

NORTHWEST PIPELINE CORPORATION

ONE PARK CENTRAL, SUITE 1487
DENVER, COLORADO 80202
(303) 623-9303

NOV 26 1978

November 6, 1978

Mr. James A. Gillham
United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico 88201

Mr. Ray D. Graham
Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Mr. Joe Ramey
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Mo. 420

Re: San Juan 32-7 Unit
No. 14-08-001-441
San Juan County,
New Mexico, Second
Expanded PARTICIPATING
AREA FRUITLAND FORMATION
Effective November 1, 1977

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the date indicated below that a well capable of producing unitized substances in paying quantities from the Fruitland formation and was completed on a nonstandard drilling block containing a portion of acreage committed to this unit and the Participating Area for the Fruitland formation should be expanded as follows:

SECOND EXPANDED PARTICIPATING AREA---Effective November 1, 1977

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Name and No.</u>
E/2SW/4, W/2SE/4 Section 3-31N-7W	160.00	Yager Well No. 3

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The pertinent data is as follows:

The Yager No. 3 Well is located 800' from the South Line and 1850' from the West Line, Section 3, Township 31 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on 8/2/77 and completed on 10/24/77 in the Fruitland Formation at a plug back depth of 3647'. The Fruitland Formation was perforated with one hole per foot in each of the following intervals:

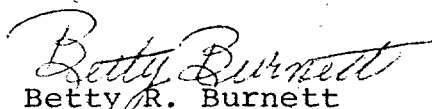
3155-3165, 3182-3209, 3219-3227, 3233-3239,
3245-3251, 3258-3263, 3267-3271, 3275-3295.

These 94 perforations were not treated or fractured. The well was shut-in 9/29/77 for 25 days with a SIPT of 1421 psig and a SIPC of 1478 psig. On 10/24/77 the well was tested, and after flowing for three (3) hours through a 3/4 inch variable choke on the 1.9 inch tubing, the well gauged 862 with a calculated AOF of 888 MCFD.

Attached are Schedule III and ownership map showing the Second Expanded Participating Area for the Fruitland formation of the San Juan 32-7 Unit. The Schedule describes the Second Expanded Participating Area and shows the percentage of unitized substances allocated to each tract. Inasmuch as this needs no official approval, no provision is made therefor and, in the absence of disapproval, the captioned Second Expanded Participating Area will become effective November 1, 1977.

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

Yours very truly,



Betty R. Burnett
Supervisor of Contracts and Units

BRB:vh
Enclosures

cc: Working Interest Owners

SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS

Mr. J. Glenn Turner, Jr.
Independent Co-Executor of the
Estate of J. Glenn Turner, Deceased
1700 Mercantile Bank Building
Dallas, Texas 75206

General American Oil Company of Texas
Attention: Mr. L. E. Dooley
Meadows Building
Dallas, Texas 75206

El Paso Natural Gas Company
Attention: Mr. James R. Permenter
Post Office Box 1492
El Paso, Texas 79978

Phillips Petroleum Company
Attention: Mr. N. N. Beckner
1000 Security Life Building
Denver, Colorado 80202

Mrs. Iris Gerber Damson
25 Mamaroneck Road
Scarsdale, New York 10583

Amoco Production Company
Attention: Mr. T. M. Curtis
1000 Security Life Building
Denver, Colorado 80202

Mr. Edward Gerber
Post Office Box 234
Gracie Station
New York, New York 10028

SECOND EXPANDED PARTICIPATING AREA FOR THE FRUITLAND FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACT PARTICIPAT
			OWNERSHIP	PERCENTAGE		
TRACT 10						
SF 078996	T-31N-R7W Sec. 3: NW/4SE/4	40.00	Royalty Working Interest: Northwest Pipeline Corporation ORRI	12.50% 82.50% <u>5.00%</u> <u>100.00%</u>	12.50% 82.50% <u>5.00%</u> <u>100.00%</u>	5.882353
TRACT 11						
SF 078998	T-31N-R7W Sec. 17: E/2	320.00	Royalty Working Interest: Northwest Pipeline Corporation ORRI	12.50% 82.50% <u>5.00%</u> <u>100.00%</u>	12.50% 82.50% <u>5.00%</u> <u>100.00%</u>	47.058823
TRACT 21						
Fee	T-32N-R7W Sec. 18: The East 441 feet of NE/4NE/4	13.36	Royalty Working Interest: Northwest Pipeline Corporation ORRI	12.50% 87.50% <u>0.00%</u> <u>100.00%</u>	12.50% 87.50% <u>0.00%</u> <u>100.00%</u>	1.964706
TRACT 22						
Fee	T-32N-R7W Sec. 18: West 879 feet of NE/4NE/4, W/2NE/4, SE/4NE/4, SE/4	306.64	Royalty Working Interest: Northwest Pipeline Corporation ORRI	12.50% 84.50% <u>3.00%</u> <u>100.00%</u>	12.50% 84.50% <u>3.00%</u> <u>100.00%</u>	45.094118

EFFECTIVE NOVEMBER 1 1977

EFFECTIVE NOVEMBER 1, 1977

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE FRUITLAND FORMATION

SAN JUAN 32-7 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACT PARTICIPATI
			OWNERSHIP	PERCENTAGE		
TRACT 26						
Fee	T-31N-R7W Sec. 3: E/2SW/4, SW/4SE/4	120.00	Royalty Working Interest: Palmer Oil & Gas ORRI	20.000% 80.000% 0.000% <u>100.000%</u>	00.00% 00.00% 0.00% <u>00.00%</u>	0.00000%
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA					800.00	
TOTAL NUMBER OF ACRES COMMITTED IN PARTICIPATING AREA					680.00	
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA					120.00	

EFFECTIVE NOVEMBER 1, 1977

Form NWP 1506(8/74)