

April 24, 1953

Mr. Ben R. Howell
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: Proposed San Juan 27-5 Unit
Agreement, Rio Arriba County,
New Mexico

Dear Sir:

We are in receipt of your proposed San Juan 27-5 Unit Agreement in Rio Arriba County. It appears that this proposed form is substantially the form of agreement heretofore approved by us for others.

This office is withholding formal approval of the Unit Agreement pending a hearing before the New Mexico Oil Conservation Commission.

Yours very truly,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey
Oil Conservation Commission

JONES, HARDIE, GRAMBLING & HOWELL

CYRUS H. JONES 1868-1952

ATTORNEYS AND COUNSELORS AT LAW

SEVENTH FLOOR BASSETT TOWER

EL PASO, TEXAS

April 20, 1953

Case 540

THORNTON HARDIE
ALLEN R. GRAMBLING
BEN R. HOWELL
HAROLD L. SIMS
WILLIAM B. HARDIE
JOHN A. GRAMBLING
R. H. FEUILLE

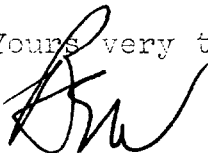
R. R. Spurrier, Secretary
Oil Conservation Commission
Santa Fe, New Mexico

Dear Dick:

Pursuant to telephone conversation of today, we are enclosing application for approval of El Paso's proposed San Juan 27-5 Unit Agreement.

Any missing exhibits will be furnished within the next day or two.

Yours very truly,



Ben R. Howell

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enc.

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

November 20, 1952

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

Gentlemen:

Reference is to your application dated October 30, 1952, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requesting designation of 23,044 acres, more or less, in Rio Arriba County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to regulations of December 22, 1950, 30 C. F. R., section 226.3, the following land is designated as a logical unit area, to be known as San Juan 27-5 Unit area:

T. 27 N., R. 5 W., N. M. P. M., New Mexico

Sections 1 thru 36, all

Any unit agreement submitted for the area described above should conform with section 226.12 of the above-cited regulations, and provide for the drilling of five wells drilled to a depth sufficient to test the Mesaverde formation at locations in the approved unit area, so spaced as to reasonably establish the reserves underlying the unit area. In addition to the Mesaverde testing program, a plan of development for the established Dakota production in the unit area should be submitted.

The form of unit agreement heretofore given preliminary approval for use on Phillips Petroleum Company's San Juan units, with appropriate modifications to take care of differences in area and test program will be acceptable for the San Juan 27-5 unit area, provided subsection 18(h) is not employed.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all Federal acreage showing the current record owner of all issued leases and the current status of all lease applications, if any. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in my opinion does not have the full commitment of sufficient lands to afford effective control of unit operations.

Very truly yours,

/s/ Thomas B. Nolan

Acting Director

BEFORE THE OIL CONSERVATION COMMISSION FOR THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY, A DELAWARE
CORPORATION, FOR APPROVAL OF THE SAN JUAN
27-5 UNIT AGREEMENT EMBRACING 23,043.99
ACRES OF LAND, MORE OR LESS, IN TOWNSHIP
27 NORTH, RANGE 5 WEST, SAN JUAN COUNTY,
NEW MEXICO

Rio Arriba

Case

NO.

540

EL PASO NATURAL GAS COMPANY, a Delaware corporation, would
show the Commission as follows:

1. That the Oil Conservation Commission of the State of
New Mexico is authorized by an Act of Legislature of the State of
New Mexico (Chapter 72, Laws of 1935 as amended) to approve the
operation and development of lands lying within the State of New
Mexico in accordance with a unit plan of development and operation;

2. That the unit area, approval of which is here sought, com-
prises the following land situated in San Juan County, New Mexico,
to wit:

New Mexico Principal Meridian

Township 27 North, Range 5 West
Sections 1 through 36, All

containing 23,043.99 acres, more or less;

3. That a preliminary approval of the proposed Unit Agreement,
a copy of which is attached hereto and made a part of this applica-
tion for all purposes, and approval of the unit area and of the
drilling program contained therein, has been given by the United
States Geological Survey of the United States Department of the
Interior;

4. That Applicant is the owner and holder of a substantial
portion of the working interest in and under the lands sought to be
embraced by the proposed Unit Agreement and is the operator named
in the Unit Agreement;

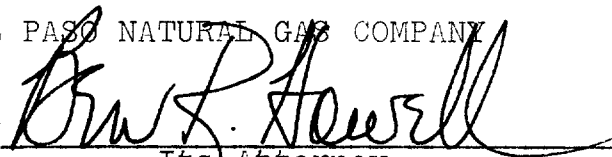
5. That the proposed unit plan will, in principle, tend to
promote the conservation of oil and gas and the prevention of waste.

Premises considered, Applicant requests that notice issue in
compliance with the rules of the Commission and that this Petition

be set down for hearing and approval at the convenience of the Commission.

EL PASO NATURAL GAS COMPANY

By


Its Attorney

Dated: April 20, 1953