, approved effective as of March 1, 1956.
3. Application covering the unit area enlargement, approved effective as of April 1, 1956.
4. Application covering the fourth enlargement of the Pictured Cliffs Participating Area approved effective as of April 1, 1956.

For your further information it will be appropriate to make the following notations on certain of the Exhibits "B":

1. Unit Tract No. 1, Lease New Mexico 014376 instead of New Mexico 0524.
2. Unit Tract No. 17, Lease Santa Fe 078828 instead of 078828-A.
3. Unit Tract 18-B, Lease Santa Fe 078903-A instead of 078903.
4. Unit Tract No. 36, Lease Santa Fe 080962 instead of 080862.
5. Navajo Lease No. I-149-Ind.-8479 for Tract No. 162 (schedule for fourth revision).

Yours very truly,

STANOLIND OIL AND GAS COMPANY

C. L. Kelley
District Superintendent

JWM/sw

RATIFICATION AND JOINDER
OF UNIT OPERATING AGREEMENT

In consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement dated November 1, 1950, and entered into by and between ~~PAN AMERICAN PETROLEUM CORPORATION~~ **PAN AMERICAN PETROLEUM CORPORATION** as Unit Operator and others, in connection with the Unit Agreement for the Development and Operation of the **Gallegos Canyon** Unit Area, County of San Juan, State of New Mexico, dated January 13, 1951, a copy of which Unit Agreement and Unit Operating Agreement, with all exhibits attached to each, has been furnished the undersigned and examined by him, the undersigned does hereby expressly ratify, approve, adopt, confirm and join in said Unit Operating Agreement, to the extent of all of undersigned's interest in any lands within the unit area, as the same may appear, and agrees to be governed by all of the terms and provisions thereof and that the terms and conditions of any and all leases, or other agreements covering lands described in said Unit Agreement shall be modified and amended to conform to the terms and provisions of said Unit Operating Agreement, as fully to all intents and purposes as though the undersigned had executed said Unit Operating Agreement and all counterparts thereof, and the undersigned especially agrees that distribution and allocation of production and of costs of operations shall be made as provided in said Unit Agreement and said Unit Operating Agreement.

This Ratification and Joinder may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

Name Karl A. Rogers
Address 4024 Douglas Street
Farmington, New Mexico

Name _____
Address _____

Name Nina Jo Rogers
Address 4024 Douglas Street
Farmington, New Mexico

Name _____
Address _____

ATTEST:

PARTY: _____

By _____

Secretary

President

Consented to and accepted as of
the 30th day of November, 1960.

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

By _____
Attorney in Fact

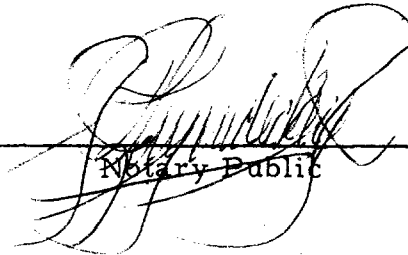


STATE OF NEW MEXICO)
COUNTY OF SAN JUAN)

On this 28th day of October, 1960, before me personally appeared Earl A. Rogers and Nina Jo Rogers, his wife to me known to be the person a described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of October, 1960.

My commission expires:
6-11-62



Notary Public

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____ described in and who executed and delivered the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 19____.

My commission expires:

Notary Public

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President of _____ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 19____.

My commission expires:

Notary Public

STANOLIND OIL AND GAS COMPANY
FORT WORTH, TEXAS

April 18, 1956

File: RGH-8143-416

Subject: (Gallegos Canyon Unit
San Juan County, New Mexico

Mr. John A. Anderson
Regional Oil and Gas Supervisor
U. S. Geological Survey
Roswell, New Mexico

Dear Sir:

By our letter of February 23, 1956, File: JEM-8066-416, we forwarded you ratifications and joinders whereby the working interests and royalty interests in Tracts 115 and 116 were committed to the subject unit. Upon receipt of these instruments, your Mr. Canfield requested additional information for his files.

Tract 115 embraces 119.37 acres of patented lands described as Lot 2 (being the SW/4 NW/4), SE/4 NW/4 and NE/4 SW/4 of Section 18, T-29-N, R-12-W, San Juan County, New Mexico. Stanolind's original lease on this acreage expired on October 5, 1953. Sandia Corporation was the original lessor. On January 9, 1956, Stanolind again leased this acreage; this time from John B. Hall, Lucille T. Hall, R. S. Poage, and Annie Burt Poage. These last named parties had previously acquired the minerals under Tract 115 from the Sandia Corporation.

Tract 116 embraces 80.00 acres of patented lands described as the W/2 SE/4 of Section 18, T-29-N, R-12-W, San Juan County, New Mexico. Stanolind's original lease on this acreage expired on October 5, 1953, also. On January 9, 1956, Stanolind again leased this acreage from Allen H. Tonkin and Nancy P. Tonkin.

We have withheld distribution of these instruments to the other working interest owners pending your acknowledging our letter of February 23rd. If the foregoing information is sufficient, please advise so that we may proceed with distribution.

Very truly yours,
Original Signed By
C. F. Bedford
by AG

JEM/jm/njc

cc: Commissioner of Public Lands, N.M.
Oil Conservation Commission, N.M.

COPY

Gallegos Canyon Unit Area
San Juan County, New Mexico

Application For Final Approval of Enlargement of The Unit Area

To: The Honorable Director of the United States Geological Survey,
Department of the Interior, Washington, D. C.

The Honorable Commissioner of Public Lands, State of New Mexico,
Santa Fe, New Mexico

Supplementing an Application for Preliminary Approval of Enlargement, approved by the Director on July 14, 1955, and pursuant to Section 2 of the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, San Juan County, New Mexico, Stanolind Oil and Gas Company, as Unit Operator, and with the approval of 93 per cent of the Working Interest Ownership within the existing Unit Area, hereby respectfully requests that said Unit Area be enlarged to include the following described lands:

New Mexico Principal Meridian
Township 27 North, Range 12 West

Section 5: Lots 3 and 4, S/2 NW/4, S/2
Section 6: All
Section 9: N/2,
Embracing 1,424.10 acres, more or less.

Attached hereto is a Supplementary Exhibit "B" to the Unit Agreement describing the lease acreage and ownership in the lands to be added and a Revised Exhibit "A" map showing the present Unit Area and the lands to be added. Also attached are ratifications of the Unit Agreement signed by working interest and royalty owners in the lands to be added to the Unit Area by the enlargement and ratifications of the Unit Operating Agreement by working interest owners therein. It will be noted that all owners in the lands to be added have signed ratifications except as follows:

McConnell Drilling Corp., Record owner and working interest owners,
Tract 161

Lloyd B. Taylor, Record owner and working interest owner, Tract 164

Lloyd D. Locke, Record owner and working interest owner, Tract 164

A. L. Foutz, Royalty owner, Tract 164

Kenneth Washburn, Royalty owner, Tract 164

Inclusion of the aforesaid lands is regarded as reasonably necessary and advisable for the purposes of the Unit Agreement. All of the extension acreage has been proven productive or potentially productive by three wells completed as paying producers in the Pictured Cliffs formation, located respectively in the NW/4 of Section 5-27N-12W, NE/4 of Section 6-27N-12W, and NE/4 of Section 9-27N-12W. A separate Application for Enlargement of the Pictured Cliffs Participating Area to include said wells and a portion of the extension acreage attributable to the wells is being filed with this application. It is respectfully requested that this enlargement be approved to become effective on the first of the month following date of final approval.

Dated this 9th day of MARCH, 1956.

ATTEST:

STANOLIND OIL AND GAS COMPANY

/s/ J. W. Howard
Assistant Secretary

By /s/ Frank Lindeman, Jr.
Vice-President

(SEAL)

The enlargement of the Gallegos Canyon Unit Area as described in the foregoing application dated March 9, 1956, is hereby approved:

1000 1-9-56

Director, United States Geological Survey Date: _____

Subject to like approval by the Commissioner of Public Lands.

Ed Walker

Commissioner of Public Lands Date: _____

Subject to like approval by the Director, United States Geological Survey.