### RICHARD T.C. TULLY, P.A.

LAW OFFICE

3001 NORTHRIDGE DRIVE / SUITE A POST OFFICE BOX 268

FARMINGTON, NEW MEXICO 87499-0268

RICHARD T.C. TULLY

505-327-3388

April 12, 1983

Van L. Goebel, Landman El Paso Natural Gas Company P. O. Box 1492 El Paso, TX 79978

RE:

Bolack Minerals Company Canyon Largo Unit #318 Well San Juan County, New Mexico

Dear Van:

Please refer to our previous correspondence pertaining to the drilling of the above-captioned well by Bolack Minerals Company.

As you are aware, Bolack Minerals Company will be drilling this well under a Designation of Agent from El Paso Natural Gas Company. However, we have been advised by the Minerals Management Service that it will not approve the previously filed Application for Permit to Drill until El Paso, the Unit Operator, files and receives the approval for drilling and development in the Unit.

Accordingly, please file a development plan for the Canyon Largo Unit which includes the above-captioned well. It has been the intention of Bolack Minerals Company to drill this well in the late spring or early summer, and your assitance in making sure this well is drilled in this time frame will be greatly appreciated.

Thank you in advance for your assistance and cooperation in this matter.

Sincerely,

Richard T. C. Tully

RICT: lag

Tom Bolack and Tommy Bolack, Géneral Partners Bolack Minerals Company Route 3 South, Box 47 3901 Bloomfield Highway Farmington, NM 87401

i I C. Till

Van L. Goebel, Landman April 12, 1983 Page 2

cc: William R. Speer
Speerex Limited Partnership
P. O. Box 255
Farmington, NM 87499

David M. Poage, Senior Landman El Paso Exploration Company P. O. Box 990 Farmington, NM 87499

J. Gregory Merrion, President Merrion Oil & Gas Corporation P. O. Box 1017 Farmington, NM 87499

### STATE OF NEW MEXICO ENERGY AND MINERALS PARTMENT OIL CONSERVATION D. 1510N

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 7841 Order No. R-7256

APPLICATION OF BOLACK MINERALS COMPANY FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO.

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 30, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of April, 1983, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

### FINDS:

That the applicant's request for dismissal should be granted.

### IT IS THEREFORE ORDERED:

That Case No. 7841 is hereby dismissed.

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

STATE OF NEW MEXICO
OLL CONSERVATION DIVISION

JOE D. RAMEY,

Director

SEAL

RICHARD T.C. TULLY, P.A.

LAW OFFICE
3001 NORTHRIDGE DRIVE / SUITE A
POST OFFICE BOX 26B

FARMINGTON, NEW MEXICO 57499-0268

RICHARD T C TULLY

March 14, 1983

505 327 3388

Joe D. Ramey Division Director New Mexico Oil Conservation Division Post Office Box 2008 Santa Fe, New Mexico 87501

RE: Bolack Minerals Company
Application for Compulsory Pooling
Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed are the following instruments concerning the Application for Compulsory Pooling by Bolack Minerals Company for a proposed Dakota well to be located in the W/2 of Section 13, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico:

1. Three copies of the Application.

1 J. C. Will

2. Three copies of a Certificate of Mailing stating that Lynne Arden Craft Dotson, all other working interest owners in the Dakota Formation in the W/2 of the above described Section 13, the United States Minerals Management Service, and the Supervisor of the District III Office of the New Mexico Oil Conservation Division have been notified of this Application.

It would be appreciated if you will place this Application for hearing on March 30, 1983

Thank you in advance for your assistance and cooperation in this matter. Please advise if you need further information.

Sincerely,

Richard T. C. Tully

**RICT:lag** 

Enclosures

- Frank T. Chavez, Supervisor
  District III Office
  Energy and Minerals Department
  New Mexico Oil Conservation Division
  100 Rio Brazos Road
  Aztec, New Mexico 87410
- Jim Sims, District Supervisor
   U. S. Minerals Management Service
   Post Office Box 600
   Farmington, New Mexico 87499
- 3. Tom Bolack and Tormy Bolack, General Partners
  Bolack Minerals Company Route 3 South, Box 47 3901 Bloomfield Highway Farmington, New Mexico 87410
- 4. William R. Speer, General Partner SPEEREX Limited Partnership Post Office Box 255 Farmington, New Mexico 87499
- 5. J. Gregory Merrion, President Merrion Oil and Gas Corpoaration Post Office Box 1017 Farmington, New Mexico 87499
- 6. Getty Oil Company
  Attn: Mr. Rhett Caltrider
  Three Park Central Suite 700
  1515 Arapahoe Street
  Denver, Colorado 80202
- 7. Isadore Roosth,
  Executor and Trustee for the
  Bennie Roosth Estate
  Post Office Box 2019
  Tyler, Texas 75701
- 8. Isadore Roosth,
  Executor and Trustee for the
  A. S. Genecor Estate
  Post Office Box 2019
  Tyler, Texas 75701
- Frank Caraway
   Post Office Box 982
   San Angelo, Texas 76901

- 10. E. B. Germany & Sons
  Attn: Mr. Howard E. Hansen
  Post Office Boox 12266
  Dallas, Tewas 75225
- 11. Rubie Lee Felll
  Post Office Boox 2052
  Longview, Texas 75606
- 12. Raymond A. Williams, Jr. 111 Mercantile Dallas Building Dallas, Terms 75201
- 13. M. B. Rudmen
  Attn: Mr. Sherral Goodwin
  Executive Vice-President
  711 Mercantile Dallas Building
  Dallas, Terms 75201
- 14. M. B. Rudmen Trust
  Attn: Mr. Sherral Goodwin
  Executive Vice-President
  711 Mercantile Dallas Building
  Dallas, Teras 75201
- 15. Ronald E. Sater Attn: Mr. James A. Weikel Post Office Box 2509 Evansville, Indiana 47714
- 16. Alvrone Sater
  Attn: Mr. James A Weikel
  Post Office Box 2509
  Evansville, Indiana 47714
- 17. Alvrone Sater Trust Attn: Mr. James A. Weikel Post Office Box 2509 Evansville, Indiana 47714
- 18. Alvrone Sater Trust No. 3
  Attn: Mr. James A. Weikel
  Post Office Box 2509
  Evansville, Indiana 47714
- 19. Ieo Otto Craft 184 North Gordon Way Ios Altos, California 94022
- 20. Lynne Arden Craft Dotson 1012 Heines Tyler, Texas 75701

Joe D. Ramey Page 4

- 21. Glenn D. Hughes
  2321 Candelaria NW
  Albuquerque, New Mexico 87107
- 22. American Petrofina Company of Texas ATIN: Jim Denson P.O. Box 2159 Dallas, Texas 75221
- 23. L. A. Gilles 1733 Lake Shore Drive Abilene, Texas 79602



P O BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

February 23, 1983

Tom Bolack, Et Al. c/o Cooney & Tully 811 West Apache P. O. Box 268 Farmington, New Mexico 87499-0268

Attention: Mr. Richard T. C. Tully

Re: EPNG-Canyon Largo Unit No. 297 Well

S/2, Section 13, T24N, R6W Rio Arriba County, New Mexico

### Gentlemen:

In accordance with your letter dated February 8, 1983, we are returning for your files a fully executed copy of Supplemental Gas Purchase Agreement dated February 4, 1983, which adds your interest in Dakota gas from the captioned well to our contract dated April 10, 1981.

Very truly yours,

GAS PURCHASES DEPARTMENT

Richard P. Jordan

Gas Purchase Representative

/rs

Attachment

CONDITIONS OF APPROVAL, IF ANY:

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# UNTIED STATES

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PERMIT NO.				I PROVAL DATE .			

COONEY & TULLY
ATTORNEYS AT LAW

811 WEST APACHE
POST OFFICE BOX 268
FARMINGTON, NEW MEXICO 87499-0268
505-327-3388

RICHARD T C. TULLY. P.A

February 8, 1983

•

JAMES B. COONEY, P.A

JAMES B. COONEY (1908-1979)

Richard P. Jordan Gas Purchase Representative El Paso Natural Gas Company P.O. Box 1492 El Paso, Texas 79978

RE: Bolack Minerals Company Canyon Largo Unit Rio Arriba County, New Mexico

Dear Richard:

Please refer to your letter dated February 4, 1983 pertaining to the Supplemental Gas Purchase and Amendatory Agreement dated February 4, 1983 covering the Canyon Largo Unit No. 297 Well.

Unfortunately, only one of the Agreements enclosed with your letter was executed by M. C. Holland, Assistant Vice-President, of El Paso Natural Gas Company, with attestation by Hannah S. Wolf, Assistant Secretary. You will find enclosed the unexecuted Agreement. Please have these two individuals sign the Agreement on Page 12, and return it to this office after execution.

Thank you in advance for your assistance and cooperation in this matter.

Sincerely,

Richard T. C. Tully

RICT: vjb

Enclosure

cc w/o Encl: Tom Bolack and Tommy Bolack,

JJ C. July

General Partners

Bolack Minerals Company Route 3 South, Box 47 3901 Bloomfield Highway

Farmington, New Mexico 84701

### RECTIVED FEB 0 7 1983



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

February 4, 1983

Tom Bolack and Tommy Bolack General Partners c/o Cooney & Tully 811 West Apache P. O. Box 268 Farmington, New Mexico 87499-0268

Attention: Mr. Richard T. C. Tully

Re: EPNG-Canyon Largo Unit No. 297 Well

S/2, Section 13, T24N, R6W Rio Arriba County, New Mexico

Gentlemen:

We are returning for your files two fully executed copies of Supplemental Gas Purchase and Amendatory Agreement dated February 4, 1983, which adds your interest in Dakota gas from the captioned well to our contract dated April 10, 1981.

We have reaccomplished pages 1 and 9 of the subject agreement, as the supplement was inadvertently dated prior to the date of the Gas Purchase Agreement. We are returning all of the original pages for your disposition.

Very truly yours,

GAS PURCHASES DEPARTMENT

Richard P. Jordan

Gas Purchase Representative

/rs

Attachment

# SUPPLEMENTAL GAS PURCHASE AND AMENDATORY AGREEMENT

THIS AGREEMENT, made and entered into as of the 4th day of February, 1983, by and between EL PASO NATURAL GAS COMPANY, hereinafter referred to as "Buyer," and TOM BOLACK AND TOMMY BOLACK, GENERAL PARTNERS OF BOLACK MINERALS COMPANY, A NEW MEXICO LIMITED PARTNERSHIP, hereinafter referred to as "Seller,"

### WITNESSETH:

WHEREAS, Buyer and Seller entered into that certain Gas Purchase Agreement dated April 10, 1981, covering the purchase and sale of gas produced from Seller's properties located in San Juan County, New Mexico, as more particularly described in Exhibit "A" attached thereto; and

WHEREAS, said agreement is in full force and effect;

WHEREAS, Buyer and Seller now desire to amend said Gas

Purchase Agreement to cover Seller's interest in additional

properties;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, Buyer and Seller agree as follows:

1.

Exhibit "A" of said Gas Purchase Agreement shall be and the same is hereby amended and supplemented by adding thereto Seller's interest in the following described properties:

### SELLER'S PROPERTIES:

EPNG-Canyon Largo Unit No. 297 Well:
Located in the South Half (S/2), Section 13, Township 24
North, Range 6 West, Rio Arriba County, New Mexico and
limited, however, to gas production from the original
producing zone in the Dakota formation.

2.

Said Gas Purchase Agreement shall be and the same is hereby amended insofar, but only insofar, as it pertains to Seller's interest in gas production from the properties described in 1. above as follows:

A. Article IX, "Price," shall be deleted in its entirety and the following new Article IX substituted therefor:

### "ARTICLE IX

### "PRICE

"1. Buyer shall pay Seller the following prices for each one thousand (1,000) cubic feet of gas delivered hereunder:

"(A) So long as the price for gas sold and delivered hereunder is regulated pursuant to the provisions of the Natural Gas Policy Act of 1978, the price to be paid for such gas sold and delivered hereunder shall be the maximum lawful price per one million (1,000,000) BTUs (including applicable adjustments for inflation and real growth factors and taxes) to which Seller may be entitled from time to time to charge and collect for such gas sold and delivered hereunder in accordance with the Federal Energy Regulatory Commission's Rules and Regulations under said Act. Notwithstanding the foregoing, it is expressly understood and agreed that Buyer will not pay the Natural Gas Policy Act of

1978 Section 107 (incentive) or Section 108 (stripper) prices for regulated gas sold and delivered hereunder.

- "(B) Upon deregulation of the price for any gas to be sold and delivered hereunder in accordance with the provisions of the Natural Gas Policy Act of 1978, or otherwise, the price payable hereunder for such gas shall be determined in accordance with the provisions of 2. of this Article IX.
- "2. (A) On or before the thirtieth (30th) day following the effective date of deregulation of the price for any gas to be sold and delivered hereunder, and thereafter on or before the thirtieth (30th) day prior to each anniversary date of such deregulation, Buyer shall notify Seller in writing of the price it will pay Seller for such deregulated gas delivered hereunder, commencing in the first instance on the effective date of deregulation and continuing until the first anniversary of such date, and, in succeeding years, commencing on the anniversary of the effective date of deregulation and continuing until the next succeeding anniversary of such date.
- "(B) Unless, on or before the thirtieth (30th) day following the giving by Buyer of a price notice pursuant to 2.(A) hereof, Seller shall have notified Buyer in writing of Seller's exception to the price specified by Buyer, then said specified price, subject to the further provisions of this Article IX, shall become the effective price for all deregulated gas delivered hereunder during the pricing period involved. In the event Seller timely notifies Buyer of its exception to the price

specified in Buyer's notice, then Buyer and Seller shall promptly attempt in good faith to negotiate and agree on a mutually acceptable price for all deregulated gas delivered hereunder during the pricing period involved. Pending a negotiated settlement by Buyer and Seller as to the price payable hereunder during the pricing period involved, the price in effect on the last day of the immediately preceding pricing period shall continue in effect unless otherwise agreed upon by Buyer and Seller. In the event Buyer and Seller are unable to agree on a price on or before the thirtieth (30th) day following receipt by Buyer of Seller's said notice, and such period has not been extended by mutual agreement of the parties, then either party may notify the other party in writing of its decision to initiate arbitration of the dispute, which will proceed as follows: within ten (10) days after the giving of written notice of referral to arbitration, Buyer and Seller shall each appoint one arbitrator. The two arbitrators so appointed shall jointly select a third arbitrator. All arbitrators appointed shall be experienced in the natural gas industry and competent to pass upon matters of the dispute involved. If the two arbitrators appointed shall fail for a period of ten (10) days to select a third arbitrator, then the arbitrator necessary to complete a board of three arbitrators shall be appointed, upon application therefor by either party, by a U.S. District Judge, senior in point of service, in a district having jurisdiction in the matter. The three arbitrators shall meet, hear the parties hereto

with respect to such dispute, and arrive at a decision respecting the price payable hereunder for deregulated gas during the pricing period involved; provided that said price so determined shall represent a price that is fair to both Buyer and Seller during such period, considering all pertinent factors affecting the value of such gas to the parties. The decision of the board of arbitration or a majority thereof shall be rendered in writing, be signed by said board of arbitration or a majority thereof and shall be final and binding on the parties hereto, subject to the provisions of 6. of this Article IX.

- "(C) Any price arrived at by means of arbitration shall become effective hereunder on the first day of the month ext following the month in which the board of arbitration decision is rendered. The price in effect on the last day of the immediately preceding pricing period shall continue in effect hereunder until the effective date of such arbitrated price. Compensation and expenses of the arbitrator named for Seller shall be paid by Seller; compensation and expenses of the arbitrator named for Buyer shall be paid by Buyer; and, the compensation and expenses of the third arbitrator shall be paid in equal proportions by Buyer and Seller.
- "3. So long as any gas deliverable hereunder remains subject to price regulation under the Natural Gas Policy Act of 1978 or superseding regulations by any governmental body having jurisdiction, Buyer agrees to compensate Seller for production related costs incurred by Seller attributable to such gas

authorized by rule or order and upon application therefor by Seller, except as otherwise provided in this Agreement.

Subject to the provisions of 1.(A) of this Article IX, if at any time during the term hereof a ceiling price, including any applicable escalations, is permitted or prescribed by, under, or in connection with the Natural Gas Act or the Natural Gas Policy Act of 1978, or as a result of rules or regulations issued by the Federal Energy Regulatory Commission or any other governmental agency having jurisdiction or as a result of regulations or laws enacted or prescribed by the United States Congress and such price is (i) applicable to the gas sold hereunder or any portion thereof, and (ii) higher than the price provided herein, then the price paid by Buyer to Seller hereunder for any portion of the gas sold hereunder to which such higher price is applicable shall be increased to such higher price effective as of the date it is prescribed or permitted; provided, that such higher price shall not be paid until Seller has made a11 requisite filings with the Federal Energy Regulatory Commission and/or any other State or Federal agency; provided further, that nothing herein shall preclude Buyer from questioning before any regulatory agency the applicability of such higher price, or opposing the establishment of higher ceiling prices.

"5. For purposes of arriving at prices payable hereunder, any price determinative thereof, as well as that price payable, shall be rounded to the nearest mill (rounding to the

next highest mill only that fraction which is one-half (1/2) a mill or greater).

- "6. Notwithstanding the foregoing provisions of this Article IX, it is expressly understood and agreed that if at any time and from time to time either:
  - (A) Pursuant to an order of the Federal Energy Regulatory Commission, its successor administrative agency or other governmental authority having jurisdiction, Buyer, for any reason, is not permitted or allowed to include in its filed rates the full price paid Seller for all or any portion of gas delivered hereunder (including any compensation for production related costs); or
  - (B) Buyer, acting in good faith and in accordance with prudent business practices, determines, in its sole discretion, that its gas supply and market demand environment indicates a downward change in the value to Buyer of the gas to be purchased from Seller hereunder;

then, in either event, upon the giving of written notice to Seller specifying the gas involved, Buyer shall have the right to reduce the price otherwise payable hereunder for such gas to equal, as the case may be, either that price which Buyer is so permitted or allowed to include in its filed rates, or that price indicative of Buyer's then existing gas supply and market demand environment. Said reduced price shall become effective hereunder

on the first (1st) day of the month following the month in which Buyer's notice hereunder is given.

- (C) If the event specified in 6.(A) above occurs, then Seller shall refund to Buyer, within ninety (90) days following the giving of Buyer's said notice, any amount paid to Seller that was not permitted or allowed to be included in Buyer's filed rates, with interest thereon calculated in accordance with Section 154.102(d) of the Regulations under the Natural Gas Act, or succeeding interest provisions prescribed from time to time by the Commission, or successor governmental body.
- (D) The reduced price specified by Buyer in any such notice given pursuant to the event specified in above is hereinafter referred to as the "Alternate Price." Buyer and Seller agree that, at any time within ninety (90) days after the date Buyer's notice specifying such an Alternate Price is given, Seller may elect, by giving written notice of such election to Buyer, to terminate this Agreement if it can sell the gas subject to such notice to another bona fide nonaffiliated pipeline company which is ready, willing and able to purchase said gas at a price higher than the specified Alternate Price. The purchase and sale the gas subject to Buyer's notice given οf

pursuant to the event specified in 6.(B) above shall continue hereunder at the Alternate Price either for a period of thirty (30) days after the date of receipt by Buyer of Seller's termination which time at this Agreement terminate as to such gas, or only for so long as Buyer, in its sole discretion, determines that the event specified in 6.(B) above requires such an Alternate Price. On the first (1st) day of the following the month in which month Buyer determines that the event specified in 6.(B) above no longer requires an Alternate Price, the price that was payable for the gas subject to said Alternate Price on the day before the effective date of said Alternate Price shall become the price payable hereunder for such gas."

B. Article X, "Term," shall be deleted in its entirety and the following new Article X substituted therefor:

### "ARTICLE X

### "TERM

"This Agreement shall be effective from February 1, 1981, and, unless earlier terminated in accordance with other provisions hereof, shall remain in full force for a term of ten (10) full years from the date of first deliveries of gas hereunder, and thereafter from month to month until terminated by either party hereto upon not less than thirty (30) days prior

written notice to the other; provided, however, if at the time notice of termination is given (or upon termination of this Agreement in accordance with the provisions of Section 6.(D) of Article IX hereof) there exists an outstanding deficiency payment made by Buyer to Seller pursuant to the provisions of Article VI hereof, then this Agreement shall continue in full force and effect until such time as either Buyer receives gas hereunder without making payment therefor having a value of the then outstanding balance of such deficiency payment, or Seller shall return to Buyer in cash the amount of such deficiency payment."

C. The following new 7. shall be added to Article XIII, "Miscellaneous,":

### "ARTICLE XIII

### "MISCELLANEOUS

Agreement, if at any time and from time to time the Federal Energy Regulatory Commission, its successor administrative agency or any other governmental authority having jurisdiction, should in any manner and for any reason prohibit Buyer from including in its cost of service or otherwise recovering through its jurisdictional rates all or any portion of the costs (including capital costs and expenses) of compressing, gathering, processing, treating, liquefying or transporting the natural gas purchased from Seller hereunder, which activities were conducted by Buyer, or for Buyer at its expense, pursuant to the terms of this Agreement, Seller shall reimburse Buyer for such disallowed

costs within thirty (30) days following receipt of notice from Buyer requesting reimbursement."

- D. <u>Section A</u>, "Quality," paragraph 1. (a) shall be deleted in its entirety and the following new paragraph 1. (a) substituted therefor:
- "(a) Liquids: Seller shall install all drips, separators, and other conventional field devices which may be found necessary to separate crude oil, liquid hydrocarbons, or water in their liquid state at the temperature and pressure at which the gas is delivered hereunder so that such oil, liquid hydrocarbons, or water in the liquid state may be prevented from entering Buyer's gathering lines at the points of delivery hereunder, all such material so removed to remain the property of Seller; provided, however, that it is not intended hereby to permit or require Seller to remove or recover hydrocarbons from the gas other than such as may be recovered through the use of a conventional gas-oil field separator. Seller shall, if required by Buyer, install, own and operate, at its sole cost, dehydration facilities at the point or points of delivery hereunder so that such gas delivered hereunder will contain not more than seven (7) pounds of water per one million (1,000,000) cubic feet."

3.

Promptly after the date of this agreement, Buyer and Seller shall diligently proceed to do all things necessary to effectuate the delivery and receipt of gas covered hereby.

This Supplemental Agreement shall become effective as of the date first above written and said Gas Purchase Agreement dated April 10, 1981, shall remain in full force and effect in accordance with the terms and provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed in duplicate originals.

"BUYER"

ATTEST:

Assistant Secretary

EL PASO NATURAL GAS COMPANY

Ву 🗍

MICHAEL C. HOLLAND VICE PRESIDENT

"SELLER"

TOM BOLACK AND TOMMY BOLACK, GENERAL PARTNERS OF BOLACK MINERALS COMPANY, A NEW MEXICO LIMITED PARTNERSHIP

WITNESS:

Walter & Fraky

WITNESS:

Tommy Bolag

## State of New Mexico







# Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

February 4, 1983

Case 1541

El Paso Exploration Company P.O. Box 1492 El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico SEVENTH, EIGHTH, NINTH, TENTH AND ELEVENTH EXPANDED PARTICIPATING AREAS Effective March 1, 1981, July 1, 1981, August 1, 1981, November 1, 1981 and June 1, 1982, Gallup Formation

ATTENTION: Mr. James R. Permenter

Gentlemen:

This office is in receipt of three copies of the Seventh, Eighth, Ninth, Tenth and Eleventh Expanded Participating Areas for the Gallup Formation, Canyon Largo Unit, Rio Arriba County, New Mexico. Such Expanded Participating Areas are predicted upon the commercial determination of the Well Nos. 298, 299, 301, 303, 304, 305 and 313. The following lands constitute the Seventh Expanded Participating Area effective March 1, 1981. E/2 Sec. 3-T24N-R6W, E/2 Sec. 4-T24N-R-6W, W/2 Sec. 3-T24N-R6W (intervening Drilling Block with exception of 40 acres located in the NE/4 SW/4 due to non-commercial status of the #185 well.) The Eighth Expanded Participating Area effective July 1, 1981 consists of the W/2 Sec. 11-T24N-R6W. The Ninth Expanded Participating Area effective August 1, 1981 consists of the W/2 Sec. 4-T24N-R6W, E/2 Sec. 11 T24N-R6W. The Tenth Expanded Participating Area consists of the E/2 of Sec. 5 T24N-R6W and is effective November 1, 1981. The Eleventh Expanded Participating Area effective November 1, 1981. The Eleventh Expanded Participating Area effective June 1, 1981 consists of the NE/4 of Sec. 28-T25N-R6W (SE/4 not committed to unit) E/2 of Sec. 33-T25N-R6W, Rio Arriba County, New Mexico.

El Paso Exploration Company Page 2 February 4, 1983

Inasmuch as this needs no official approval, we have this date filed it in our unit files.

Enclosed is one copy reflecting the date received in this office.

Very truly yours,

JIM BACA COMMISSIONER OF PUBLIC LANDS

Dayles Non

BY: Floyd O. Prando Assistant Director Oil and Gas Division AC 505/827-5744

JB/FOP/cm

Enclosure

cc: OCD, Santa Fe, New Mexico BLM, Albuquerque, New Mexico Administration

### COONEY & TULLY

ATTORNEYS AT LAW
811 WEST APACHE

### POST OFFICE BOX 268

FARMINGTON, NEW MEXICO 87499-0268 505-327-3388

RICHARD T. C. TULLY, P.A.

January 21, 1983

JAMES B. COONEY, P.A.
JAMES B. COONEY (1908-1979)

Richard P. Jordan Gas Purchase Representative El Paso Natural Gas Company P.O. Box 1492 El Paso, Texas 79978

RE: Bolack Minerals Company Canyon Largo Unit Rio Arriba County, New Mexico

Dear Richard:

Enclosed are four executed copies of the Supplemental Gas Purchase and Amendatory Agreement covering the S/2 of Section 13, T-24-N, R-6-W, N.M.P.M. (Dakota Formation). Please note these Agreements have been executed by Tom Bolack and Tommy Bolack, General Partners of Bolack Minerals Company.

Please return two copies of these Agreements after the appropriate corporate official of El Paso has executed the Agreements.

Thank you for your assistance and cooperation in this matter.

Sincerely,

Richard T. C. Tully

RICT:vjb

Enclosures

cc w/o Encl: Tom Bolack and Tommy Bolack,

Richard T. C. Tully/ijb

General Partners

Bolack Minerals Company Route 3 South, Box 47 3901 Bloomfield Highway

Farmington, New Mexico 87401

William R. Speer Consulting Geologist

P.O. Box 255

Farmington, New Mexi∞ 87499

EIPaso Natural Gas Company P. O BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

January 17, 1983

Tom Bolack and Tommy Bolack General Partners, Bolack Minerals Company c/o Cooney & Tully 811 West Apache P. O. Box 268 Farmington, New Mexico 87499-0268

ttention: Mr. Richard T. C. Tully

Re: South Half (S/2), Section 13 Township 24 North, Range 6 West Rio Arriba County, New Mexico

Gentlemen:

Reference is made to our letter dated December 8, 1982, submitting a contract proposal for the purchase and sale of your interest in Dakota formation gas from the captioned acreage.

Due to the fact that we have not received any form of response concerning our proposal, we hereby withdraw our offer to purchase your gas production and we are of the opinion that there is no basis on which to continue negotiations at this time.

We will consider, unless otherwise instructed to do so, your interest in this gas production as "banked in the ground."

Very truly yours,

GAS PURCHASES DEPARTMENT

Richard P. Jordan

Gas Purchase Representative

/rs

cc: Mr. David Tuchenhagen Contract Administration Dept.





January 4, 1983

Minerals Management Service South Central Region 505 Marquette Avenue, N.W., Suite 815 Albuquerque, New Mexico 87102 Case # 541

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
SEVENTH, EIGHTH, NINTH, TENTH
AND ELEVENTH EXPANDED PARTICIPATING AREAS
Effective March 1, 1981, July 1, 1981,
August 1, 1981, November 1, 1981 and
June 1, 1982, Gallup Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that the below listed wells are capable of producing unitized substances in paying quantities from the Gallup Formation and that the Participating Area for the Gallup Formation is expanded accordingly as follows:

### SEVENTH EXPANDED PARTICIPATING AREA - Effective March 1, 1981

Drilling Block	Net Acres	Well No.
E/2 of Sec. 3, T-24-N, R-6-W E/2 of Sec. 4, T-24-N, R-6-W W/2 of Sec. 3, T-24-N, R-6-W (Intervening Drilling Block with exception of 40 acres located in the NE/4 SW/4 due to non-commercial status of the #185 well.)	340.85 339.45 340.15	298 299

EIGHTH EXPANDED PARTICIPATING AREA	- Effective July	1, 1981				
Drilling Block	Net Acres	Well No.				
W/2 of Sec. 11, T-24-N, R-6-W	320.00	304				
NINTH EXPANDED PARTICIPATING AREA	- Effective Augus	st 1, 1981				
Drilling Block	Net Acres	Well No.				
W/2 of Sec. 4, T-24-N, R-6-W E/2 of Sec. 11, T-24-N, R-6-W		301 305				
TENTH EXPANDED PARTICIPATING AREA	- Effective Novem	mber 1, 1981				
Drilling Block	Net Acres	Well No.				
E/2 of Sec. 5, T-24-N, R-6-W	337.95	303				
ELEVENTH EXPANDED PARTICIPATING AREA - Effective June 1, 1982						
Drilling Block	Net Acres	Well No.				
NE/4 of Sec. 28, T-25-N, R-6-W (SE/4 not committed to unit)	160.00	313				
E/2 of Sec. 33, T-25-N, R-6-W (Brought in as an Intervening Drilling Block)	320.00					

The Canyon Largo Unit #305 Well, located 990' from the North line and 825' from the East line of Section 11, Township 24 North, Range 6 West, N.M.P.M., was spudded on April 29, 1981, and completed on June 10, 1981, at a plugged back depth of 5791'. The Gallup Formation at the selected intervals between 5521' and 5741' was treated with a gelled oil-sand fracturing process on June 9, 1981. On a twenty-four (24) hour flowing test on June 10, 1981, the well produced 71 BOPD and 250 MCF/D through a 3/4" choke. The spacing unit for this well is described as the E/2 of Section 11, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

The Canyon Largo Unit #303 Well, located 790' from the South line and 1850' from the East line of Section 5, Township 24 North, Range 6 West, N.M.P.M., was spudded on May 11, 1981, and completed on June 26, 1981, at a plugged back depth of 5825'. The Gallup Formation at the selected intervals between 5558' and 5773' was treated with a gelled oil-sand fracturing process on June 24, 1981. On a twenty-four (24) hour flowing test on October 6, 1981, the well produced 25 BOPD and 95 MCF/D through a 3/4" choke. The spacing unit for this well is described as the E/2 of Section 5, Township 24 North, Range 6 West, N.M.P.M., containing 337.95 acres.

The Canyon Largo Unit #304 Well, located 790' from the North line and 1850' from the West line of Section 11, Township 24 North, Range 6 West, N.M.P.M., was spudded on April 20, 1981, and completed on May 29, 1981, at a plugged back depth of 5646'. The Gallup Formation at the selected intervals between 5380' and 5600' was treated with a gelled oil-sand fracturing process on May 28, 1981. On a twenty-four (24) hour flowing test on June 25, 1981, the well produced 57 BOPD and 216 MCF/D through a 3/4" choke. The spacing unit for this well is described as the W/2 of Section 11, Township 24 North, Range 6 West, N.M.P.M. containing 320.00 acres.

The Canyon Largo Unit #301 Well, located 790' from the South line and 990' from the West line of Section 4, Township 24 North, Range 6 West, N.M.P.M., was spudded on March 30, 1981, and completed on July 17, 1981, at a plugged back depth of 5655'. The Gallup Formation at the selected intervals between 5404' and 5622' was treated with a gelled oil-sand fracturing process on June 16, 1981. On a twenty-four (24) hour flowing test on July 18, 1981, the well produced 46 BOPD and 223 MCF/D through a 3/4" choke. The spacing unit for this well is described as the W/2 of Section 4, Township 24 North, Range 6 West, N.M.P.M. containing 338.75 acres.

The Canyon Largo Unit #313 Well, located 790' from the North line and 790' from the East line of Section 28, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 22, 1982, and completed on May 15, 1982, at a plugged back depth of 5960'. The Gallup Formation at the selected intervals between 5878' and 5960' was treated with a foam fracturing process on May 16, 1982, May 19, 1982, and May 21, 1982. On a twenty-four (24) hour flowing test on May 23, 1982, the well produced 762 BOPD and 1900 MCF/D through a 3/4" choke. The spacing unit for this well is described as the NE/4 of Section 28, Township 25 North, Range 6 West, N.M.P.M. containing 160.00 acres.

The Canyon Largo Unit #298 Well, located 790' from the North line and 790' from the East line of Section 3, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 27, 1980, and completed on February 22, 1981, at a plugged back depth of 5698'. The Gallup Formation at the selected intervals between 5434' and 5541' was treated with a gelled oil-sand fracturing process on February 8, 1981. On a twenty-four (24) hour flowing test on February 22, 1981, the well produced 86 BOPD and 357 MCF/D through a 3/4" choke. The spacing unit for this well is described as the E/2 of Section 3, Township 24 North, Range 6 West, N.M.P.M. containing 340.85 acres.

The Canyon Largo Unit #299 Well, located 990' from the South line and 1840' from the East line of Section 4, Township 24 North, Range 6 West, N.M.P.M., was spudded on October 7, 1980, and completed on February 22, 1981, at a plugged back depth of 5637'. The Gallup Formation at the selected intervals between 5420' and 5622' was treated with a gelled oil-sand fracturing process on November 16, 1981. On a twenty-four (24) hour flowing test on February 23, 1981, the well produced 71 BOPD and 259 MCF/D through a 3/4" choke. The spacing unit for this well is described as the E/2 of Section 4, Township 24 North, Range 6 West, N.M.P.M. containing 339.45 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Seventh, Eighth, Ninth, Tenth and Eleventh Expanded Participating Areas for the Gallup Formation will become effective as of March 1, 1981, July 1, 1981, August 1, 1981, November 1, 1981, and June 1, 1982.

Attached hereto are Schedules VIII, IX, X, XI and XII showing the Seventh, Eighth, Ninth, Tenth and Eleventh Expanded Participating Areas for the Gallup Formation of the Canyon Largo Unit. This Schedule describes the Participating Areas shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

James R. Permenter

Director, Land Administration

Land Department

JRP:VLG:dml Enclosure CLU, 4.4

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company Attention: Land Department Denver, Colorado 80202

Amoco Production Company Attention: Production Department Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Merrion Oil & Gas Corporation

Mr. Tom Bolack and Tommy Bolack, General Partners Bolack Minerals Company

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Lorna A. Harvey

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company

SCHEDULE VIII SEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

			PAGE 1		
		(78.75%)	ion Oil & Gas Corp		
		(78.75%)	est Gas & Condensate: El Paso Natural Gas Company Cil & Casinghod Gas:		
	8.75% 100.00%	8.75%			
33.7733118	12.50%	12.50%	Royalty Working Interest	Sec. 8: All Sec. 9: All	S 0,00,7
			TRACT 19	E E	078877
		(78.75%)	ion Oil & Gas		
		(78.75%)	est Gas & El Paso Na Oil & Casi	13, 14, E/2	·
	78.75% 8.75% 100.00%	78.75% $8.75$ % $100.00$ %	ORRI *(Working	5,	w w
34.841783%	12.50%	12.50%	Royalty Working Interest	T-24-N, R-6-W 1,239.04 Sec. 3: Lots 5-12, W/2 SW/4 SF/4 SW/4	SF 078874 <u>T</u>
			TRACT 16		
	85.00% 2.50% 100.00%	85.00% 2.50% 100.00%	0		
8.998394%	12.50%	12.50%	Royalty Working Interest	T-24-N, R-6-W 320.00 Sec. 15: W/2	SF 078628-A
			TRACT 12		
PRESENT ACTUAL PARTICIPATION	PERCENTAGE	PERCENTAGE	OWNERSHIP PEI	DESCRIPTION NUMBER OF ACRES	SERIAL NUMBER

SCHEDULE VIII SEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

T-24-N, R-6-W Sec. 3: Lots 1, 2, 3, 4 Sec. 4: Lots 1, 2 Sec. 6: Lots 3, 4  ORRI  *(Working Interest *(Working Interest	ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Condensate: Oil & Casinghead Gas: Merrion Oil & Gas Corp	SF 079886 T-24-N, R-6-W 640.00 Royalty Working Interest	SERIAL NUMBER DESCRIPTION OF ACRES OWNERSHIP
12.50% 78.75% 8.75% 100.00%  1pany (78.75%) (78.75%)	OTAL 8.75% te: s Company (78.75%) as: Corp.) (78.75%)	TRACT 28 12.50% 78.75%	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	8.75% 100.00%	12.50%	COMMITTED
2.169457%		17.996789%	PARTICIPATION

# SCHEDULE VIII

3,556.19		Participating Area:			
3,556.19		Total Number of Acres in Participating Area: Total Number of Acres Committed to	To To		
		Section 15: W/2	• \$		
		Section 17: All	S		-
		Section 9: All	S		-
		Section 8: All	ã		
		Section 6: W/2	S		
		Section 4: E/2	Š		
		Section 3: NW/4, W/2 SW/4, SE/4 SW/4, E/2	S		
		ownship 24 North, Range 6 West, N.M.P.M.	To		
		RECAPITULATION			
PARTICIPATION	COMMITTED	RSHIP	OF ACRES		
PRESENT ACTUAL	PERCENTAGE	DRILLING BLOCK	-	DESCRIPTION	SERIAL NUMBER

# SCHEDULE IX EIGHTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

F 078877	3F 078874		3F 078628-A	SERIAL NUMBER
T-24-N, R-6-W 1 Sec. 8: All Sec. 9: All Sec. 11: W/2	T-24-N, R-6-W 1, Sec. 3: Lots 5-12, SW/4, SE/4 Sec. 4: Lots 7, 8, SE/4 Sec. 6: Lots 5, 6, 13, 14, E/3		T-24-N, R-6-W Sec. 15: W/2	DESCRIPTION
1,600.00	1,239.04 2, W/2 1/4 SW/4, 8, 9, 10, 6, 11, 12, E/2 SW/4		320.00	NUMBER OF ACRES
Royalty Working Interest  *  ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	Royalty Working Interest  *  ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	0	Royalty Working Interest	OWNERSHIP PE
12.50% 78.75% 8.75% 100.00% (78.75%)	12.50% 78.75% 8.75% 100.00% (78.75%)	85.00% 2.50% 100.00%	12.50%	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	85.00% 2.50% 100.00%	12.50%	PERCENTAGE COMMITTED
41.277646%	31.9654098		8.255529%	PRESENT ACTUAL PARTICIPATION

SCHEDULE IX
EIGHTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION
CANYON LARGO UNIT AREA

3F 078957	3F 079886	SERIAL NUMBER
T-24-N, R-6-W Sec. 3: Lots 1, Sec. 4: Lots 1, Sec. 6: Lots 3,	T-24-N, R-6-W Sec. 17: All	DESCRIPTION
77.15 2, 3, 4	640.00	NUMBER OF ACRES
Royalty Working Interest  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	Royalty Working Interest  *  ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	DRILLING BLOCK
12.50% 78.75% 8.75% 100.00% (78.75%)	12.50% 78.75% 8.75% 100.00% (78.75%)	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
1.990357%	16.511059%	PRESENT ACTUAL PARTICIPATION

## SCHEDULE IX

Total Total Parti	Townshi Section Section Section Section Section Section Section Section Section		SERIAL NUMBER DESCRIPTION OF ACRES
Notal Number of Acres in Participating Area: Notal Number of Acres Committed to Participating Area:	0 24 N 6: W 6: W 11: W 15: W	RECAPITULATION	DRILLING BLOCK PERCENT AGE
(A) (A)			PERCENTAGE
3,876.19 3,876.19			PARTICIPATION

SCHEDULE X
NINTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION
CANYON LARGO UNIT AREA

;F 078877	3F 078874		3F 078628-A		SERIAL NUMBER
T-24-N, R-6-W Sec. 8: All Sec. 9: All Sec. 11: All	T-24-N, R-6-W 1, Sec. 3: Lots 5-12, SW/4, SE/4 Sec. 4: Lots 5-12, SW/4 Sec. 6: Lots 5, 6, 13, 14, E/		T-24-N, R-6-W Sec. 15: W/2		DESCRIPTION
1,920.00	1,559.04 -12, W/2 SE/4 SW/4, -12, SE/4, , 6, 11, 12, , E/2 SW/4		320.00	:	NUMBER OF ACRES
Royalty Working Interest  *  ORRI  *(Working Inter- est Gas & Condensate: E1 Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	Royalty Working Interest ORRI  *(Working Inter- est Gas & Condensa El Paso Natural Ga Oil & Casinghead G Merrion Oil & Gas	ORRI TOTAL  TRACT 16	92	TRACT 12	OWNERSHIP DRILLING BLOCK
12.50% 78.75% 8.75% 100.00% (78.75%)	12.50% 78.75% 8.75% 100.00% (78.75%)	2.50%	12.50%		PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	2.50%	12.50%		PERCENTAGE
42.337936%	34.3784048		7.056323%		PRESENT ACTUAL PARTICIPATION

# SCHEDULE X NINTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

SF 078957 T-24-N, Sec. 3: Sec. 4: Sec. 6:	SF 079886 $\frac{T-2}{Sec}$ .	SERIAL NUMBER D
-N, R-6-W 3: Lots 1, 4: Lots 1, 6: Lots 3,	T-24-N, R-6-W Sec. 17: All	DESCRIPTION
95.90 2, 3, 4 2, 3, 4 4	640.00	NUMBER OF ACRES
Royalty Working Interest  ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	Royalty Working Interest  ORRI  *(ORRI  TOTAL  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	OWNERSHIP TRACT 28
12.50% 78.75% 8.75% 100.00% (78.75%)	12.50% 78.75% 8.75% 100.00% (78.75%)	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
2.114692%	14.112645%	PRESENT ACTUAL PARTICIPATION

### SCHEDULE X

Township 24 North, Range 6 West, N.M.P.M.  Section 3: NW/4, W/2 SW/4, SE/4 SW/4, E/2  Section 6: W/2  Section 8: All  Section 9: All  Section 11: All  Section 15: W/2	Participating Area: mmitted to
p 24 North, Range 3: NW/4, W/2 SW/ 4: All 6: W/2 8: All 9: All 11: All	
p 24 North, Range 3: NW/4, W/2 SW/ 4: All 6: W/2 8: All	
p 24 North, Range 3: NW/4, W/2 SW/ 4: All 6: W/2	
p 24 North, Range 3: NW/4, W/2 SW/	
	TE 12
OF ACRES OWNERSHIP PERCENTAGE	

# SCHEDULE XI TENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

39.401669%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00% (78.75%)	Royalty Working Interest  *ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	T-24-N, R-6-W 1,920.00 Sec. 8: All Sec. 9: All Sec. 11: All	SF 078877
			TRACT 19		
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00% (78.75%) (78.75%)		5-12, 7, 8, 5, 6, 4, E/2	
38.561100{	12.50%	12.50%	Royalty Working Interest	T-24-N, R-6-W 1,879.04 Sec. 3: Lots 5-12, W/2 SW/4, SE/4 SW/4,	SF 078874
6.566945%	12.50% 85.00% 2.50% 100.00%	12.50% 85.00% 2.50% 100.00%	Royalty Working Interest Skelly Oil Co. ORRI	T-24-N, R-6-W 320.00 Sec. 15: W/2	SF 078628-A
			TRACT 12		
PARTICIPATION	PERCENTAGE COMMITTED	PERCENTAGE	OWNERSHIP DRILLING BLOCK	DESCRIPTION OF ACRES	SERIAL NUMBER

SCHEDULE XI TENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

## SCHEDULE XI

4,872.89	Total Number of Acres in Participating Area:		
	Section 17: All Section 15: W/2		
	9:		
	6 J		
	•• ••		
	Township 24 North, Range 6 West, N.M.P.M.		
	RECAPITULATION		
PERCENTAGE COMMITTED	OF ACRES OWNERSHIP DRILLING BLOCK	DESCRIPTION	SERIAL NUMBER

SCHEDULE XII ELEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

			PAGE 1		
		(78.75%)	El Paso Natural Gas Company		
		(78.75%)	ס ס		
	100.00%	100.00%			
	78.75%	78.75%	WOLVIIA THEFT		
5.9780799	12.50%	12.50%	5 +	$\frac{T-25-N}{Sec. 33: E/2}$ 320.00	SF 078875
			TRACT 17		
		(78.75%)	Merrion Oil & Gas C	1, 1, 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	
		(78.75%)		SE/4 . 6: Lots 5, 6, 11, 13. 14. E/2 SW	70
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	<b>₹</b>	SE/4 4: Lots 5-12, SW/4 5: Lots 7 8	0 70
35.103281	12.50%	12.50%	Royalty Working Interest	T-24-N, R-6-W 1,879.04 Sec. 3: Lots 5-12, W/2 SW/4. SE/4 SW/4.	SF 078874
			TRACT 16		
	85.00% 2.50% 100.00%	85.00% 2.50% 100.00%	0il Co.		
5.978079%	12.50%	12.50%	Royalty Working Interest	$\frac{T-24-N}{Sec. 15: W/2}$ 320.00	SF 078628-A
			TRACT 12		
PRESENT ACTUAL PARTICIPATION	PERCENTAGE	PERCENTAGE	DRILLING BLOCK OWNERSHIP PEI	DESCRIPTION NUMBER OF ACRES	SERIAL NUMBER

# SCHEDULE XII ELEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

11.956158%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00% (78.75%)	Royalty Working Interest  ORRI  *(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	640.00	T-24-N, R-6-W Sec. 17: All	SF 079886
	100.00*	(78.75%) (78.75%)	*(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)			
35.868475%	12.50% 78.75% 8.75%	12.50% 78.75% 8.75%	Royalty Working Interest *	1,920.00	T-24-N, R-6-W Sec. 8: All Sec. 9: All Sec. 11: All	SF 078877
PRESENT ACTUAL PARTICIPATION	PERCENTAGE COMMITTED	PERCENTAGE	OWNERSHIP  TRACT 19	NUMBER OF ACRES	DESCRIPTION	SERIAL NUMBER

# SCHEDULE XII ELEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

		3F 079071				SF 078957		SERIAL NUMBER
		$\frac{T-25-N}{Sec.}$ , R-6-W			Sec. 4: Lots I Sec. 5: Lots 1 Sec. 6: Lots 3	$\mathbb{R}^{2}$		DESCRIPTION
		160.00			2, 3, 4	113.85		NUMBER OF ACRES
*Merrion Oil & Gas Corp. has taken a Farmout from PWG Partnership. After Payout of the #313 Well PWG Partnership will back- in for a 50% working interest.	n Oil & Gas	Royalty Working Interest	TRACT 36-A	*(Working Inter- est Gas & Condensate: El Paso Natural Gas Company Oil & Casinghead Gas: Merrion Oil & Gas Corp.)	Working Interest ORRI TOTAL	Royalty	TRACT 32	OWNERSHIP PER
•	71.56% 15.94% 100.00%	12.50%		(78.75%)	78.75% 8.75% 100.00%	12.50%		PERCENTAGE
After Payout Working Interest Merrion Oil & Gs Corp. 35.78% PWG Partnership 35.78%	71.56% 15.94% 100.00%	12.50%		•	78.75% 8.75%	12.50%		PERCENTAGE
erest 35.78% 35.78% 71.56%		2.989040%				2.1268888		PRESENT ACTUAL PARTICIPATION

# SCHEDULE XII ELEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTUAL	PERCENTAGE	IG BLOCK		NOMBER	DESCRIPTION	STRIAL NEWBER

## RECAPITULATION

														•	
Participating Area:	s Con	Total Number of Acres in Participating Area:	Section 33: E/2	Section 28: NE/4	Township 25 North, Range 6 West, N.M.P.M.	Section 15: W/2	Section 17: All	Section 11: All	Section 9: All	Section 8: All	Section 6: W/2	Section 5: E/2	Section 4: All	Section 3: NW/4, W/2 SW/4, SE/4 SW/4, E/2	Township 24 North, Range 6 West
5,352.89	1 2 2 3	5,352.89													

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

(

Paso Natural Bas Company

December 8, 1982

Tom Bolack and Tommy Bolack General Partners, Bolack Minerals Company c/o Cooney & Tully P. O. Box 268 Farmington, New Mexico 87499-0268

Attention: Mr. Richard T. C. Tully

Re: South Half (S/2), Section 13
Township 24 North, Range 6 West
Rio Arriba County, New Mexico

### Gentlemen:

In accordance with your letter dated November 19, 1982, attached are four copies of a Supplemental Gas Purchase and Amendatory Agreement dated February 1, 1981, providing for the purchase and sale of your interest in Dakota formation gas production from the captioned acreage by adding said acreage to the Gas Purchase Agreement between us dated April 10,1981. The attached is to be considered in lieu of the Gas Purchase Agreement originally tendered for your consideration under cover of our letter dated November 8, 1982.

If the attached agreement meets with your approval, please sign and return all copies for our further handling. This offer is considered withdrawn if not fully executed and received by El Paso seven days from the date above written.

Very truly yours,

GAS PURCHASES DEPARTMENT

Richard P. Jordan

Gas Purchase Representative

/rs Attachment

RECEIVED DEC 1 3 1982

### COONEY & TULLY

ATTORNEYS AT LAW

811 WEST APACHE

POST OFFICE BOX 268

FARMINGTON, NEW MEXICO 87499-0268

505-327-3388

RICHARD T. C. TULLY, P.A.

JAMES B. COONEY, P.A.

JAMES B. COONEY (1908-1979)

November 19, 1982

R. E. Johnson, Director Cas Purchases Department EL PASO NATURAL GAS COMPANY P. O. Box 1492 El Paso, Texas 79978

Pe: Bolack Minerals Company

Canyon Largo Unit

Dear Rick:

Receipt is acknowledged of your letter dated November 8, 1982 enclosing four copies of a Gas Purchase Agreement covering the interest of Bolack Minerals Company in tract 46 of the Canyon Largo Unit.

After a lengthy discussion with Tom Bolack and Tommy Bolack, it is our request that instead of executing a new Gas Purchase Agreement that El Paso amend an existing Bolack contract, in particular the Gas Purchase Contract covering the Tommy Bolack #1 Well located in the S/2 of Section 1, Township 30 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.

Pending receipt of this amendment, it would be greatly appreciated if you would place the interests of the Bolack Minerals Company for tract 46 in line for payment. You will find enclosed an executed Division Order for tract 46.

Thank you in advance for your assistance and cooperation in this matter. Please advise if you need further information.

Sincerely,

RICHARD T.C. TULLY

RICT: tlp

Enclosure

∞ w/o enc: Tom and Tommy Bolack, General Partners

BOLACK MINERALS COMPANY Route 3 South, Box 47 3901 Bloomfield Highway

Farmington, New Mexico 87401

William R. Speer, Consulting Geologist

P. O. Box 255

Farmington, New Mexico 87499



P. O. BOX 1492 EL PASO, TEXAS 79978

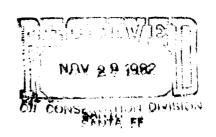
PHONE: 915-541-2600

November 19, 1982

Minerals Management Service P. O. Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1982 Drilling Program

### Gentlemen:

The First Amendment to the 1982 Drilling Program for the Canyon Largo Unit was approved by the regulatory bodies on the dates indicated:

Minerals Management Service

11-15-82

Commissioners of Public Lands

10-08-82

Oil Conservation Commission

10-20-82

Copies of this letter are being sent to the working interest owners of the above unit.

Van L. Goebel

Landman

Land Department

VLG:dml

Canyon Largo Unit, 3.0

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company Attention: Land Department Denver, Colorado 80202

Amoco Production Company Attention: Production Department Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Merrion Oil & Gas Corporation

Mr. Tom Bolack and Tommy Bolack, General Partners Bolack Minerals Company

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Lorna A. Harvey

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company

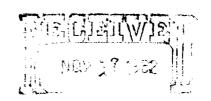


### United States Department of the Interior

MINERALS MANAGEMENT SERVICE SOUTH CENTRAL REGION 505 MARQUETTE AVENUE, N.W., SUITE 815 ALBUQUERQUE, NEW MEXICO 87102

NO

El Paso Natural Gas Company Attention: D. N. Canfield P. O. Box 1492 El Paso, Texas 79978



### Gentlemen:

Four approved copies of the first amendment to your 1982 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, are enclosed. Such amended plan, proposing to drill an additional Gallup well in the NW½ of section 1, T. 24 N., R. 6 W., was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIGINAL)

Gene F. Daniel Deputy Minerals Manager Oil and Gas

Enclosures

cc: Comm. of Public Lands, Santa Fe NMOCD, Santa Fe

 $\mathcal{H}_{\mathcal{O}}$ 

GPASO Natural Gas Company P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

November 8, 1982

Tom Bolack and Tommy Bolack General Partners, Bolack Minerals Company c/o Cooney & Tully P. O. Box 268 Farmington, New Mexico 87499-0268

Attention: Mr. Richard T. C. Tully

Re: S/2 Section 13, T24N, R6W

Rio Arriba County, New Mexico

### Gentlemen:

Attached are four copies of Gas Purchase Agreement covering the Bolacks' interest in the subject Dakota acreage comprising a portion of Tract 46 of the Canyon Largo Unit.

During our recent meeting here in El Paso, we indicated to you we would furnish an amendment to add the acreage to an existing Bolack contract. This would have necessitated some revisions to bring the underlying contract provisions in conformance with our current offers, as well as some maneuvering on language identifying the current owners. In view of that, we are proposing a complete new contract, as you will find attached.

The effective date of February 1, 1981 is found in the term clause of the contract; and, as indicated, we will release accrued proceeds just as soon as the contract is fully executed and a Division Order signed.

Two copies of the Division Order are also attached. Any questions you have concerning the Division Order should be directed to Mark Johns, extension 3550 here in El Paso.

If questions develop on the Gas Purchase Contract, please give us a call.

Very truly yours,

GAS PURCHASES DEPARTMENT

R. E. Johnson

Director

Attachments REJ:ck

The season of th

### GAS PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into on this the day
of, 19, by and between EL PASO NATURAL GAS
COMPANY, a Delaware corporation, hereinafter called "Buyer," and
TOM BOLACK AND TOMMY BOLACK, GENERAL PARTNERS OF BOLACK MINERALS
COMPANY, A NEW MEXICO LIMITED PARTNERSHIP, hereinafter called "Seller,"

### WITNESSETH:

That, in consideration of the mutual covenants and agreements herein contained the parties hereto agree as follows:

### ARTICLE I

### **DEFINITIONS**

- 1. The term "Seller's properties" as used in this agreement shall mean Seller's interest in the oil and gas leases or oil, gas, and mineral leases covering the lands committed to the well or wells described in Exhibit "A" hereto attached and hereby made a part hereof.
- 2. The term "gas well" or "well" as used in this agreement shall mean any well located on Seller's properties classified as a gas well by the Oil Conservation Division of the New Mexico Department of Energy and Minerals or other governmental authority having jurisdiction.
- 3. The term "gas" or the term "natural gas" as used in this agreement shall mean gas produced from any gas well.
  - 4. The term "Buyer's facilities" as used in this agreement

360/kx

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### EXHIBIT "A"

This Exhibit "A" is attached to and made a part of Gas
Purchase Agreement between EL PASO NATURAL GAS COMPANY and
TOM BOLACK AND TOMMY BOLACK, GENERAL PARTNERS OF BOLACK MINERALS
COMPANY, A NEW MEXICO LIMITED PARTNERSHIP, dated
. 19:
SELLER'S PROPERTIES.

### SELLER'S PROPERTIES:

EPNG-Canyon Largo Unit No. 297 Well Located in the E/2, Section 13, Township 24 North, Range 6 West; Rio Arriba County, New Mexico and limited, however, to gas production from the original producing zone (Dakota).

Exploration Company

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-541-2600

November 1, 1982

Cooney & Tully
Attorneys at Law
811 West Apache
Post Office Box 268
Farmington, New Mexico 87499-0268

Re: Canyon Largo Unit #318

W/2 Section 13, T-24-N, R-6-W Rio Arriba County, New Mexico

Dear Mr. Tully:

Enclosed for Bolack's signature is a Designation of Agent Agreement covering the referenced Dakota well. After Bolack has executed the Designation of Agent Agreement, please file with the appropriate governmental agencies. Please return to El Paso a copy of the Designation of Agent Agreement, executed by Bolack Minerals Company, for completion of our files.

If I can be of further assistance please advise.

Van L. Goebel

Landman

Land Department

VLG:cc Enclosures Canyon Largo Unit, 3.0 NM-4768

### DESIGNATION OF AGENT

3

This indenture dated as of the 15 day of October, 1982, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79978, and BOLACK MINERALS COMPANY, whose address is Route 3 South, Box 47, 3901 Bloomfield Highway, Farmington, New Mexico 87401.

### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41
Stat. 437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8,
1946, 60 Stat. 950, the Secretary of the Interior on the 18th day of September,
1953, approved a Unit Agreement for the Canyon Largo Unit area and the
Commissioner of Public Lands of the State of New Mexico on June 3, 1953,
consented to and approved said Unit Agreement by authority of Chapter 88 of the
Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State
of New Mexico Oil Conservation Commission on June 2, 1953, approved said Unit
Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935),
wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, The Superior Oil Company has resigned as such Operator and, in accordance with the terms of the Canyon Largo Unit Agreement, El Paso Natural Gas Company was appointed and has accepted and assumed the duties of the successor Unit operator; and

WHEREAS, El Paso Natural Gas Company now desires to appoint Bolack Minerals Company as Agent, to perform certain duties under the Canyon Largo Unit and whereas Bolack Minerals Company desires to accept and assume the duties of Agent, as set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Agreement, hereby designates Bolack Minerals Company as Agent to drill, test, complete, operate and/or plug and abandon Dakota Formation wells in the following described portion of the Unit area:

Township 24 North, Range 6 West, N.M.P.M. Section 13: SW/4
Containing 160.00 acres, more or less,

- 2. Bolack Minerals Company hereby covenants and agrees to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit area and to file all applications required or necessitated by the terms of such Agreement.
- 3. It is specifically understood that this Designation of Agent does not relieve El Paso Natural Gas Company of its responsibilities as Unit Operator of the Canyon Largo Unit.
- 4. It is specifically understood that the Designated Agent, Bolack Minerals Company, shall have the full responsibility to clear title and obtain joinders from all working interest owners within the drilling block and it is expressly understood that El Paso Natural Gas Company shall not warrant title. In addition it shall be the responsibility of the Designated Agent to enter into all necessary agreements and El Paso Natural Gas Company will not be liable for any breach by any party to such agreement entered into by and between Bolack Minerals Company and other parties.
- 5. It is further understood and agreed that El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to Bolack Minerals Company and the Supervisor, Oil and Gas Operations, the United States Geological Survey.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto as of the date hereinabove set forth.

EL PASO NATURAL GAS\_COMPANY

D. N. Caprield, Attorney in Factor

BOLACK MINERALS COMPANY

Tom Bolack, General Partner

Tonny Bolack, General Partner

-2-



STATE OF NEW MEXICO

### ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

October 20, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: D. N. Canfield

Re: Canyon Largo Unit No.

14-08-001-1059, Rio Arriba

County, Case <u>No. 541, Amendment</u> to 1982 Drilling Program

Gentlemen:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the U. S. Minerals Management Service.

Sincerely,

W. PERRY PEARCE General Counsel

WPP/dr

Commissioner of Public Lands - Santa Fe Minerals Management Service - Albuquerque OCD District Office

BOLACK MINERALS COMPANY

. Copy for Bill Spee

Route 3 South, Box 47 3901 Bloomfield Highway Farmington, New Mexico 87401

October 20, 1982

Jo: Working Interest Durens ( see attached ML).

RE: Canyon Largo Unit #318 Well

Township 24 North, Range 6 West, N.M.P.M.

Section 13: W/2

Rio Arriba County, New Mexico

Pursuant to a Designation of Agent, the Bolack Minerals Company will now be the operator for the proposed drilling of the above-captioned well.

Please refer to a letter dated March 25, 1982 from the El Paso Exploration Company (copy of which is enclosed for your ready reference), which letter requested your approval of bearing your appropriate costs and expenses of this well.

Since a substantial amount of time has elapsed since the issuance of this El Paso letter, you will find enclosed a new Well Cost Estimate in duplicate for the drilling of the Canyon Largo Unit #318 Well. If you agree to join Bolack Minerals Company in the drilling of this well, please sign and return one copy of the enclosed Well Cost Estimate to this office in the enclosed pre-stamped and pre-addressed envelope. The return of this Well Cost Estimate to this office should be made within fifteen (15) days after receipt of this letter. If there are any changes in the ownership of the working interests of which you are aware, please forward this letter and its enclosures to the appropriate and current working interest owner.

Thank you in advance for your assistance and cooperation in this matter. Please advise if you need further information.

Sincerely,

RICHARD T.C. TULLY

J. C. Silly

KICT:tlp

Enclosures

### EL PASO NATURAL GAS COMPANY

### NATURAL GAS DIVISION ORDER FOR ROYALTY INTERESTS UNDER EL PASO NATURAL GAS COMPANY LEASES IN UNIT AGREEMENTS

TO: EL PASO NATURAL GAS COMPANY P. O. BOX 1492 EL PASO, TEXAS 79978

November 4 .19 82

The undersigned, and each of us, certify and guarantee that, as of the date of this order, we are the legal owners in the proportions set out below (or on the schedule attached hereto and made a part hereof), of an interest in the natural gas and components thereof (if the undersigned is a working interest owner), or of an interest in the proceeds of the natural gas and components thereof (if the undersigned is other than a working interest owner) which may be allocated (not used for lease operations) to the following described tract:

Tract: 46

Township 24 North, Range 6 West, N.M.P.M. Section 1: Tots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

Section 13: S/2 Containing 685.40 acres, more or less Limited to production obtained from the Dakota Formation

CANYON LARGO UNIT

SF 080594

17:-4768

RIO APRIEA \_\_\_\_COUNTY,

STATE OF NEW MEXICO

Effective as of the date of first production under the Canyon Targo.

Unit Agreement, and until further written notice from you or us, you are hereby authorized to collect and account for that portion of the proceeds from the sale of natural gas and components thereof allocated to the above described tract under the terms of the said Unit Agreement.

**CREDIT TO** 

**ADDRESS** 

**DIVISION OF INTEREST** 

Tom Polack and Tolly Lolack General Partners, Bolack Minerals Company Route 3 South, Lox 47 3901 Bloomfield Highway Farmington, New Mexico 87401

43.750000%

FIRST — The undersigned agree that the terms or conditions of any lease or other instrument affecting the interest of the undersigned are modified to provide for settlement of the undersigned's interest as provided in said Unit Agreement and in this Division Order.

SECOND — Settlement shall be made monthly by mailing or delivering on or before the last day of each month to the party entitled thereto, a bank check or draft for the amount due for the next preceding month; provided, however, that you are authorized to withhold payment due any individual payee until at least Ten Dollars (\$10.00) has accumulated to the credit of said payee.

THIRD—In the event of any adverse claim or dispute arising at any time concerning title to said tract or to the natural gas and components thereof allocated to said tract, or concerning the right to share in the proceeds from the sale of said natural gas and components thereof, you are authorized to withhold, to the extent which you in good faith deem necessary for your protection, the proceeds accruing to the interest of the undersigned, without interest and without liability (except as a stakeholder), until indemnity satisfactory to you has been furnished or until such dispute or claim has been settled to your satisfaction. Each undersigned party, as to the interest of such party hereunder, respectively agrees, in the event suit is filed in any court affecting title to said natural gas and components thereof or proceeds thereof either before or after severance, to indemnify and save you harmless against any and all liability for loss, cost, damage, and expense which you may sufter or incur on account of receiving and party the proceeds derived from the sale of said gas and all components thereof.

FOURTH — The undersigned severally agree to notify you of any change of ownership, and no transfer of interest shall be binding upon you until a proper transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfer of interest shall be made effective not earlier than the first day of the calendar month following receipt of such notice by you. You are hereby relieved of any responsibility for determining if and when any of the interests set forth in said schedule shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interests, and the undersigned whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered mail addressed to EL PASO NATURAL GAS COMPANY, Post Office Box 1492, El Paso, Texas 79978, when any such money or other payments have been completed or discharged, or when any other division of interest than that set forth in said schedule shall, for any reason, become effective and to furnish transfer orders accordingly, and that, in the event such notice shall not be received, you shall be held harmless in the event of, and hereby released from, any and all damage or loss which might arise out of any overpayment.

FIFTH — As a matter of accommodation to us, you are hereby authorized to deduct and to pay to the proper taxing authorities all production and severance taxes levied on gas taken or marketed by you and required to be paid applicable to the respective interest of the undersigned in the natural gas and components thereof allocated to said tract.

SIXTH — Each of the undersigned agrees that the settlement price hereunder for natural gas and components thereof is the price specified by the effective Gas Purchase Contract applicable to the undersigned's interests. If no Gas Purchase Contract is applicable, the settlement price hereunder for natural gas and components thereof shall be the applicable area rate established from time to time by the Federal Power Commission, or any other governmental body having jurisdiction, for the area for gas and components thereof of like quality and pressure. It is hereby understood and agreed that the settlement price hereunder for natural gas and components thereof shall be the price at the wellhead.

SEVENTH — This order shall become valid and binding on each owner as soon as signed by such owner, regardless of whether or not all the owners have so signed.

OWNERS
(Sign below)

BOLACK MINERALS COMPANY

Tom Bolack, General Partner

Tommy Bolack, General Partner

Bolack Minerals Company Tax ID No. 85-0290273

### State of New Mexico





### Commissioner of Public Lands

October 12, 1982

P. O. BOX 1148 SANTA FE, NEW MEXICO 87501 87504-1148

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

> Re: Amendment to 1982 Drilling Program

> > Canyon Largo Unit

Rio Arriba County, New Mexico

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your Amendment to the 1982 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such program provides for the drilling of the Unit Well No. 320 and will test the Gallup formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Minerals Management Service.

Enclosed is an approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Assistant Director Oil and Gas Division AC 505/827-2748

AJA/FOP/pm encls.

cc:

OCD-Santa Fe, New Mexico USMMS-Albuquerque, New Mexico

Administration

WILLIAM R. SPEER PHONE 505-325-7789 CONSULTING GEOLOGIST Certified Professional Geologist # 1121 Petroleum Club Plaza Bldg. Petroleum and Mineral Evaluation and Management Farmington, New Mexico 87401 October 11, 1982 U.S. Department of Interior Minerals Management Service District Oil & Gas Supervisor P.O. Box 959 Farmington, N.M. 87401 Re:

Notice of Proposal to Survey & Stake Proposed Well Locations & Access Roads on Federal Lease SF-080594 in the NW/4 of Section 1 and the SW/4 of Section 13, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba Co., New Mexico

Dear Sir,

With this letter and attached topographic map, Bolack Minerals Company, as lessee of certain rights under the above-cited federal oil and gas lease and as agent for El Paso Natural Gas Co., unit operator of the Canyon Largo Unit, hereby files notice that it plans to survey and stake two drill-site locations and any required access roads to the locations, preparatory to drilling test wells at the following locations, as shown on the accompanying topographic map, approximately:

1) 790 ft. from the north and west lines of section 1, T24N-R6W, N.M.P.M. for a Gallup formation test well, and 2) 1850 ft. from the south and west lines of section 13, T24N-R6W, N.M.P.M. for a Dakota formation test well.

I am serving Bolack Minerals Co. as agent in the matter of regulatory clearances for these locations for drilling and, should the Minerals Management Service or any federal surface management agencies find any conflicts with other resource values, I would appreciate notification at P.O. Box 255, Farmington, N.M. 87499. Thank you.

Very truly yours,

cc. T. Bolack

R. Tully

J. Ahlm



P. O. BOX 289 FARMINGTON, NEW MEXICO 87401

Ext. 3104

PHONE: 505-325-2841

September 30, 1982

Mr. William R. Speer Post Office Box 255 Farmington, New Mexico 87401

> Re: Canyon Largo Unit #318, Dakota  $W^{1}_{2}$  Section 13, T24N, R6W

Rio Arriba County, New Mexico

Dear Bill:

The problem of communitizing your Canyon Largo Unit tract with 160 acres of non-unit land has become somewhat complicated as you may note from the attached correspondence file.

Since El Paso Natural Gas Company has no working interest in this well it is felt that the best way to cure any titles which might exist would be a forced pool hearing or a quiet title suit, performed by Bolack under a Designation of Sub-operator which we will prepare for you on the Canyon Largo Unit acreage.

This would permit you to drill the well as a sub-operator, after you have been able to communitize all of the non-unit owners.

This letter will authorize you to proceed under the above conditions utilizing the information contained in the attached correspondence file.

Yours very truly,

ohn A. Ahlm

Regional Land Manager

Exploration-Land

JAA:1d attachment



P. O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-541-2600

September 30, 1982

Minerals Management Service South Central Region 505 Marquette Avenue, N.W., Suite 815 Albuguerque, New Mexico 87102

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 C.\_ CONSERVATION DIVISION SANTA FE

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico Amendment to 1982 Drilling Program

### Gentlemen:

The 1982 Drilling Program for the Canyon Largo Unit which was submitted to you by our letter of April 1, 1982 has been approved.

Subsequent to the submittal of said letter of April 1, 1982, one additional well has been proposed by Bolack Minerals Company, Sub-Operator in the Unit. El Paso Natural Gas Company, as Unit Operator, has designated the above as Sub-Operator for the purpose of developing certain other acreage within this Unit as to the Gallup formation during 1982. The additional well proposed to be drilled is:

Well No.	Drilling Block	<u>Formation</u>		
320	NW/4 of Section 1, T-24-N, R-6-W	Gallup		

All necessary working interest owners have been contacted and this addition to the Drilling Program reflects their desires. If this amendment to the Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Regulatory Agencies Page Two

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

D. N. Canfield Attorney-in-Fact

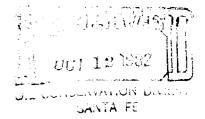
DNC/VLG/ccAttachments

Canyon Largo Unit, 3.0

SANTA FE

APPROVED:		DATED:
	Minerals Management Service United States Geological Survey (Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Division)	
APPROVED:	Commissioner of Public Lands (Subject to like approval by the United States Geological Survey & the Oil Conservation Division)	DATED:
APPROVED:	Oil Conservation Division (Subject to like approval by the United States Geological Survey & the Commissioner of Public Lands)	DATED: 10/20/8

The foregoing approvals are for the amendment to the 1982 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.



### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company Attention: Land Department Denver, Colorado 80202

Amoco Production Company Attention: Production Department Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Merrion Oil & Gas Corporation

Mr. Tom Bolack and Tommy Bolack, General Partners Bolack Minerals Company

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Lorna A. Harvey

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company



### **MEMORANDUM**

ro:

John Phlm

DATE:

September 17, 1982

FROM:

Van L. Goebel

PLACE:

Land Department-Exploration

Re: Canyon Largo Unit #318

W/2 Section 13, T-24-N, R-6-W Rio Arriba County, New Mexico

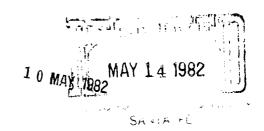
Enclosed for your further handling are copies of the letters of approval I have received so far concerning the drilling of the referenced Dakota well. The current problem concerns the identification of the working interest owners along with their working interest under the NW/4 NW/4 of Section 13, T-24-N, R-6-W which is located outside the Canyon Largo Unit. Under the NW/4 NW/4 there appear to be twenty-two (22) working interest owners at this time. I have been able to obtain working interest approval from some of these parties; however the working interest indicated was supplied by various owners who we believe own an interest, although we can not be certain about this. As can be seen there exists a conflict between the working interest indicated for Getty Oil Company and Rudman Trust. There is no way we can warrant any title information concerning the working interest owners and this must be made clear to the Bolacks. On the attached sheet I have indicated in yellow those working interest owners we have received a response from so far. The remaining working interest owners I have not been able to locate or discover if they still retain their working interest.

The working interest under the SW/4 NW/4, E/2 NW/4 of Section 13, T-24-N, R-6-W, which is also located outside the Canyon Largo Unit, is apparently owned by American Petrofina Company of Texas and we have received their working interest approval.

VLG:cc Attachments

Canyon Largo Unit, 3.0

FM CV-M



El Paso Natural Gas Company Attention: D. H. Canfield P. O. Box 1492 El Paso, Texas 79978

# Gentlemen:

Three approved copies of your 1982 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing to drill twelve Gallup wells during 1982, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility might exist of drainage by wells outside of the unit boundary. You will be contacted by our Development Unit about this possibility.

Sincerely yours,

(Orig. Sgd.) JOE G. LARA

FOR Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure

cc: Comm of Public Lands, Santa Fe NMOCD, Santa Fe DS, Farmington (w/encl)



### STATE OF NEW MEXICO

# ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

April 19, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

\

El Paso Exploration Company P. O. Box 1492

El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: 1982 Plan of Development for

Canyon Largo Unit, Rio Arriba County, New Mexico

Dear Mr. Canfield:

The New Mexico Oil Conservation Division has this date approved your 1982 Plan of Development for the Canyon Largo Unit, Rio Arriba County, New Mexico. Our approval is subject to like approval by the Minerals Management Service and the Commissioner of Public Lands of the State of New Mexico.

Sincerely,

W. PERRY PEARCE General Counsel

WPP/dr

cc: Minerals Management Service - Albuquerque Commissioner of Public Lands - Santa Fe

# State of New Mexico







# Commissioner of Public Lands

April 12, 1982

P. O. BOX 1148

SANTA FE, NEW MEXICO 187501

87504-1148

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1982 Drilling Program

ATTENTION: Mr. D. N. Canfield

### Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such program proposes the drilling of thirteen additional Gallup wells during 1982. These wells are the Nos. 306 thru 317 inclusive and the 319. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Minerals Management Service.

Enclosed is one approved copy for your files. Please remit a Three (\$3.00) Dollar filing fee.

Please be advised that in the future the following information will be required by this office on all future plans of development involving State lands.

- An up to date map showing all well numbers and locations and current well status.
- 2. A complete production history by month for the years beginning with 1979.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division AC 505/827-2748

AJA/RDG/pm encls.

cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

\$ -- C

April 1, 1982

541

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico

1982 Drilling Program

### Gentlemen:

By letter dated November 7, 1980, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1981, providing for the drilling of four Pictured Cliffs wells. By letter dated March 18, 1981, five additional Gallup wells were proposed by Merrion Oil & Gas Corporation, Sub-operator in the Unit. El Paso Natural Gas Company, as Unit Operator, has designated the above as Sub-operator for the purpose of developing certain other acreage within this Unit as to the Tertiary and Gallup formations.

As of this date, the total number of wells in the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	172
Non-Commercial	9
Plugged and Abandoned	13
Chacra Commercial Non-Commercial Plugged and Abandoned	27 1 1

Dual, PC/Chacra	
Commercial	5
Non-Commercial, Chacra	ī
Temporarily Abandoned	1
rempetatily abandoned	1
Mesaverde	
Non-Commercial	2
14011—COMMETCIAL	2
Dual, MV/Chacra	
Commercial, Chacra	
(Non-Commercial Mesaverde)	1
(Non Commercial mesaverde)	1
Tertiary	
Plugged and Abandoned	1
	<u>.</u>
Gallup	
Commercial	22
Non-Commercial	1
Holl Commercial	1
Dual, Gallup/Dakota	
Non-Commercial, Gallup	٦.
· · · · · · · · · · · · · · · · · · ·	1
Non-Commercial, Dakota	1
Dakota	
Commercial	26
Non-Commercial	20
MOI I—COMMET CTAT	- 303
	293

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1982:

We.	11 No.	Drilling Block	Formation
	306	SW/4 of Section 11, T-24-N, R-6-W	Gallup
	307	SE/4 of Section 11, T-24-N, R-6-W	Gallup
	308	NE/4 of Section 5, T-24-N, R-6-W	Gallup
	309	NW/4 of Section 4, T-24-N, R-6-W	Gallup
	310	NE/4 of Section 4, T-24-N, R-6-W	Gallup
	311	NW/4 of Section 3, T-24-N, R-6-W	Gallup
	312	Non-standard proration unit	Gallup
		and an unorthodox location	·
		embracing lot 1-4 of Sections	
		3, 4, 5 and 6, T-24-N, R-6-W	
	313	NE/4 of Section 28, T-25-N, R-6-W	Gallup
Com	314	SE/4 of Section 21, T-25-N, R-6-W	Gallup
	315	NW/4 of Section 28, T-25-N, R-6-W	Gallup
	316	SW/4 of Section 21, T-25-N, R-6-W	Gallup
	317	NW/4 of Section 21, T-25-N, R-6-W	Gallup
	319	SW/4 of Section 28, T-25-N, R-6-W	Gallup

Well No.'s 306, 307, 308, 309, 310 and 311 were initially proposed by Merrion Oil & Gas Corporation, Sub-operator in the Unit, in 1981 and are now being carried over to the 1982 Drilling Program. Well No.'s 312, 313, Com 314, 315, 316, 317 and 319 have been proposed by Merrion Oil & Gas Corporation, to be drilled under our 1982 Drilling Program, who has been designated as Suboperator for the purpose of developing the Gallup formation.

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Faso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

D. N. Canfield
Attorney-in-Fact War

DNC: VLG:qs Enclosures

Canyon Largo Unit, 3.0

APPROVED:		DATED:
	Area Oil and Gas Supervisor United States Geological Survey (Subject to like approval by the Commissioner of Public Lands and the Oil Conservatin Division)	
APPROVED:		DATED:
	Commissioner of Public Lands (Subject to like approval by the United States Geological Survey & the Oil Conservation Division)	
APPROVED:	Oil Conservation Division	DATED: 4/9/82
	(Subject to like approval by the United States Geological Survey & the Commissioner of Public Lands)	

The foregoing approvals are for the 1982 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company Attention: Land Department Denver, Colorado 80202

Amoco Production Company Attention: Production Department Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Merrion Oil & Gas Corporation

Mr. Tom Bolack and Tommy Bolack, General Partners Bolack Minerals Company

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Lorna A. Harvey

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

March 25, 1982

To All Working Interest Owners

Re: Canyon Largo Unit #318
W/2 of Section 13, T-24N, R-6W
Rio Arriba County, New Mexico

Dear Interest Owner:

El Paso Natural Gas Company, as Unit Operator, is at this time proposing the 1982 Drilling Program for the Canyon Largo Unit which we plan to submit with the proper governmental agencies. The Canyon Largo Unit #318 is one of the wells proposed under the 1982 Drilling Program. This well will be drilled as a Dakota well. The W/2 of Section 13 is dedicated to the referenced well. The SW/4 of Section 13 is within the Canyon Largo Unit and owned 100% by Bolack Minerals Company. The NW/4 of Section 13 is not committed to the unit. Pefore this well can be drilled, we must have 100% approval from all working interest owners of the non-committed acreage under the NW/4 of Section 13. According to our records, the SW/4 NW/4, E/2 NW/4 is owned by American Petrofina Company of Texas and the NW/4 NW/4 is owned by the interest owners indicated below. If our records are incorrect, please advise. If you are aware of who currently owns the interest, please advise.

The cost for the Canyon Largo Unit #318 Dakota well will be borne as follows:

SW/4 Section 13, T-24-N, R-6-W		
Bolack-Minerals Company	•	. 50.00%
·		
SW/4 NW/4, E/2 NW/4 Section 13, 3	r-24-n, r-6-w	
@merican:Petrofina_Company_or	f_Texas_	37.50%
	•	•
NW/4 NW/4 Section 13, T-24-N, R-6	<u>5−₩</u>	
Please indicate your working		
interest under the NW/4 NW/4		
next to your name.		
Getty Oil Company	6.2500000%	
Carried and a secondary	0.3417969%	
S. Otto Craft Estate	0.3417969%	
L. A. Gilles	0.1953125%	
Glenn: D.::Hughes		
Estate of Bennie Roosth	0.7812500%	
Petroleum Corporation of Texas	<u>None</u>	
Raymond A. Williams, Jr.	0.0244141%	12.50%
Erank Caraway	0.0976563%	
A. S. Genecov Estate	0.7812500%	
MT-Buckudman3	0.5615234%	
M. B. Rudman-Trustil	0.2148437%	
M. B. Rudmans Trusting	0.2148437%	

0.1318359%
0.1953125%
0.0439453%
None
0.3906250%
None
0.3906250%
1.5625000%
0.1953125%

100.00%

Assignees We, therefore, solicit your approval and joinder in the drilling of this Dakota well.

If you approve and agree to join with us in the drilling of the Canyon Largo Unit #318 well, please sign and return one copy of the enclosed Well Cost Estimate and this letter to show your approval to bear your share of the cost. Upon hearing from all the working interest owners, we will send an Operating Agreement.

We would appreciate it if you would respond as quickly as possible as we must file with the proper governmental agencies.

If I may be of further assistance, please advise.

Very truly yours,

Vap L. Goebel

Landman

Land Department

The above Proposal is Approved

this 7th day of April , 19 M. B. BUDMAN AND M. B. RUDMAN TRUST By:

141.25 C. TRILICLE, Manager-Exploration & Production

Date: April 7, 1982

VLG/qs Enclosure

Canyon Largo Unit, 3.0

cc: Mr. John Ahlm,

Regional Land Manager



P. O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-543-2600

March 17, 1982

# 3/8

TO ALL WORKING INTEREST OWNERS

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1982 Drilling Program

Dear Interest Owner:

In my letter to you dated February 18, 1982 a Dakota well was proposed for the  $\overline{W}/2$  of Section 13, T-24-N, R-6-W numbered the Canyon Largo Unit #302 well. It has come to our attention that the number 302 has already been used for another well drilled within the Canyon Largo Unit. Our Engineering Department has now changed the number to the Canyon Largo Unit Com #318 well. This well will be drilled in the same location. Please update your records to reflect this number change.

If I may be of further assistance, please advise.

Very truly yours

Van L. Goebel

Landman

Land Department

VLG:jec

Canyon Largo Unit, 3.0



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

A3B

February 18, 1982

TO ALL WORKING INTEREST OWNERS

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1982 Drilling Program

Dear Interest Owner:

El Paso Natural Gas Company, as Unit Operator, submits for your approval a proposed 1982 Drilling Program which we recommend for filing with the proper governmental agencies.

It is proposed that the following wells be drilled during the year 1982 by El Paso Natural Gas Company, as Unit Operator:

Well No.	Drilling Block	Formation
302 Com #318	W/2 of Section 13, T-24-N, R-6-W	Dakota
306	W/2 of Section 11, T-24-N, R-6-W	Gallup
307	E/2 of Section 11, T-24-N, R-6-W	Gallup
308	E/2 of Section 5, $T-24-N$ , $R-6-W$	Gallup
309	W/2 of Section 4, T-24-N, R-6-W	Gallup
310	E/2 of Section 4, T-24-N, R-6-W	Gallup
311	W/2 of Section 3, T-24-N, R-6-W	Gallup

The W/2 of Section 13 is dedicated to well #302. The SW/4 of Section 13 is within the unit but outside the participating area and owned 100% by Bolack Minerals Company. The NW/4 of Section 13 is not committed to the unit and is owned by Merrion Oil & Gas Corporation and American Petrofina Company of Texas. The cost of well #302 will be borne 50% by Bolack Minerals Company, 12.50% by Merrion Oil & Gas Corporation, 37.50% by American Petrofina Company of Texas as owners of the drilling block on which the well is located. Before this well can be drilled we must have 100% approval from all working interest owners of the non-committed acreage under the NW/4 of Section 13.

Well #'s 306, 307, 308, 309, 310 and 311 will be drilled outside of the existing participating area for the Gallup formation and will be paid for by Merrion Oil & Gas Corporation as owner of 100% of the drilling block on which the well is located.

To All Working Interest Owners Page 2

If any of the above-mentioned wells outside their respective Participating Area is completed as a well capable of producing unitized substances in paying quantities, thereby causing an expansion of their respective Participating Area, costs will be adjusted among the Participating Area working interest owners in accordance with the Unit Operating Agreement.

Due care will be taken to protect the unit from drainage and if the drilling of any subsequently proposed wells is approved, such wells will be drilled in accordance with the operating regulations as set out by the United States Geological Survey in the same manner as the above-mentioned wells.

If you approve of this Proposed Drilling Program, please sign and return one (1) copy of this letter to us so that we may file the 1982 Drilling Program with the proper regulatory agencies. Also enclosed for approval and execution by the appropriate working interest owners are copies of Well Cost Estimates in duplicate.

Please evidence your agreement to pay your proportionate share of the cost of each well for which you bear a portion of the cost by executing and returning one (1) copy of each Well Cost Estimate at the same time this letter is returned.

Very truly yours

Van L. Goebel

Landman

Land Department

1982 Drilling Program

for the Canyon, Largo Un

is Approved:

By:\_\_\_
Date:

VLG:jec Enclosures

CLU, 3.0

# State of New Mexico







# Commissioner of Public Lands

January 4, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

El Paso Exploration Company P. O. Box 1492 El Paso, Texas 79978

2 (

Re: Canyon Largo Unit,

Rio Arriba County, New Mexico

Fifteenth Expanded Participating Area

Effective February 1, 1981

Dakota Formation

ATTENTION: Mr. Van L. Goebel

Gentlemen:

We are in receipt of a revised page 3 and 3A to replace the original page 3 in Schedule XVI concerning the Fifteenth Expanded Participating Area for the Dakota Formtion.

These new replacement pages have this date been accepted for record purposes.

Enclosed are two copies reflecting the date which these were received by this office.

Very truly yours,

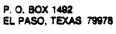
ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division AC 505/827-2748

AJA/RDG/pm encls.

OCD-Santa Fe, New Mexico USGS-Albuquerque, New Mexico





PHONE: 915-543-2600

541

## December 16, 1981

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 JA STEED TO THE TOTAL TO SERVICE THE TOTAL TOTAL

Re: Canyon Largo Unit, #14-08-001-1059

Rio Arriba County, New Mexico

Fifteenth Expanded Participating Area

Effective February 1, 1981

Dakota Formation

# Gentlemen:

On November 9, 1981 Schedule XVI showing the Fifteenth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit was sent to you for your files. I am now enclosing, for completion of your files, a revised page 3 and 3A to replace the original page 3 in Schedule XVI concerning the subject expansion. These new replacement pages reflect a change in interest under Tract 46.

Page 2 December 16, 1981

Copies of the revised page 3 and 3A, reflecting the change in interest, are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

Van L. Goebel

Landman

Land Department

VLG:jec Enclosure CLU, 4.3

cc: Mr. Antonio Martinez,
Executive Director
New Mexico Oil and Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

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ŀ.

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company Denver, Colorado 80202

Amoco Production Company
Denver, Colorado 80202
Attention: Land Department

Amoco Production Company Denver, Colorado 80202

Attention: Production Department

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack and Tommy Bolack, General Partners Bolack Minerals Company

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

The Merrion Foundation (now a corporation)

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company

UNIT AREA EXPANSION SCHEDULE - SAN JUAN BASIN Form 21-71 (2-72)

# REVISED PAGE 3 SCHEDULE XVI FIFTEENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT

SF 079177 T-25-N Sec. 4	SF 078957 T-24-N, Sec. 3: Sec. 4:	SF 078925 T-24-N	SERIAL NUMBER DES
T-25-N, R-6-W Sec. 4: Lot 2	R-6-W 3: Lots 1, 2	T-24-N, R-6-W Sec. 25: E/2	DESCRIPTION
40.69	<b>40.30</b>	320.00	NUMBER OF ACRES
Royalty; Working Interest: J. Gregory Merrion; R. L. Bayless; ORRI;	Royalty: Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	DRILLING BLOCK
12.500% 36.250% 36.250% 15.000%	12.500% 78.750% 8.750%	12.500% 78.750% 8.750%	PERCENTAGE
12.500% 36.250% 36.250% 15.000%	12.500% 78.750% 8.750%	12.500% 78.750% 8.750% 100.000%	PERCENTAGE
• 400000	.481351%	3.8221418	PRESENT ACTUAL PARTICIPATION

UNIT AREA EXPANSION SCHEDULE - SAN JUAN BASIN Form 21-71 (2-72)

# FEVISED PAGE 3A SCHEDULE XVI SCHEDULE XVI FIFTEENTH EXPANDED PARTICIPATING AREA FOR THE DAROTA FORMATION CANYON LARGO UNIT

	12.500% 87.500% 100.000%	12.500% 87.500% 100.000%	Royalty; Working Interest: Bolack Minerals Co.; ORRI; TOTAL		Sec. 13: SE/4	
	65.625% 21.875% 100.000%	65.625% 21.875% 100.000%	Working Interest: Kimbell Oil Co.: ORRI; TOTAL			
	12.500\$	12.500%	Royalty;	1-12	Sec. 1: Lots 1-12	SF 080394
6.275478\$			TRACT 46			27
PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTUAL	PERCENTAGE	BLOCK	DRILLING BLO	NUMBER	DESCRIPTION	CEBIAI NIMBED

Effective 2-1-81

# State of New Mexico







# Commissioner of Public Lands

November 30, 1981

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

El Paso Exploration Company P. O. Box 1492 El Paso, Texas 79978

54/

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
FIFTEENTH EXPANDED PARTICIPATING AREA
Effective February 1, 1981
Dakota Formation

ATTENTION: Mr. James R. Permenter

### Gentlemen:

We are in receipt of three copies of the Fifteenth Expanded Participating Area for the Canyon Largo Unit, Dakota Formation.

Since this needs no official approval we have this date filed it in our unit file.

Enclosed is one copy reflecting the date it was received in this office.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY: RAY D. GRAHAM, Director, Oil and Gas Division AC 505/827-2748

AJA/RDG/pm encls.

cc:

OCD-Santa Fe, New Mexico <sup>√</sup> USGS-Albuquerque, New Mexico

# State of New Mexico



ALEX J. ARMIJO COMMISSIONER



# Commissioner of Public Lands

November 30, 1981

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

El Paso Exploration Company P. O. Box 1492 El Paso, Texas 79978

541

Re: Canyon Largo Unit

NOTICE OF COMPLETION OF ADDITIONAL WELLS,

Dakota Formation

ATTENTION: Mr. James R. Permenter

### Gentlemen:

We are in receipt of your Notice of Completion of Additional Wells dated November 6, 1981, whereing El Paso Natural Gas Company, as unit operator of the Canyon Largo unit has determined Well No. 291 in the NW/4 of Section 12, Township 24 North, Range 6 West is capable of producing unitized substances in paying quantities from the Dakota Formation and has been completed on acreage committed to the Unit.

The above mentioned well was completed on November 6, 1979, for an initial test of 869 MCF/D, from the Dakota formation. The drilling block for this well is included within the existing Dakota Participating Area, therefore, the Dakota Participating area is not enlarged by this well.

This office concurrs with your determination that the above described well is capable of producing unitized substances in paying quantities from the Dakota formation.

Enclosed is one copy reflecting the date it was received in this office.

Very truly yours,

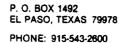
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: RAY D. GRAHAM, Director, Oil and Gas Division AC/505-827-2748

AJA/RDG/pm encls,

cc:

OCD-Santa Fe, New Mexico USGS-Roswell, New Mexico



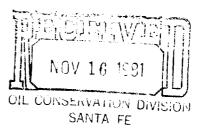


November 9, 1981

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
FIFTEENTH EXPANDED PARTICIPATING AREA
Effective February 1, 1981

Dakota Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that the below listed wells are capable of producing unitized substances in paying quantities from the Dakota Formation and that the Participating Area for the Dakota Formation is expanded accordingly as follows:

## FIFTEENTH EXPANDED PARTICIPATING AREA - Effective February 1, 1981

Drilling Block	Net Acres	Well No.
E/2 of Sec. 4, T-25-N, R-6-W	321.41	295
E/2 of Sec. 10, T-25-N, R-6-W	320.00	292
E/2 of Sec. 13, T-24-N, R-6-W	320.00	297

The Canyon Largo Unit #292 Well, located 1670' from the North line and 1180' from the East line of Section 10, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 18, 1980, and completed on January 7, 1981, at a plugged back depth of 7336'. The Dakota Formation at the selected intervals between 7085' and 7251' was treated with a sand-water fracturing process on December 17, 1980. The well was shut-in on December 31, 1980, and after being shut-in for seven (7) days, the Dakota Formation was tested on January 7, 1981, using the Pitot tube method with an after frac guage of 460 MCF/D, with an SIPC of 2592 psia and an SIPT of 2549 psia. The spacing unit for this well is described as the E/2 of Section 10, Township 25 North, Range 6 West, N.M.P.M., containing 320.00 acres.

The Canyon Largo Unit #295 Well, located 800' from the North line and 1000' from the East line of Section 4, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 5, 1980, and completed on January 7, 1981, at a plugged back depth of 7459'. The Dakota Formation at the selected intervals between 7155' and 7349' was treated with a sand-water fracturing process on December 14, 1980. The well was shut-in on December 31, 1980, and after being shut-in for seven (7) days, the Dakota Formation was tested on January 7, 1981, using the Pitot tube method with an after frac guage of 916 MCF/D, with an SIPC of 2307 psia and an SIPT of 2344 psia. The spacing unit for this well is described as the E/2 of Section 4, Township 25 North, Range 6 West, N.M.P.M., containing 321.41 acres.

The Canyon Largo Unit #297 Well, located 1580' from the South line and 1650' from the East line of Section 13, Township 21 North, Range 6 West, N.M.P.M., was spudded on September 15, 1980, and completed on January 20, 1981, at a plugged back depth of 6773'. The Dakota Formation at the selected intervals between 6476' and 6638' was treated with a sand-water fracturing process on December 30, 1980. The well was shut-in on January 13, 1981, and after being shut-in for seven (7) days, the Dakota Formation was tested on January 20, 1981, using the Pitot tube method with an after frac guage of 1120 MCF/D, with an SIPC of 1981 psia and an SIPT of 1978 psia. The spacing unit for this well is described as the E/2 of Section 13, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fifteenth Expanded Participating Area for the Dakota Formation will become effective as of February 1, 1981.

Attached hereto is Schedule XVI showing the Fifteenth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

James R. Permenter

Director, Land Administration

MIR

Land Department

JRP:VLG:jec Enclosure CLU, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

# WORKING INTEREST OWNERS CANYON LARGO UNIT DAKOTA FORMATION

Hondo Oil & Gas Company (Atlantic Richfield Co.)

Ibex, Inc.

Kimbell Oil Company

The Wiser Oil Company

SCHEDULE XVI FIFTEENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

SF 078882	SF 078877	SF 078875	SF 078874	SERIAL NUMBER
T-25-N, R-6-W Sec. 17: W/2	T-24-N, R-6-W Sec. 11: E/2 Sec. 12: N/2 SE/4, NE/4, W/2 Sec. 13: W/2 NE/4	T-25-N, R-6-W Sec. 33: E/2	T-24-N, R-6-W Sec. 3: Lots 7, 8 SE/4 Sec. 4: Lots 7, 8 SE/4	DESCRIPTION
320.00	960.00	320.00	640.00 7, 8, 9, 10, 7, 8, 9, 10,	NUMBER OF ACRES
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	TOTAL  TRACT 17  Royalty; Working Interest: El Paso Natural Gas Co.; ORRI;  TOTAL	TRACT 16 Royalty; Working Interest: El Paso Natural Gas Co.; ORRI:	DRILLING BLOCK
12.500% 78.750% 8.750%	12.500% 78.750% 8.750% 100.000%	12.500% 12.500% 78.750% 8.750%	12.500% 78.750%	OCK PERCENTAGE
12.500% 78.750% 8.750%	12.500% 78.750% 8.750% 100.000%	12.500% 12.500% 78.750% 8.750%	12.500% 78.750% 8.750%	PERCENTAGE COMMITTED
3.822141%	11.466424%	3.822141%	7.6442848	PRESENT ACTUAL PARTICIPATION

SF 078885-A	SF 078885	SF 078884	SF 078883	SERIAL NUMBER
T-25-N, R-6-W Sec. 10: NE/4	T-25-N, R-6-W Sec. 1: Lots 1, S/2 N/2, Sec. 3: Lots 1, S/2 N/2, Sec. 10: SE/4 Sec. 11: All	T-25-N, R-6-W Sec. 12: All Sec. 13: All Sec. 14: E/2	T-25-N, R-6-W Sec. 4: Lot 1	DESCRIPTION
160.00	L-6-W Lots 1, 2, 3, 4, S/2 N/2, S/2 (A11) Lots 1, 2, 3, 4, S/2 N/2, S/2 (A11) SE/4 All	1600.00	40.72	NUMBER OF ACRES
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	DRILLING BLOCK
12.500% 78.750% 8.750%	12.500% 78.750% 8.750%	12.500% 78.750% 8.750%	12.500% 78.750% 8.750%	PERCENT AGE
12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	PERCENTAGE
1.911071%	24.883574%	19.110707%	.486367%	PRESENT ACTUAL PARTICIPATION

SF 080594	SF 079177	SF 078957	SF 078925	SERIAL NUMBER
T-24-N, R-6-W Sec. 1: Lots 1-12 Sec. 13: SE/4	T-25-N, R-6-W Sec. 4: Lot 2	T-24-N, R-6-W Sec. 3: Lots 1, Sec. 4: Lots 1,	T-24-N, R-6-W Sec. 25: E/2	DESCRIPTION
525.40	40.69	40.30 2 2	320.00	NUMBER OF ACRES
Royalty: Working Interest: Kimbell Oil Co.; ORRI; TOTAL	TRACT 41 Royalty; Working Interest: J. Gregory Merrion; R. L. Bayless; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	DRILLING BLOCK
12.500% 65.625% 21.875%	12.500% 36.250% 36.250% 15.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	CK PERCENT AGE
12.500% 65.625% 21.875%	12.500% 36.250% 36.250% 15.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750%	PERCENTAGE
6.275478%	.486009%	.481351%	3.822141%	PRESENT ACTUAL PARTICIPATION

E-291-3	E-291-37	SF 080594-B	SF 080594-A	SERIAL NUMBER
T-25-N, R-6-W Sec. 36: NE/4	T-25-N, R-6-W Sec. 2: Lot 4, S SW/4	T-24-N, R-6-W Sec. 1: SW/4	T-24-N, R-6-W Sec. 1: SE/4	DESCRIPTION
160.00	240.51 SW/4 NW/4	160.00	160.00	NUMBER OF ACRES
Royalty; Working Interest: Wiser Oil Company; ORRI;	Royalty; Working Interest: The Wiser Oil Company; ORRI; TOTAL	Royalty; Working Interest: Kimbell Oil Co.; ORRI; TOTAL	Royalty; Working Interest: Kimbell Oil Co.; ORRI; TOTAL	OWNERSHIP
TRACT 55-A  12.500%  87.500% .000%  TOTAL  100.000%	TRACT 55  12.500%  any: 87.500% .000% TOTAL 100.000%	TRACT 46-B  12.500%  65.625%  21.875%  100.000%	12.500% 65.625% 21.875% L 100.000%	DRILLING BLOCK PERCENTAGE
12.500% 87.500% .000%	12.500% 87.500% .000%	0.000 % 0.000 %	0.000%	PERCENTAGE
1.911071%	2.872698%	0.00000%	0.00000%	PRESENT ACTUAL PARTICIPATION

	E-291-35			-	F-201-7		E-291-5	1		E-691-5	5 3 3 5	SERIAL NUMBER
	T-25-N, R-6-W Sec. 2: Lots 1, 2 S/2 NE/4			Sec. 36: N/2 SE/4	T-25-N R-6-W		T-25-N, R-6-W Sec. 36: S/2 SE/4	•		Sec. 2: SE/4	TOEN BAU	DESCRIPTION
	160.85 2,				80-00		4 80.00	<b>?</b>		•	160 00	NUMBER OF ACRES
*Working Interest: Gas - El Paso Natural Gas Co. Oil - Burton-Hawks, Inc.	Royalty; Working Interest:* ORRI; TOTAL	TRACT 58	Total Total	Royalty;	TRACT 57-A		Royalty: Working Interest:	TRACT 56-B	Hondo Oil and Gas; ORRI; TOTAL	Royalty;		DRILLING BLOCK
(82.500%) (82.500%)	12.500% 82.500% 5.000%		87.500% .000%	12.500%		75.000% 12.500% 100.000%	12.500%		87.500% 0.000% 100.000%	12.500%		PERCENTAGE
(82.500%) (82.500%)	12.500% 82.500% 5.000%		87.500% .000% 100.000%	12.500%		75.000% 12.500% 100.000%	12.500%		87.500% 0.000% 100.000%	12.500%		PERCENTAGE COMMITTED
		1.921223%			.955535%			.955535%			1.911071%	PRESENT ACTUAL PARTICIPATION

т ee	म् e e	म ee	E-291-35	SERIAL NUMBER
T-24-N, R-6-W Sec. 12: S/2 SE/4	T-25-N, R-6-W Sec. 4: NW/4 SE/4	T-25-N, R-6-W Sec. 4: S/2 NE/4, NE/4 SE/4, S/2 SE/4	ω •	DESCRIPTION
80.00	40.00	200.00	OF ACRES 80.48 SE/4 NW/4	
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: J. Gregory Merrion R. L. Bayless ORRI;	Oil - Burton-Hawks, Inc.  TRACT 69  Royalty; Working Interest: Getty Oil Co. ORRI;  TOTAL	TRACT 59  Ity; ing Interest:  TOTAL king Interest: king Interest:	DRILLING BLOCK
12.500% 75.000% 12.500%	25.000% 37.500% 37.500% .000%	(87.500%)  12.500%  82.500%  5.000%	ָד :	
12.500% 75.000% 12.500%	0.000.0000.0000.0000.0000.0000.00000.0000	(87.500%) (87.500%) 12.500% 82.500% 100.000%	12.500% 87.500% 100.000%	PERCENTAGE
.955535%	.000000%	2.388839%	.961269%	PRESENT ACTUAL

	100.000%	100.000%	TOTAL			
	.000%	.000%	ORRI;			
	90.000%	90.000%	and as Trustee			
			J. Gregory Merrion, Individually			
	10.000%	10.000%	J. Gregory Merrion			
			Working Interest:			
	.000%	.000%	Royalty;	1/1	Sec. 13: E/2 NE/4	
				80.00	T-24-N, R-6-W	Fee
.955536%			TRACT 79-A			l
PARTICIPATION	COMMITTED	PERCENTAGE		OF ACRES		
PRESENT ACTUAL	PERCENTAGE		DRILLING BLOCK	NUMBER	DESCRIPTION	SERIAL NUMBER DESCRIPTION

SERIAL NUMBER DESCRIPTION NUMBER OF ACRES DRILLING BLOCK PERCENTAGE PERCENTAGE COMMITTED

PRESENT ACTUAL PARTICIPATION

# 10 A P ITULATION

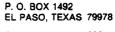
Description of Lands in Participating Area:

Township 24 North, Range 6 West, N.M.P.M.

Sections 1, 12: All Sections 3, 4, 11, 25: E/2 Section 13: E/2

Township 25 North, Range 6, West, N.M.P.M. Sections 1, 2, 3, 11, 12, 13: All Sections 10, 14, 33, 36: E/2 Section 4: E/2 Section 17: W/2

Total Number of Acres in Participating Area: Total Number of Acres Committed to Participating Area: 8,732.27 8,372.27





PHONE: 915-543-2600

November 6, 1981

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059

NOTICE OF COMPLETION OF ADDITIONAL WELLS,

Dakota Formation

# Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #291 Well, located 860' from the North line and 1180' from the West line of Section 12, Township 24 North, Range 6 West, N.M.P.M., was spudded on May 28, 1979, and completed on November 6, 1979, at a plugged back depth of 6899'. The Dakota Formation at the selected intervals between 6646' and 6806' was treated with a sand-water fracturing process on September 15, 1979. The well was shut-in on October 29, 1979, and after being shut-in for eight (8) days, the Dakota Formation was tested on November 6, 1979, using the Pitot tube method with an after frac guage of 869 MCF/D, with an SIPC of 2493 psia and an SIPT of 2205 psia. The spacing unit for this well is described as the W/2 of Section 12, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

The drilling block for the above-described well is included within the existing Dakota Participating Area, therefore, the Dakota Participating Area is not enlarged by this well.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

Van L. Goebel

Landman

Land Department

VLG:jec Attachment Canyon Largo Unit, 4.3.1

cc: Mr. Antonio Martinez

WORKING INTEREST OWNERS CANYON LARGO UNIT DAKOTA FORMATION

Hondo Oil & Gas Company (Atlantic Richfield Co.)

Ibex, Inc.

Kimbell Oil Company

The Wiser Oil Company

WILLIAM R. SPEER
CONSULTING GEOLOGIST
Petroleum Club Plaza Bldg.
Farmington, New Mexico 87401

P.O. BOX 255

PHONE 505-325-7789

Certified Professional Geologist # 1121
Petroleum and Mineral Evaluation and Management

73/3

October 16, 1981

EL PASO EXPLORATION COMPANY
Attention: Mr. Van L. Goebel
Land Department
Post Office Box 1492
El Paso, Texas 79978

Re: 1982 Drilling Plan
Canyon Largo Unit
Rio Arriba County, New Mexico

Dear Mr. Goebel:

In response to your letter of September 23rd requesting advice as to any wells that unit participants desire to have drilled during 1982, this letter is to advise you that Mr. Tom Bolack, owner of 100% of the Dakota rights in the south half of Section 13, T24N-R6W, desires to have El Paso, as unit operator, drill a Dakota test well in the NE½ SW½ of Section 13 during 1982. This location is bracketed by Dakota producers on three sides, including one well, the #297 C.L.U., which was completed this year in the SE½ of Section 13 at the request of Mr. Bolack and which gives evidence of being an exceptional producer.

On the basis of this well and the offsets, it is difficult to imagine that Section 13 is not included in the Dakota participating area and Mr. Bolack would like to know if and when El Paso plans on requesting that it be included in the participating area. He would also like to know El Paso's practice as unit operator in handling the income from gas sales from a well such as the #297 C.L.U. well, when the operator (Mr. Bolack) has paid the cost of the well on invoice from El Paso, the well has been on production now for several months and he has not received any income from it. Does El Paso withhold payment until the well is included in the participating area? And if so, at what time is Mr. Bolack reimbursed for the drilling and completion expense. Or should he be receiving 100% of the production income until the well is included in the participating area? And

WILLIAM R. SPEEF CONSULTING GEOLOGIST

EL PASO EXPLORATION COMPANY
Attention: Mr. Van L. Goebel

October 16, 1981

if so, when can he expect to receive this income? He would appreciate an explanation of the procedures used by the unit operator and the questions asked in this case before El Paso reaches the stage of actually drilling the well being requested by this letter. Thank you.

-2-

Yours very truly,

Bolac

William R. Speer, for

Tom Bolack

Tommy

cc: Bolack Minerals Co.

John Ahlm, El Paso



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

September 23, 1981

TO ALL WORKING INTEREST OWNERS

Re: Canyon Largo Unit
Rio Arriba County, New Mexico

Dear Interest Owner:

El Paso Natural Gas Company, as Unit Operator of the captioned unit, is in the process of preparing a Plan of Development for the unit for the calendar year 1982. We request that you advise us as to any wells which you may desire to have drilled on acreage which you own in the unit. If you do not own the entire drilling block or spacing unit on which you desire a well to be drilled, then please secure consent of the other working interest owners involved prior to requesting that it be placed on the Drilling Program.

We will appreciate it if you will advise of your drilling requests within the next fifteen (15) days.

very cours yours,

Van L. Goebel

Landman

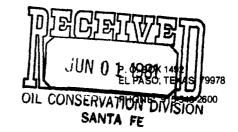
Land Department

VLG/en

Canyon Largo Unit, 3.0, 5.0

WELL COST ESTIMATE ( ) EL PASO EXPLORAT FORM CV-011 (	ION COMPANY	1982	Program	
S Work Order 9 10 Lease Name 39 Canyon Largo Unit	Well No302-	318	Basin	
NESW 13-26-6	County Rio A	Arriba	State NM	
Formation Dakota	PBTD: Total Depth: 664	101	Total Days 18	
TANGIBLES 00 TUBULAR GOODS	PRODUCI	NG WELL TOTAL	DRY HOLE	
01 Conductor PipeInFt\$/Ft.	4,190			<del> </del>
02 Surface Casing 9 5/8 In. 200 Ft. 20.963 s/Ft. 03 Production 4 1/2 In. 6500 Ft. 6.793 s/Ft.	44,160			
04 First InterInFt\$/Ft.				
05 Second Inter. In. Ft. \$/Ft. 06 Prod. Liner 4 1/2 In. 140 Ft. 7.716 \$/Ft.	1,080			
07 Tieback StrinFt\$/Ft. 08 Tubing 2 3/8in. 6640Ft. 4.114s/Ft.	27,320			<del> </del>
09 Tubingft\$/Ft.		76,750		
10 EQUIPMENT 11 Wellhead	11,620			
12 Tbg & Csg Acc, liner hgr, Prod Pkr.	720			
13 Production Equip. 14 Other	6,330	18,670		<del> </del>
TOTAL TANGIBLES	•	95,420		
INTANGIBLES 20 DRILLING COST	95,420	20,440		
21 Footage 6640 Ft. 15.50 S/Ft. 22 Daywork 1 Da. 5100 S/Da.	102,920			<del> </del>
23 Comp. Rig 120 Hr. 190 \$/Hr.	22,800			<b></b>
24 Service Unit 25 Rental Tools, Services, Chokes, Etc.				
26 Rig Moving Cost	3,400	134,220		
27 Other		134/220		
31 Surface	2,600			
32 Intermediates 33 Production	12,940			
34 Production Liners				ļ
35 Tieback String 36 Squeeze Cemt. (Incl. Ret. & Pkrs.)		22 222		
37 OtherFloat_Equipment 40 FORMATION TREATMENT	6,480	22,020		
41 Acidizing	00 500			
42 Fracturing Equipment & Materials 43 Frac. Fluid	80,500 7,280			
44 Tank Rental & Hauling	4,160	91,940		
50 SPECIAL SERVICES  51 Perforating (set B.P. & Pkrs., Wireline Etc.)	6,740			
52 Mud Logging Data Units 53 Formation Logging	10,700			
54 Cores, DST's, Etc.	10),00			
55 Drilling Logs (CBL, Tracer, Inspection, W.L.) 56 Packer & Retr. B.P.				
57 Whipstocking & Sidetracking		17,440		
60 DRILLING FLUIDS 61 Mud & Chemicals	21,910			
62 Water & Brine	10,560	38,050		
63 Other (Gas & Air)	5,580			
71 Bits & Reamers 72 Fuel	450 1,250			
73 Hauling	2,240			
74 Tubular Inspection 75 Testing (Manifolds, BOP, Tbg Etc.)				
76 Misc. Csg Exp. (Run Csg., Sandblasting, Etc.) 77 Misc. Exp.	3,230	7,170		
80 LOCATION, ACCESS & CLEAN UP	8,780	8,780		
90 SUPERVISION & LEGAL ETC. TOTAL INTANGIBLE	7,200	7,200 326,820		
Plus 5 % Contingency	21,110	21,110	s	s
TOTAL COST	443,350	443,350	•	•
WORKING INTEREST: Percent		ATED COST ONLY		* <u>.</u>
EPNG			ner to pay proport	
		eement.		
Date	Date A	PARTNERS	APPROVAL	
A. W. Lead & C. W. B. : DD	Date	46271		
1 かかみ しんたい タチェス	, 3		'	





May 18, 1981

541

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexicó 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

Amendment to 1981 Drilling Program

#### Gentlemen:

The Amendment to the Drilling Program for 1981 for the referenced unit was approved on the following dates:

USGS

CPL

 $\infty$ 

3/25/81

3/25/81

4/13/81

Copies of this letter are being sent to the working interest owners on the attached sheet.

Very truly yours,

Jon FHawkins

Tom F. Hawkins

Landman

Land Department

TFH/en

Canyon Largo Unit, 3.0

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Mr. Tommy Bolack & Terry Bolack, Co-Personal Representatives of the Est. of Alice S. Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Merrion Foundation
John K. Merrion, Trustee

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company



#### STATE OF NEW MEXICO

#### ENERGY AND MINERALS DEPARTMENT

**OIL CONSERVATION DIVISION** 

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

April 13, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Attention: D. N. Canfield

Re: Case No. 541

Canyon Largo Unit Amendment to 1981 Drilling Program

#### Gentlemen:

We hereby approve the Amendment to the 1981 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Amendment is returned herewith.

Yours very truly,

JOE D. RAMEY Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Albuquerque

Commissioner of Public Lands



### United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. 0. Box 26124

Albuquerque, New Mexico 87125

2 5 MAR 1981

APR 02 1981

OIL CONS THAT IN DITISION

SANTA FE

El Paso Natural Gas Company Attention: D. N. Canfield

P. O. Box 1492

El Paso, Texas 79978

Gentlemen:

The 1981 amended plan of development submitted for the Canyon Largo unit area, Rio Arriba County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes to drill five wells to test the Gallup formation. Three approved copies are enclosed.

Sincerely yours,

ORIGINAL SIGNED BY:

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosures

cc:

NMOCD, Santa Fe

### State of New Mexico



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands

March 25, 1981

P. O. BOX 1148 SANTA FE, NEW MEXICO 87501

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico Amendment to 1981 Drilling Program

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved the Amended 1981 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such amendment proposes the drilling of five additional wells during 1981. These wells are the no 301, 302,303, 304 and 305. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Geological Survey.

Enclosed is one approved copy for your files. Please remit a Three (\$3.00) Dollar filing fee.

Please be advised that in the future the following information will be required by this office on all future plans of development involving State lands.

- 1. An up to date map showing all well numbers and locations and current well status.
- 2. A complete production history by month for the years begenning with 1979.

Very truly yours,

ALEX J. ARMIJO

COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director AC 505-827-2748

AJA/RDG/s encls.

cc:

USGS-Albuquerque, New Mexico USGS-Roswell, New Mexico





P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

March 20, 1981

(1)

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FOURTEENTH EXPANDED PARTICIPATING AREA
Effective November 1, 1979
Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit operator, determined on the date indicated below that the below listed wells are capable of producing unitized substances in paying quantities from the Dakota Formation and that the Participating Area for the Dakota Formation is expanded accordingly as follows:

#### FOURTEENTH EXPANDED PARTICIPATING AREA - Effective November 1, 1979

Drilling Block	Net Acres	Well No.
E/2 of Sec. 11, T-24-N, R-6-W W/2 of Sec. 3, T-25-N, R-6-W	320.00 321.37	286 287
W/2 of Sec. 12, T-24-N, R-6-W	320.00	IDB

Regulatory Agencies March 20, 1981 Page 2

Pertinent data on these wells are as follows:

The Canyon Largo Unit \$286 Well, located 1100' from the North line and 1800' from the East line of Section 11, Township 24 North, Range 6 West, N.M.P.M., was spudded on May 16, 1979, and completed on Ocotber 1, 1979, at a plugged back depth of 6709'. The Dakota Formation at the intervals of 6410', 6426', 6498', 6509', 6540', 6547', 6554', 6566', 6578', 6585' was treated with a sand-water fracturing process on September 21, 1979. The well was shut-in on September 24, 1979, and after being shut-in for seven (7) days, the Dakota Formation was tested on October 1, 1979, using the Pitot tube method with an after frac guage of 803 MCF/D, with an SIPC of 1809 psia and an SIPT of 1202 psia. The spacing unit for this well is described as the E/2 of Section 11, Township 24 North, Range 6 West N.M.P.M., containing 320.00 acres.

The Canyon Largo Unit #287 Well, located 1840' from the South line and 1800' from the West line of Section 3, Township 25 North, Range 6 West, N.M.P.M., was spudded on July 7, 1979, and completed on October 8, 1979, at a plugged back depth of 7456'. The Dakota Formation at the intervals of 7128', 7180', 7212', 7217', 7222', 7227', 7243', 7255', 7260', 7272', 7294', 7302' was treated with a sand-water fracturing process on September 28, 1979. The well was shut-in on October 1, 1979, and after being shut-in for seven (7) days, the Dakota Formation was tested on October 8, 1979, using the Pitot tube method with an after frac guage of 734 MCF/D, with an SIPC of 2627 psia and an SIPT of 1112 psia. The spacing unit for this well is described as the W/2 of Section 3, Township 25 North, Range 6 West, N.M.P.M., containing 321.27 acres.

In addition to the above, the completion of well number 286 creates one (1) intervening drilling block, described as the W/2 of Section 12, which pursuant to the terms of the Unit Agreement will also be admitted to the Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fourteenth Expanded Participating Area for the Dakota Formation will become effective as of November 1, 1979.

Attached hereto is Schedule XV showing the Fourteenth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Regulatory Agencies March 20, 1981 Page 3

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Director, Land Administration

Land Department

JRP/TFH/en Enclosure CLU, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

#### WORKING INTEREST OWNERS CANYON LARGO UNIT DAKOTA FORMATION

Hondo Oil & Gas Company

Ibex, Inc.

Kimbell Oil Company

The Wiser Oil Company

SCHEDULE XV FOURTEENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

	SF 078882		SF 078877			SF 078875			SF 078874	SERIAL NUMBER	
Sec. 17: W/2	T-25-N, R-6-W	Sec. 12: N/2 SE/4, NE/4, W/2	T-24-N, R-6-W		Sec. 33. E/c	T-25-N, R-6-W		Sec. 3: L013 /,0,3, 10, SE/4 Sec. 4: Lots 7,8,9,10, SE/4	T-24-N, R-6-W	DESCRIPTION	
	320.00	23	880.00			320.00		9,10, SE/4	640.00	OF ACRES	Z S D D D
Working Interest: El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:	El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:	TRACT 19	El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:	TRACT 17	El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:		DRII I ING BI OCK
78.750% 8.750% 100.000%	12.500%	78.750% 8.750% 100.000%	12.500%		78.750% 8.750% 100.000%	12.500%		78.750% 8.750% 100.000%	12.500%	PERCENTAGE	
78.750% 8.750% 100.000%	12.500%	78.750% 8.750% 100.000%	12.500%		78.750% 8.750% 100.000%	12.500%	٠	78.750% 8.750% 100.000%	12.500%	COMMITTED	DEDCENTAGE
	4.294806%		11.810717%			4.294806%			8.589612%	PARTICIPATI	DOE CENT ACT

SF 078957			SF 078925			SF 078885			SF 078884		SERIAL NUMBER	
T-24-N, R-6-W Sec. 3: Lots 1,2 Sec. 4: Lots 1,2		Sec. 25: E/2	T-24-N, R-6-W		Sec: 3: Lots 1,2,3,4,5/2 N/2, S/2 (All) Sec. 11: All	T-25-N, R-6-W		Sec. 13: All Sec. 14: E/2	1.		DESCRIPTION	
40.30			320.00		2 (A11) 2,3,4,5/2 2 (A11)	1923.32 2.3.4.5/2			1600.00		OF ACRES	NIMBRD
Royalty: Working Interest: El Paso Natural Gas Co.: ORRI: TOTAL	TRACT 32	Working Interest: El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:	TRACT 31	El Paso Natural Gas Co.: ORRI: TOTAL	Royalty Working Interest:	TRACT_27	El Paso Natural Gas Co.: ORRI: TOTAL	Royalty:	TRACT 26	1 1	DRI I ING BI OCK
12.500% 78.750% 8.750% 100.000%		78.750% 8.750% 100.000%	12.500%		78.75000% 8.75000% 100.00000%	12.50000%		78.750% 8.750% 100.000%	12.500%		PERCENTAGE	OK
12.500% 78.750% 8.750% 100.000%		78.750% 8.750% 100.000%	12.500%		78.75000% 8.75000% 100.00000%	12.50000%		78.750% 8.750% 100.000%	12.500%		COMMITTED	DEBCENTAGE
.540877%			4.294806%			25.813396%			21.474031%		PARTICIPAT	DORGENIT ACI

E-291-3	SF 080594-B	SF 080594-A	SF 080594	SERIAL NUMBER
T-25-N, R-6-W Sec. 36: NE/4	T-24-N, R-6-W Sec. 1: SW/4	T-24-N, R-6-W Sec. 1: SE/4	T-24-N, R-6-W Sec. 1: Lots 1-12	DESCRIPTION
160.00	160.00	160.00	365.40	NUMBER OF ACRES
Royalty: Working Interest: Wiser Oil Company: ORRI: TOTAL	Royalty: Working Interest: Kimbell Oil Co.: ORRI: TOTAL	Royalty: Working Interest: Kimbell Oil Co.: ORRI: TOTAL	Royalty: Working Interest: Kimbell Oil Co.: ORRI: TOTAL	OWNERSHIP
12.50% 87.50% .00% 100.00%	12.500% 65.625% 21.875% 100.000%	12.500% 65.625% 21.875% 100.000%	12.500% 65.625% 21.875% 100.000%	PERCENTAGE
12.50% 87.50% .00% 100.00%	0.000% 0.000% 0.000%	0.000% 0.000% 0.000%	12.500% 65.625% 21.875% 100.000%	PERCENTAGE COMMITTED
2.147403%	0.00000%	0.000000%	4.904132%	PRESENT ACT

	E-291-35			E-291-5			E-291-37			SEDIAL NIMBED
	T-25-N, R-6-W Sec. 2: Lots 1,2, S/2 NE/4		Sec. 2: 3E/4	T-25-N, R-6-W		1117 7 9 U	T-25-N, R-6-W 24 Sec. 2: Lot 4, SW/4			DESCRIPTION
	160.85			160.00			240.51 SW/4		OF ACRES	NUMBER
*Working Interest: Gas - El Paso Natural Gas Co. Oil - Burton-Hawks, Inc.	Royalty: Working Interest:* ORRI: TOTAL	TRACT 58	Hondo Oil and Gas ORRI: TOTAL	Royalty:	TRACT 56	ORRI: TOTAL	Royalty: Working Interest: The Wiser Oil Co	TRACT 55	OWNERSHIP	DRILLING BLOCK
(82.50%) (82.50%)	12.50% 82.50% 5.00% 100.00%		87.50% .00% 100.00%	12.50%		100.00%	12.50% 87 50%		PERCENT AGE	
(82.50%) (82.50%)	12.50% 82.50% 5.00% 100.00%		87.50% .00% 100.00%	12.50%		100.00%	12.50% 87 50%		COMMITTED	PERCENTAGE
	2.158811%			2.147403%			3.227950%		PARTICIPAT	PRESENT AC

Fee	E-291-7	E-291-5	E-291-35	SERIAL NUMBER
T-24-N, R-6-W Sec. 12: S/2 SE/4	T-25-N, R-6-W Sec. 36: N/2 SE/4	T-25-N, R-6-W Sec. 36: S/2 SE/4	T-25-N, R-6-W Sec. 2: Lot 3, SE/4 NW/4	DESCRIPTION
80.00	80.00	80.00	80.48	NUMBER OF ACRES
Royalty: Working Interest: El Paso Natural Gas Co.: ORRI: TOTAL	Royalty: Working Interest: Ibex, Inc. ORRI: TOTAL	tural Gas ks, Inc. ACT 56-B	Royalty: Royalty: Working Interest:* ORRI: TOTAL *Working Interest:	DRILLING BLOCK
12.50% 75.00% 12.50% 100.00%	12.50% 87.50% .00% 100.00%	Co. (87.50%) (87.50%) 12.50% 75.00% 12.50% 100.00%	12.50% 87.50% .00%	PERCENTAGE
12.50% 75.00% 12.50% 100.00%	12.50% 87.50% .00% 100.00%	(87.50%) (87.50%) 12.50% 75.00% 12.50% 100.00%	12.50% 87.50% .00% 100.00%	PERCENTAGE COMMITTED
1.073702%	1.073702%	1.073702%	1.080144%	PRESENT ACT

			4 y			The second secon
PARTICIPATI	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		ביי
PRESENT ACT	PI	CK	DRILLII	NUMBER	DESCRIPTION	NO ALL MORD

# RECAPITULATION

Township 24 North, I Section 1: All Section 3: E/2 Section 4: E/2 Section 11: E/2 Section 12: All Section 25: E/2 Range 6 West, N.M.P.M.

Township 25 North, Range 6 West, N.M.P.M.

Section 1: All Section 2: All Section 3: All Section 11: All Section 12: All Section 13: All Section 14: E/2 Section 17: W/2 Section 33: E/2 Section 36: E/2

Total Number of Acres in Participating Area: Total Number of Acres Committed to Participating Area:

7,770.86 7,450.86



MAR 24 1981

OIL CC 15

P.O BOX 1492
EL PASO, TEXAS 79978 SANTA FE

PHONE: 915-543-2600

March 18, 1981

Area Oil and Gas Supervisor United States Geological Survey Post Office Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico Amendment to 1981 Drilling Program

#### Gentlemen:

The 1981 Drilling Program for the Canyon Largo Unit which was submitted to you by our letter of November 7, 1980 has been approved.

Subsequent to the submittal of said letter of November 7, 1980, five additional wells have been proposed by J. Gregory Merrion and R. L. Bayless, Sub-Operator in the Unit. El Paso Natural Gas Company, as Unit Operator, has designated the above as Sub-Operator for the purpose of developing certain other acreage within this Unit as to the Tertiary and the Gallup formations during 1981. The five additional wells proposed to be drilled are:

Well No.	Drilling Block	Formation
301	W/2 Section 4, T-24-N, R-6-W	Gallup
302	E/2 Section 3, $T-24-N$ , $R-6-W$	Gallup
303	E/2 Section 5, $T-24-N$ , $R-6-W$	Gallup
304	W/2 Section 11, T-24-N, R-6-W	Gallup
305	E/2 Section 11, T-24-N, R-6-W	Gallup

Area Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Division Page Two

All necessary working interest owners have been contacted and this addition to the Drilling Program reflects their desires. If this amendment to the Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approval copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

anfield

D. N. Canfield

D. N. Canfield Attorney-in-Fact June

DNC/TFH/en Attachments Canyon Largo Unit, 3.0

APPROVED:		DATED:
	Area Oil and Gas Supervisor United States Geological Survey (Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Division)	•
APPROVED:	Commissioner of Public Lands (Subject to like approval by the United States Geological Survey & the Oil Conservation Division)	DATED:
APPROVED:	Oir Conservation Division (Subject to like approval by the priced States Geological Survey of the Commissioner of Public Land	DATED: <u>April 13, 198</u>

The foregoing approvals are for the amendment to the 1981 Drilling Program for the Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Cscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Aüministratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Mr. Tommy Bolack & Terry Bolack, Co-Personal Representatives of the Est. of Alice S. Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Cono∞, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss The Fort Worth National Bank GMFG Oil Ac∞unt No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Merrion Foundation
John K. Merrion, Trustee

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company



#### STATE OF NEW MEXICO

#### ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

February 17, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: Tom F. Hawkins

Re: Case No. 541

Canyon Largo Unit Forty-First Expanded Participating Area of the Pictured Cliffs

Formation

Gentlemen:

Inasmuch as no official approval was required under the terms of the subject unit for the Expanded Participating Area, no approval letter was written.

Yours very truly,

JOE D. RAMEY Director

JDR/EP/fd
enc.



### United States Department of the InteriorFEB 0 5 1987

GEOLOGICAL SUBSET

South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

OIL COME THAT ON DIMESION SANTA FE

FEB 02 1981

541

El Paso Natural Gas Company Attention: D. N. Canfield P. O. Box 1492 El Paso, Texas 79978

#### Gentlemen:

The 1981 plan of development submitted for the Canyon Largo unit area, Rio Arriba County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes the drilling of four wells to test the Pictured Cliffs formation. Three approved copies are enclosed.

Sincerely yours,

A PROSTED OF THE PROSE

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosures

cc:

NMOCD, Santa Fe (1tr only)
Com. of Pub. Lands, Santa Fe (1tr only)

### State of New Mexico



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands

541

P. O. BOX 1148 SANTA FE, NEW MEXICO 87501

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1981 Drilling Program

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1981 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such program calls for the drilling of wells no. 266, 274, 191, 245. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

RY.

FLOYD O.PRNADO, Assistant Director Oil and Gas Division AC 505-827-2748

AJA/FOP/s Encls.

cc:

OCD-Santa Fe, New Mexico USGS-Roswell, New Mexico USGS-Albuquerque, New Mexico

## OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

December 8, 1980

El Paso Natural Gas Company P. J. Box 1492 El Paso, Texas 79976

Attention: D. N. Canfield

Re: Case No. 541 Canyon Largo Unit 1981 Drilling Program

Gentlemen:

We hereby approve the 1981 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Hexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Program is returned herewith.

Yours very truly,

JOE D. RAMEY Director

JDR/EP/fd enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

541 0(C)80 12/1/80 2/10

November 7, 1980

Area Oil and Gas Supervisor United States Geological Survey P. O. Box 26124

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Albuquerque, New Mexico 87125

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> e: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico \_\_\_\_1981 DRILLING PROGRAM

Gentlemen:

By letter dated April 23, 1980, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1980, providing for the drilling of four (4) Dakota wells, one (1) Tertiary well and three (3) Gallup wells. All of the above wells are currently being drilled.

As of this date, the total number of wells in the Canyon Largo Unit is as follows:

Pictured Cliffs

Commercial Non-Commercial Plugged and Abandoned

Chacra

Commercial
Non-Commercial
Plugged and Abandoned

171 9 5 0 1 1980 5 1 27 SION 1 SANTA FE

Dual, PC/Chacra Commercial Non-Commercial, Chacra Temporarily Abandoned	5 1 1
Mesaverde Non-Commercial	2
Dual, MV/Chacra Commercial, Chacra (Non-Commercial Mesaverde)	1
Tertiary Being Drilled	1
Gallup Commercial Non-Commercial Being Drilled	14 1 3
Dual, Gallup/Dakota Non-Commercial, Gallup Non-Commercial, Dakota	1
Dakota Commercial Non-Commercial Being Evaluated Being Drilled	21 9 1 4 288

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1981:

Well No. <u>Drilling Block</u> For	rmation
274 E/2 of Section 13, T-25-N, R-7-W Pic 191 W/2 of Section 23, T-25-N, R-7-W Pic	ctured Cliffs ctured Cliffs ctured Cliffs ctured Cliffs

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

November 7, 1980 Page three

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

anjuect

D. N. Camfield Attorney-in-Fact

DNC:TFH:pw Attachments Canyon Largo III

Canyon Largo Unit, 3.0

APPROVED:		DATED:	
	Area Oil and Gas Supervisor United States Geological Survey (Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Division)		
APPROVED:	Commissioner of Public Lands (Subject to like approval by the United States Geological Survey	DATED:	
APPROVED:	& the Oil Conservation Division)	DATED:	12/8/80
	Oil/Conservation Division (Subject to like approval by the United States Geological Survey the Commissioner of Public Lands)		

The foregoing approvals are for the 1981 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Leland Fikes Foundation, Inc.

Catherine W. Fikes

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153 Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Merrion Foundation John K. Merrion, Trustee

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company



P. O. BOX 1492 EL PASO. TEXAS 79978 PHONE: 915-543-2600

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Area Oil and Gas Supervisor United States Geological Survey P. O. Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

#### Gentlemen:

The 1980 Drilling Program for the below listed unit was approved by the regulatory bodies on the dates indicated:

Unit	USGS	CPL	<u>OCD</u>
Canyon Largo	6-12-80	5-28-80	5-29-80

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,

RK Nordanne

R. H. Nordhausen Senior Landman Land Department

RHN/en Canyon Largo

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

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Mr. Tom Bolack

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Conoco, Inc.

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

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Margaret Hunt Hill

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Mrs. Ana Gardner Osborn

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Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

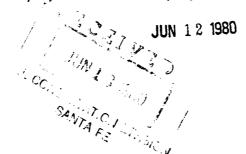
The Wiser Oil Company



### United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. 0. Box 26124
Albuquerque, New Mexico 87125

591



El Paso Natural Gas Company Attention: D. N. Canfield P. O. Box 1492

El Paso, Texas 79978

#### Gentlemen:

Three approved copies of your 1980 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing to drill four Dakota wells, three Gallup wells, and a tertiary well, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JACK WILLOCK

FOR Gene F. Daniel
Acting Deputy Conservation Manager
Oil and Gas

Enclosures 3

cc: NMOCD, Santa Fe

### OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

May 29, 1980

Paso Natural Gas Company O. Box 1492 Paso, Texas 79978

ttention: D. N. Canfield

Re: Case No. 541 Canyon Largo Unit 1980 Drilling Program

#### Gentlemen:

We hereby approve the 1980 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Plan is returned herewith.

Yours very truly,

JOE D. RAMEY Director

JDR/EP/fd enc.

cc: U.S.G.S. - Roswell Commissioner of Public Lands

## State of New Mexico



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands
May 28, 1980

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1980 Drilling Program

ATTENTION: Mr. D. N. Canfield

## Gentlemen:

The Commissioner of Public Lands has this date approved your 1980 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such plan proposes the drilling of wells no. 292, 294, 295 and 297 to be drilled by your company. Wells No. 296, 298, 299 and 300 are to be drilled by J. Gregory Merrion and R. L. Bayles designated by you as Sub-Operator to drill such wells. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division AC 505-827-2748

AJA/RDG/s encls.

cc:

OCD-Santa Fe, New Mexico USGS-Roswell, New Mexico USGS-Albuquerque, New Mexico



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600



Area Oil and Gas Supervisor United States Geological Survey P. O. Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FORTY-FIRST EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective January 1, 1980

## Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

## FORTY-FIRST EXPANDED PARTICIPATING AREA - Effective January 1, 1980

Drilling Block	Acres	Well No.
T-25-N, R-6-W Section 9: NE/4, N/2 SE/4 & SW/4 SE/4*	280	#293

\*The SE/4 SE/4 is being excluded since unit well #1-9 was completed on the acreage on August 8, 1956 as a dry hole.

Pertinent data on this well is as follows:

Unit Well #293 located 790' from the north line and 1050' from the east line of Section 9, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 24, 1979, and completed on December 9, 1979, at a plugged back total depth of 2685'. The Pictured Cliffs Formation at selected intervals between 2554' and 2574' was treated with a sand-water fracturing process and shut-in on December 9, 1979, after being shut-in for seventeen (17) days, the Pictured Cliffs Formation was tested on December 26, 1979; following a three (3) hour blow-down period the Pictured Cliffs Formation gauged 2625 MCF/D through a 1 1/4" choke.

Attached hereto is Schedule XLII showing the Forty-first Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Forty-first Expanded Participating Area for the Pictured Cliffs Formation will become effective as of January 1, 1980.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

JRP:RHN:en Enclosures CLU 4.1

cc: Mr. Antonio Martinez

## CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3)
Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

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J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

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Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

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Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
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Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company

SCHEDULE XLII
FORTY-FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
CANYON LARGO UNIT AREA

				Sec. 6: Lots 5-14, E/2 SW/4, SE/4	
	8.75% 100.00%	8.75% 100.00%	TOTA	Sec. 4: Lots 5-12, 5/2 Sec. 5: Lots 5-12,	
	12.50% 78.75%	12.50% 78.75%	Royalty Working Interest: Fl Paco Natural Gas Co	Sec. 3: Lots 5,6,7,8,9, 10,11,12,5/2	
7.153642%			TRACT 16		SF 078874
~	82.50% 5.00% 100.00%	82.50% 5.00% 100.60%	Getty Oil Co. ORRI TOTAL		
.894541%	12.50%	12.50%	Royalty	T-24-N, R-6-W 320.00 Sec. 15: W/2	SF 078628-A
	60.40625% 27.09375% 100.00000%	60.40625% 27.09375% 100.00000%	El Paso Natural Gis Co. et al ORRI	0/1 01/1	
.4472708	12.50000%	12.50000%	Royalty Royalty Interest:	T-24-N, R-5-W 160.00 Sec. 15: N/2 NE/4,	SF 078628
	33.75% 43.75% 5.60% 100.00%	38.75% 43.75% 5.60% 160.00%	Robert Donnell ORRI TOTAL		•
1.341812%	12.50%	12.50%	Reyalty Revalty	T-24-N, R-6-W 430.00 Sec. 22: W/2, SE/4	SF 078598
PARTICIP	COMMITTED	PERCENTAGE	OWNERSHIP DESTRUNG HEOCK	DESCRIPTION OF ACRES	RIAL NUMBER
			CANYON LARGO UNIT AREA		

Effective 1/1/80

	1	NUMBER	DFIILLING BLOCK	ŎX .	PERCENTAGE	PRESENT ACT
C NOWSEN	D COCK	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATI
F 078875	T-25-N. R-6-W	2561,68	TRACT 17			
		-		12.50%	12.50%	7.161022%
	Sec. 30: All		El Paso Natural Gas Co.	78.75%	73.75%	
	sec. 33: MI		1.01AL	100.00%	100.00%	~
7,0020			IRACT 18			
r 0/88/6	Sec. 29: All	1,600.00		12.50%	12.50%	4.4727038
		•	El Paso Natural Gas Co.	78.75% 8.75%	78.75% 8.75%	
			TOTAL	160.00%	100.00%	
F 078877	T-24-N R-6-W	2240.00	TRACT 19			
	· •	1	Royalty Working Interest:	12.50%	12.50%	6.261785%
•		E/2 NE/4, N/2 SE/4,	El Paso Natural Gas Co. ORRI	78.75% 8.75%	78.75% 8.75%	
	W/2. Sec.13: W/2 NE/4	NE/4		100.00%	100.00%	)
F 078878	T-25-N R-7-N	2520 00	TRACT 20			
		.00	Royalty	12.50%	12.50%	/ • 0445088
		SE/4,N/2 SW/4	N/2,SE/4,N/2 SW/4, El Paso Natural Gas Co.	78.75% 2.75%	78.75%	
	Sec. 28: All	1 01/1	TOTAL	100.50%	100.00%	
fective	1/1/80					

	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	(1)			
.4495078	12.50%	12.50%	Royalty Working Interest:	-N, R-7-W 160.80 3: Lots 3,4, S/2 NW/4	T-25-N, R Sec. 3;	F 078891-A
			TRACT 23-A			
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	El Paso Natural Gas Co. ORRI	11: E/2 SW/4	Sec. 11:	·
2.2385888	12.50%	12.50%		T-25-N, R-7-N 800.80 Sec. 3: Lots 1,2,	T-25- Sec.	F 078881
			TRACT 23			
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	0		( ( (	
3.578163%	12.50%	12.50%	Royalty	N; R-7-W 1280.00 13: All	T-25-N Sec. 1:	F 078880
			TRACT 22			
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	0	24: A11	Sec.	, ,
4.4727038	12.50%	12.50%	TRACT 21 Royalty Working Interest:	-N, R-7-W 1600.00 21: W/2	T-25-N, Sec. 21:	= 078879
PARTICIPATI	COMMITTED	PERCENTIGE	OWNERSHIP	PTION OF ACRES	DESCRIPTION	IL NUMBER
		X	0541	NINCO		

The contraction of the contracti

AL NUMBER	DESCRIPTION		DF:LLING BLOCK		PERCENTAGE	PRESENT ACT
		OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	TAX
F 078882	T-25-N. R-6-W	1921 72	TRACT 24			5 372052¢
יי מימטר	Sec. 18: All		Royalty	12.50%	12.50%	3.3/20228
	Sec. 20: All		El Paso Natural Gas Co.	78.75%	78.75%	
		·	TOTAL	100.00%	100.00%	
5 078283		204	TRACT 25	•		2.247589%
0,000	Sec. 4: Lot	1 604.02	Royal ty	12.50%	12.50%	
	٠.	S/2 NW/4, SW/4,	El Paso Natural Gis Co.	78.75% 2 75%	78.75% 8 75%	
	Sec. 7: E/2	, 1		100.00%	100.00%	
. 028883-7	T-25-N R-6-N	160 00	TRICT 25-A			.4472708
	Sec. 5: SE/4		Royalty Norking Interest:	12.50%	12.50%	
			Paso	78.75%	78.75%	
			TOTAL	100.00%	100.00%	
078881	T-25-N R-6-N	3340 00	TRICT 26			6 2617858
0,000	Sec. 12: All	2240.00		12.50%	12.50%	0.401/038
	Sec. 14: All		El Paso Natural Gis Co.	78.75%	78.75%	
	•		10.28T	100.00%	100.00%	
ective 1,	1/1/80					

3.623393%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.60%	Royalty Royalty Rorking Interest: El Paso Natural Gas Co. ORRI TOTAL	-7-W 1296.18 Lcts 3,4,5,6,11, 12, N/2 SW/4, SW/4 SW/4 Ail Lots 1,2,7,8,9, 10, SE/4 (E/2)	T-24-N, R-7-W Sec. 1: Lats 12, SH/4 Sec. 3: Ail Sec. 4: Lots 10,	078922
5.3672448	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural G:s Co. ORRI	1920.00	T-24-N, R-6-W Sec. 17: All Sec. 20: All Sec. 21: All	078886
.447270%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	160.00	T-25-N, R-6-W Sec. 10: NE/4	078885-A
6.718336%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	2403.32 4, W/2	T-25-N, R-6-W Sec. 1: All Sec. 3: All Sec. 10: SE/O Sec. 11: All	<b>078885</b>
PRESENT ACTUA	PERCENTAGE COMMITTED	PERCENTAGE	DESTLLING BLOCK	NUMBER OF ACRES	DESCRIPTION	_ NUMBER

ctive 1/1/80

	82.50% 5.00% 100.00%	82.50% 5.00% 100.00%				
3.578163%	12.50%	12.50%	IR ACT 35 Royalty Working Interest:	-N, R-7-11 1280.00 34: Ail 35: All	T-25-N, Sec. 34: Sec. 35:	078987
.4169408	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Matural Gis Co. ORRI TOFAL	-N, R-6-1/4 149.15 3: Lots 1,2,3,4 4: Lots 1,2,3,4 5: Lots 1,2,3,4 6: Lots 1,2,3,4	T-24-I Sec. Sec. Sec. Sec.	078957
2.683622%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOFAL	-N, R-6-W 950.00 26: All 27: E/2	T-24-N Sec. 20 Sec. 27	: 078925
.8945418	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.06%	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOFAL	T-24-N, R-7-N 320.00 Sec. 10: E/2	T-24 Sec.	<sup>-</sup> 076923
PRESENT ACT	PERCENTAGE COMMITTED	CK PERCENTAGE	OWNERSHIP	IPTION NUMBER OF ACRES	DESCRIPTION	יר אטאפבת

L NUMBER	DESCRIPTION OF ACRES
079071	T-25-N, R-6-W 169.00 Sec. 28: NW/4
. •	
679071-A	T-25-11, R-6-19 160.00 Sec. 28: SW/4
·	
079086	T-24-N. R-5-N 600.00
079177	T-25-N, R-6-H 800.69
	1: Lot 2 1: N4/4 N4 N4/4, S
	SE/4 SE/4

0.00000%	0.00%	100 00%	GRRI		
	0.00%	12.50% Texas 87.50%	TRACT 46-A  Ity ing Interest: rican Petrofina Co. of	T-24-N, R-6-W 280.00 Sec. 1: SE/4 Sec. 13: S/2 NH/4, NE/4 NW/4	- 080594-A
1.915994%	12.50% 43.75% 43.75% .00%	12.50% 43.75% 43.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI	T-24-N, R-6-11 685.40 Sec. 1: Lots 1,2,3,4,5,6,7,8,9,10,11 12 (N/2) Sec. 13: S/2	<sup>:</sup> 080594
.111818%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI	T-24-N, R-7-N 40.00 Sec. 1: SE/4 SN/4	: 079915
.4490048	12.50% 87.50% .00% 100.00%	12.50% 87.50% .00% 100.00%	Royalty Working Interest: Amoco Production Co. ORRI 101AL	T-25-N, R-6-!/ Sec. 4: Lot 4, SH/4 NW/4, W/2 SN/4	1 019400
AGE PRESENT ACTU	PERCENTAGE COMMITTED	PERCENTAGE	OWNERSHIP	DESCRIPTION NUMBER	L NUMBER

ective 1/1/80

E-291-5	E-291-37	SF 081325	SF C80594-B	אואר אטאפפא
T-25-N, R-6-W Sec. 2: SE/4 Sec. 32: NW/4	T-25-N, R-6-M Sec. 2: Lot NH/ Sec. 32: E/2	7-24-N, R-6-W Sec. 35: SE/4	T-24-N, R-6-W Sec. 1: SW/4	DESCRIPTION
320.00	-6-W 560.51 Lot 4, SW/4 NW/4, SW/4 E/2	160.00	166.00	NUMSER OF ACRES
Royalty Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Sas Co. The Wiser Oil Co. ORRI TOTAL		Royalty  Morking Interest:  American Detrofine for of Texas	DFILLING BLOCK
12.50% 75.00% 12.50% 100.00%	12.50% 43.75% 43.75% 100.60%		12.50%	PERCENTAGE
12.50% 75.00% 12.50% 100.00%	12.50% 43.75% 43.75% .00% 100.00%	02.00% 02.00% 12.50% 43.75% 43.75% 100.00%	00.00%	PERCENTAGE COMMITTED
.894541%	1.566872%	.4472708	0.000000%	PRESENT AL

·	42.75% 42.75% 2.00% 160.00%	42.75% 42.75% 2.00% 100.00%	Teaneco Oil Co. Continental Oil Co. ORRI TOTAL		
• 33545 <u>3</u> 8	12.50%	12.50%	Royalty Norking Interest:	T-25-N, R-7-N 120.00 Sec. 35: N/2 NH/4, SE/4 NH/4	E-505-5
.224977%	12.50% 87.50% 0.00% 100.30%	12.50% 87.50% 0.60% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI	T-25-N, R-6-W 80.48 Sec. 2: Lot 3, SE/4 NH/4	E-291-35
.4496468	12.50% 82.50% 5,00%	12.50% 82.50% 5.00% 100.00%	Royalty Working Interest: El Paso Natural Eas Co. ORRI	T-25-N, R-6-N 160.85 Sec. 2: Lous 1,2, S/2 NE/4	E-291-35
0.00000%	0.00% 0.00%	12.50% 73.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI	T-25-N, R-6-1/4 240.00 Sec. 23: SH/4 NE/4, NH/4 SE/4 Sec. 32: SW/4	E-291-36
PRESENT A.	PERCENTAGE	PERCENTIGE	DIULLING BLOCK	DESCRIPTION NUMBER OF ACRES	RIAL NUMBER

ERIAL NUMBER	DESCRIPTION	NUNBER OF ACRES	DI:ILLING BLOCK	PERCENTAGE	PERCENTAGE	PRESENT A
E-809-12	T-25-N, R-7-1	1 520.00	TPACT 61			1.453629%
•	Sec. 36: 5/2, SM/4, SW/4 NH/4	74, SW/4	Royalty Working Interest: American Petrofina Co. of Texas ORRI TCTAL	12.50% 82.50% 5.00% 100.00%	12.50% 82.50% 5.60% 100.00%	
E-809-13	T-24-N, R-7-W 640.00 Sec. 2: Lots 5,6,7,8,9,	640.00 5 5,6,7,8,9,	Foyalty Horrison Interest:	12.50%	12.50%	1.789081%
٠		11,12, 3/2	Amax Petroleum Corp. ORRI	82.50% 5.00% 100.00%	82.50% 5.90% 100.60%	,
E-1207-1	T-24-N, R-6-W Sec. 35: N/2 NE/4	80.00 NE/4	Reyalty	12.50%	0.00%	0.000000%
			Norking Interest: National Co-Op Nefinery Assn. ORRI TOTAL	87.50% 0.00% 100.00%	0.00%	_
£-5615	T-24-N, R-7-N 26.64	26.64	TRACT 65	10 50%	13 500	.074471%
			Morking Interest: Amax Petroleum Corp. ORRI TOTAL	82.50% 5.00% 100.00%	82.50% 5.00% 100.00%	

	100.03%	100.00%	TOTAL		•
90/7/##•	10.00% \$0.00%	10.00% 90.00%	Working Interest: Mark Elkins Herrion Trust	Sec. 10: S/2 N/2	רבכ
	12.50% 65.00% 100.00%	12.50% 65.00% 100.00%		- - - -	
.2236358	10.00%	10.05%	TRACT 74 Working Interest: Fack Elkins Iris Balback	T-25-N, R-6-W SO.00 Sec. 23: SE/4 NE/4, NE/4 SE/4	Fee
0.000000%	0.00%	100.00%	Working Interest: Burns et al TOTAL	T-25-N, R-6-W 40.70 Sec. 5: Lot 1	Fea
0.000000%	0.00% 0.00%	100.00% 100.00%	Working Interest: Burns et al TOTAL	T-25-N, R-6-W 160.00 Sec. 4: NU/4 SE/4, 5/2 SW/4 Sec. 9: NE/4 NW/4	Fee
	82.50% 5.00% 100.00%	82.50% 5.00% 100.00%	Working Interest: Skelly Oil Company ORRI TOTAL	S/2 NE/4 S/2 SE/4	
.896358%	12_50%	12.50%	Rovalty	T-25-N, R-6-1 320.65	Fee
PARTICIPATIONATION PARTICIPATION PARTICIPATI	COMMITTED	PERCENTAGE	OWNERSHIP	DESCRIPTION OF ACRES	SIAL NUMBER
T DD CONT 10	ייייייייייייייייייייייייייייייייייייייי	) ) (		מתמסוות	-

	65.00% 12.50% 12.50% 100.00%	65.00% 12.50% 12.50% 100.00%	Merrion Trust Iris Balbach Lorna A. Harvey TOTAL		
.4472708	10.00%	10.00%	<u>IRACT 81</u> Working Interest: Mark Elkins	T-24-N, R-5-N 160.00 Sec. 22: NE/4	ree
	65.53125% 20.96875% 100.00000%	65.53125% 20.56875% 100.00000%	Working Interest: El Paso Natural Gls Co. ORRI TOTAL	N/2 SE/4	
.447270%	12.50000%	12.50000%	TRACT 80 Royalty	T-24-N, R-6-W 160.00 Sec. 15: \$/2 NE/4,	Fee
.223635%	10.00% \$0.00% 100.00%	· 10.00% 90.00% 100.00%	Working Interest: Mark Elkins Merrion Trust TOTAL	Sec. 13: E/2 NE/4	
			TRACT 79-A	T-24-N R-6-W 80 00	Fee
.223635%	10.00% 90.00% 100.00%	10.05% 90.00% 100.00%	Working Interest: Mark Elkins Merrion Trust 191AL	Sec. 12: 5/2 SE/4	•
			TRACT 79	T-24≤N R-6-W 80.00	Fee
PARTICIPA	COMMITTED	PERCENTAGE	OWNERSHIP	DESCRIPTION OF ACRES	מות אות אות אות אות אות אות אות אות אות א
PRESENT AC	I PERCENTAGE		DITIELING BEOCK	DESCRIPTION   NUMBER	יים מוניים ביים

	100.00%	100.00%	ORRI TOTAL		SW/4 SE/4	
	36.25% 36.25%	36.25% 36.25%	R. L. Bayless J. Gregory Merrion	•	NE/4, S/2 NE/4, N/2 SE/4 and	
.6709018	12.50%	12.50%	Royalty:	240.00	T-25-N, R-6-W	SF 079177
			TRACT 41-B			
PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTU	PERCENTAGE	BLOCK	DRILLING	NUMBER	DESCRIPTION	SERIAL NIMBER

PARTICIPA	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		בייייייייייייייייייייייייייייייייייייי
PRESENT AC	PERCENTAGE	LING BLOCK	DRILLIA	NUMBER	DESCRIPTION	SERIAL NIMBER

# RECAPITULATION

Total number of acres in participating area: Total number of acres committed to participating area:	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 North, Range 6 West, N.M.P.M. Sections 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: Sections 11,27,35:	Township 25 North, Range 7 West, N.M.P.M. Sections 3,13,14,23,24,25,26,28,29,33,34,35,36: Sections 11,30: Section 21: Section 27:	Township 25 North, Range 6 West, N.M.P.M. Sections 1,2,3,4,5,10,11,12,13,14,18,19,20,29,30,31,32,33: Sections 7,15,23,24: Sections 28: Section 9:
37,333.25 35,772.55	W/2 E/2 All	A11 E/2	All E/2 W/2 E/2,NW/4,W/2 SW/4, NE/4 SW/4	All ( E/2 W/2 W/2, NE/4, N/2 SE/4, SW/4 SE



P. O. BOX 1492 EL PASO, TEXAS, 79978 PHONE: 915-543-2600

May 14, 1980

Area Oil and Gas Supervisor United States Geological Survey P. O. Box 26124 Albuquerque, New Mexico 87125

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FORTY-FIRST EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective January 1, 1980

## Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

## FORTY-FIRST EXPANDED PARTICIPATING AREA - Effective January 1, 1980

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Section 9: NE/4, N/2 SE/4 & SW/4 SE/4*	280	#293

\*The SE/4 SE/4 is being excluded since unit well #1-9 was completed on the acreage on August 8, 1956 as a dry hole.

Regulatory Agencies May 14, 1980 Page 2

Pertinent data on this well is as follows:

Unit well #293 located 790' from the north line and 1050' from the east line of Section 9, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 24, 1979, and completed on December 9, 1979, at a plugged back total depth of 2685'. The Pictured Cliffs Formation at selected intervals between 2554' and 2574' was treated with a sand-water fracturing process and shut-in on December 9, 1979, after being shut-in for seventeen (17) days, the Pictured Cliffs Formation was tested on December 26, 1979; following a three (3) hour blow-down period the Pictured Cliffs Formation gauged 2625 MCF/D through a 1 1/4" choke.

Attached hereto is Schedule XLII showing the Forty-first Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Forty-first Expanded Participating Area for the Pictured Cliffs Formation will become effective as of January 1, 1980.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

JRP:RHN:en Enclosures CLU 4.1

cc: Mr. Antonio Martinez

## CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Merrion Foundation John K. Merrion, Trustee

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

The Wiser Oil Company

# SCHEDULE XLII FORTY-FIRST EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORWATION CANYON LARGO UNIT AREA

				Sec. 6: Lots 5-14, E/2 SW/4, SE/4	
				sec. 5: Lots 5-12, 5/2	
	100.00%	100.00%	TOTAL	4: Lots 5/2	
	78.75%	78.75% 6 75%	El Paso	•	
	12.50%	12.50%	Royalty Working Interest:	Sec. 3: Lots 5,6,7,8,9,	
7.1536428			TRACT 16		SF 078674
•	82.50% 5.00% 100.00%	82.50% 5.00% 100.60%	Getty Oil Co. ORRI TOTAL		
	12.50%	12.50%	Royalty Marking Interest:		
.8945418			TRACT 12	T-24-N. R-6-W 320.00	SF 078628-A
	60.40525% 27.09375% 100.00000%	60.40625% 27.09375% 100.00000%	El Paso Natural Gis Co. et al GRRI TOTAL		
.4472708	12.50000%	12.50000%	Royalty. Royalty.	T-24-N, R-5-W 160.00 Sec. 15: N/2 NE/4,	SF 078628
	33.75% 43.75% 5.60% 100.00%	38.75% 43.75% 5.60% 160.00%	El Paso Natural Gas Co. Robert Donnell ORRI		
1.3418128	12.50%	12.50%	Royalty Royalty	T-24-N, R-6-W 430.00 Sec. 22: W/2, SE/4	SF 078598
PARTICIP	COMMITTED	PERCENTAGE	1	OF ACRES	
PRESENT +	PERCENTAGE		הויוו. LING BLOCK	DESCRIPTION NUMBER	AL NUMBER
			CANYON LARGO UNIT AREA		

	78.75% 8.75% 100.00%	78.75% 8.75% 100.50%	N/2,SE/4,N/2 SW/4, El Paso Natural Gas Co. SW/4 SW/4 ORRI TOTAL		Sec.	
7.0445088	. 12.50%	12.50%	Royalty Royalty	بدا	T-25-N, F Sec. 25:	078878
<u> </u>	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	Working Interest: El Paso Natural Gis Co. ORRI		Sec. 9: Sec. 11: Sec. 12: Sec. 13:	
6.2617858	12.50%	12.50%	TRACT 19 Rovalty	N, R-6-W 2240.00 8: All	T-24-N, Sec. 8:	078877
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	El Paso Natural Gas Co. ORRI	33: A11	Sec.	
4.4727038	12.50%	12.50%	Royalty Royalty	9: R-	T-25-N Sec. 2	078876
_	73.75% 8.75% 100.00%	78.75% 8.75% 100.60%	El Paso Natural Ges Co. ORRI	31: A11 33: A11	Sec. 33	
7.161022%	12.50%	12.50%		7	T-25-;	78875
PARTICIPATI	COMMITTED	PERCENTAGE	OWNERSHIP DEILLING BLOCK	OTION OF ACRES	DESCRIPTION	HUMBER

ctive 1/1/80

NUMBER	DESCRIPTION	NUMBER OF ACRES	DF-ILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTU
3788 <b>79</b>	17	1600.00		12.50%	12.50%	4.4727038
,	Sec. 24: All		Working Interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
<b>378880</b>	T-25-N, R-7-W Sec. 13: All	1280.00		12.50%	12.50%	3.578163%
	••		Working Interest: El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.60%	72.75% 8.75% 100.00%	
			TRACT 23			
078881	T-25-N, R-7-W Sec. 3: Lots	800.80 s 1,2,	Royalty	12.50%	12.50%	2.238588%
	Sec. 11: E/2	5/2 NE/4, SE/4, SH/4 E/2	El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.00%	76.75% 8.75% 100.00%	-
			TRACT 23-A			
078591-A	T-25-N, R-7-W Sec. 3: Lots	R-7-W 160.80 : Lots 3,4,		12.50%	12.50%	.4495078
·		ни/ 4	El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	

	)	NUMBER	DEILLING BLOCK	X	PERCENTAGE	PRESENT ACT
NONBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATI
078882	70	1921.72	TRACT 24 Royalty	12.50%	12.50%	5.372052%
	Sec. 20: All		El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.06%	
078883	T-25-N, R-6-N Sec. 4: Lot	£04.02	T <u>RACT 25</u> Royalty	12.50%	12.50%	2.247589%
	7:	S/2 NN/4, SW/4, S/2 NE/4 E/2	Working Interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
178883-4	T-25-N R-6-N	160 00	TRICT 25-A			.4472708
	Sec. 5: SE/4	.00	Royalty Working Interest: El Paso Natural G.s Co. ORRI	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.C0%	
)78884	T-25-N, R-5-M Sec. 12: All Sec. 13: All Sec. 14: All Sec. 14: All	2240.00	Royalty Working Interest: El Paso Natural Gus Ço. ORRI 10:AL	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	6.261785%

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tive 1/1/80

78922	178886	78885-A	7888 <b>5</b>	UNBER
T-24-N, R-7-W 1296.18 Sec. 1: Lots 3,4,5,6,11 12, N/2 SW/4, 12, N/2 SW/4 Sec. 3: Ail Sec. 4: Lots 1,2,7,8,9, 10, SE/4 (E/2)	T-24-N, R-6-W 192 Sec. 17: All Sec. 20: All Sec. 21: All	T-25-N, R-6-N 16 Sec. 10: NE/4	T-25-N, R-6-W 240 Sec. 1: All Sec. 3: All Sec. 10: SE/4, W/2 Sec. 11: All	DESCRIPTION   NUMBER
96.18 5,6,11,. 1/4, 7,8,9, (E/2)	1920.00	160.00	2403.32	ACRES ACRES
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural G:s Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	DELLLING BLOCK
12.50% 78.75% 8.75%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 79.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE COMMITTED
3.623393%	5.3672448	.447270%	6.718336%	PARTICIPATIO

tive 1/1/80

UMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP OF ILLING BLOCK	PERCENTAGE	PERCENTAGE	PARTICIPATION
78923	T-24-N R-7-W	320 00	TRACT 30			.8945418
	Sec. 10: E/2		Royalty Working Interest: El Paso Natural Gis Co. ORRI	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	· .
378925	T-24-N, R-6-W Sec. 26: All	950.00	Royalty IRACT 31	12.50%	12.50%	2.683622%
		·	Working Interest: El Paso Natural Gis Co. ORRI TOFAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
)78957	12. P	ب.	TRACT 32	72 50%	13 50%	.416940%
	Sec. 3: Lots Sec. 4: Lots Sec. 5: Lots Sec. 6: Lots		Royalty Working Interest: El Faso Natural Gis Co. ORRI TOFAL	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	
)78987	T-25-N, R-7-U Sec. 34: Ail Sec. 35: All	1280.00	Royalty Working Interest: Getty Oil Company ORRI TOTAL	12.50% 82.50% 5.00%	12.50% 82.50% 5.00%	3.578163%

ZCWBEN ZCWBEN	DESCRIPTION		DESILLING BLOCK	X	PERCENTAGE
		OF ACRES	CWNERSHIP	PERCENTICE	COMMITTED
3790 <b>7</b> 1	T-25-N, R-6-W Sec. 28: NW/4	169.90	Royalty	12.56000%	12.50000%
			PWG Partnership Jack Cayias ORRI	25.52083% 51.041673 10.93750% 100.000003	25.52023% 51.04167% 10.93750% 100.00000%
3790 <b>71-</b> A		160.00	TR'CT 37-A		, , , ,
	0ec. 60. 38/4	. •	Royally Working Interest: El Paso Natural Gis Co. ORRI TOTAL	69.00% 18.50%	59.00% 13.50% 100.00%
079086	23	600.00	TRACT 38		1
	Sec. 10: N/2 Sec. 13: NN/ Sec. 35: S/2	N/2 N/2, S/2 NH/4 NH/4 S/2 NE/4	Royalty Working Interest: E. B. Germany, et al ORRI TOTAL	12.50% 82.50% 5.00% 100.00%	0.00% 0.00% 0.00%
079177	R-6-H	800.69	Royalty IRICT 41	1> 50%	12 50%
·		NH/4 NH/4, S/2 NH/4, SH/4 NH/2 NE/4, S/2 SE/4 F/2	Working Interest: El Paso Natural Gis Co. ORRI TOTAL	70.00% 17.50% 100.66%	70.00% 17.50% 166.00%

UMBER	DESCRIPTION	NUMBER OF ACRES	DFILLING BLOCK	PEHCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTO
019400	T-25-N, R-6-1/ Sec. 4: Lot	160.62	Royalty IRACT 41-A	12.50%	12.50%	.449004%
	3.7.4 N/2	N/2 SW/4	Amoco Production Co. ORRI 101AL	87.50% .00% 100.00%	87.50% .00% 100.00%	_
079915	T-24-N, R-7-11 41 Sec. 1: SE/4 SN/4	40.00 514/4		12.50%	12.50%	.111818%
			El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 6.75% 100.00%	
080594	T-24-N, R-6-1/1 Sec. 1: Lots	685.40		12.50%	12.50%	1.9159948
	Sec. 13: 5/2	12 (N/2) 5/2	Ton Bolack  ORRI  Ton Stack  Ton Bolack	43.75% 43.75% .60% 100.00%	43.75% 43.75% .00% 100.00%	
08059 <i>4-</i> A	T-24-N, R-6-X 280 Sec. 1: 55/4	280.00	Rayalty	12.50%	0.00%	0.000000%
	NE/4	NE/4	American Petrofina Co. of Texas ORRI	87.50% .00% 100.00%	0.00%	

L NUNBER	DESCRIPTION	NUMBER OF ACRES	DEILLING BLOCK		FERCENTAGE PRESENT AC	PARTICIPA
© 08059 <b>4-B</b>	T-24-N, R-6-W Sec. 1: SW/4	166.00	133CT 45-B Royalty 12.50%		0.00000%	£00/
			working interest: American Petrofine Co. of Texas 87.50% ORRI TOTAL 100.00%		00.00% 00.00% 00.00%	~
F 081325	1-24-N, R-6-W	160.00	TRACT 47		447	270%
	Sec. 35: SE/4				12.50%	80/7
			43 43 100	. ·	43.75% .00% 100.06%	
:-291-37	T-25-N, R-6-14 Sec. 2: Lat	560.51 4. SH/4	<u>18401 55</u> Rovaltv 12.50%		1.566872%	872%
	Sec. 32: E/2		Interest: o Natural Sas Co. 43. ser Oil Co. 43.	<b>-</b> 1	43.75% 43.75% .00%	<u> </u>
-291-5	T-25-N, R-6-W Sec. 2: SE/4 Sec. 32: NW/4	320.00	Royalty Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL  TOTAL  12.50%		12.50% .894541% 75.00% 12.50% 100.00%	541%

	-505-5	-291-35		-291-35	•	-291-36	NUMBER
SE/	T-25-N, R-7-W Sec. 35: N/2	T-25-N, R-6-W Sec. 2: Lot SE/		T-25-N, R-6-M Sec. 2: Lor 'S/2	NH/4 Sec. 32: SW/4	T-25-N, R-6-N Sec. 23: SN/	DESCRIPTION
4 NV/4	, R-7-W 120.00 5: N/2 NH/4,	Lot 3, SE/4 NH/4	·	R-6-11 160.85 Lous 1,2; S/2 NE/4		240.00 4 NE/4,	NUMBER OF ACRES
Norking Interest: Teameco Oil Co. Continental Oil Co. ORRI TOTAL	Poyalty	Royalty Working Interest: El Paso Natural Gás Co. ORRI	ORRI TOTAL TRACT 59	<u>TRΛCT 58</u> Royalty Working Interest: Fl Paso Natural Cos Co.	Working Interest: El Paso Natural Cas Co. ORRI		OWNERSHIP DRILLING BLO
42.75% 42.75% - 2.00% 100.00%	12.50%	12.50% 87.59% 0.60% 160.00%	5.00% 100.00%	12.50%	78.75% 8.75% 160.06%	12.50%	PERCENTICE
42.75% 42.75% 2.00% 100.00%	12.50%	12.50% 87.50% 0.60% 160.00%	160.60%	12.50%	0.00%	0.00%	PERCENTAGE
·	.335453%	. 224977%		.4496468	,	0.000000%	PRESENT AC

AL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIP
£-809-12	T-25-N, R-7-N Sec. 36: 5/2	520.00	Royalty TRACT 61	12.50%	12.50%	1.453629%
•	M.V. N.Y. N.Y. N.Y. N.Y. N.Y. N.Y. N.Y. N	S:1/4, S:1/4 N:1/4	Working Interest: American Petrofina Co. of Texas ORRI TCTAL	82.50% 5.00% 100.00%	82.50% 5.60% 100.60%	
E-809-13	T-24-N, R-7-W Sec. 2: Lot	-7-W 640.00 Lots 5,6,7,8,9,		12.50%	12.50%	1.789081%
·	ī	11,12, 5/2	Working Interest: Amax Petroleum Corp. ORRI	82.50% 5.00% 100.00%	82.50% 5.00% 100.00%	
E-1207-1	-N.	80.00	TRACT 62			0.000000%
	Sec. 35: N/2	NE/4	Reyalty Working Interest: National Co-Op Refinery Assn. ORRI 707AL	12.50% 87.50% 0.00% 100.00%	0.00% 0.00% 0.00%	
<u>E-5615</u>	T-24-N, R-7-N Sec. 2: Lots	26.64 s 1,2,3,4	Reyalty Revise Interest:	12.50%	12.50%	.0744718
			Amax Petroleum Corp. ORRI 797AL	82.50% 5.00% 100.00%	82.50% 5.00% 100.00%	

ିଟେଜ	co co	69	. e	ro P	r NUMBER.
T-24-1, R-6-N Sec. 10: S/2 N/2	T-25-N, R-6-W Sec. 23: SE/4 NE/4	T-25-N, R-6-W Sec. 5: Lot	9:	T-25-N, R-6-H Sec. 4: Lot 3 S/2 N NE/4 S/2 S SE/4 Sec. 9: NW/4	DESCRIPTION
N/2	\$0.00 4 NE/4, 4 SE/4	40.70	-6-N 160.00 NU/4 SE/4, E/2 SU/4 NE/4 NN/4	6-H 320.65 Lot 3, S/2 NE/4, S/2 SE/4, S/2 SE/4, SE/4 NW/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust 10TAL	Working Interest: Wark Elkins Iris Balbach Lorna A. Harvey Merrion Trust 130CT 78	TRACT 71  Working Interest:  Burns et al  TOTAL	Working Interest:  Burns et al TOTAL	Royalty Working Interest: Skelly Oil Company ORRI TOTAL	OWNERSHIP
10.06% 90.00% 100.06%	10.05; 12.50% 12.50% 65.00%	100.00%	100.00%	12.50% 82.50% 5.00% 100.00%	BLOCK PERCENTAGE
19.00% 53.03% 100.03%	10.69% 12.50% 12.50% 65.00%	0.00%	0.00%	12.50% 82.50% 5.00%	PERCENTAGE
.4472708	.223635%	0.000000%	0.00000%	.896358%	PRESENT AC

ee	ල <b>ි</b>	(2 (2	n .	NCWBER
T-24-N, R-5-N Sec. 22: NE/4	T-24-N, R-6-W 160.00 Sec. 15: \$/2 NE/4, N/2 SE/4	T-24-N, R-6-1 80.00 Sec. 13: E/2 NE/4	1-24-11, R-6-11 Sec. 12: 5/2 SE/4	DESCRIPTION NUMBER OF ACRES
	.00			E S
JRACT 81 Working Interest: Rark Elkins Merrion Trust Iris Balbach Lorna A. Harvey TOTAL	TRACT CO Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 79-A Working Interest: Mark Elkins Merrion Trust TOTAL	TRACT 79 Working Interest: Mark Elkins Merrion Trust 101AL	OWNERSHIP DOULLING BLOCK
10.00% 65.00% 12.50% 12.50% 100.00%	12.50000% 65.53125% 20.56875% 100.00000%	10.00% 90.00% 160.00%	10.05% \$0.00% 100.00%	PERCENTAGE
10.00% 65.60% 12.50% 12.50%	12.50000% 65.53125% 20.96875%	10.00% \$0.00% 100.00%	10.00% 90.00% 100.00%	COMMITTED
.447270%	.4472708	.223635%	. 223635%	PRESENT AC

	36.25% 36.25% 15.00% 100.00%	36.25% 36.25% 15.00% 100.00%	Working Interest: R. L. Bayless J. Gregory Merrion ORRI TOTAL	4.	Sec. 9: NE/4 NE/4, S/2 NE/4 N/2 SE/4 and SW/4 SE/4	
.670901%	12.50%	12.50%	Royalty:	240.00	T-25-N, R-6-W	SF 079177
			TRACT 41-B			
PARTICIPATIC	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTL	PERCENTAGE	BLOCK	DRILLING	NUMBER	DESCRIPTION	RIAI NIMBER

# SCHEDULE XIII

	37,333.25 35,772.55	of acres in participating area: of acres committed to participating area:	Total number of Total number of	·	
_	W/2 E/2 All	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 Nor Section 1: Sections 4,10: Sections 2,3:		· .
	A11 E/2	24 North, Range 6 West, N.M.P.M. 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: 11,27,35:	Township 24 Sections 1,3 Sections 11,	•	
•	A11 E/2 W/2 E/2,NW/4,W/2 SW/4, NE/4 SW/4		Sections 3,1 Sections 11, Section 21: Section 27:	•	
/4, SW/4 S	All E/2 W/2, NE/4, N/2 SE/4, SW/4 S	25 North, Range 6 West, N.M.P.M. 1,2,3,4,5,10,11,12,13,14,18,19,20,29,30,31,32,33: 7,15,23,24: 28: 9:			
		RECAPITULATION			
PARTICIPA	PERCENTAGE COMMITTED	OWNERSHIP DRILLING BLOCK PERCENTAGE	NUMBER OF ACRES	DESCRIPTION	RIAL NUMBER
	<u> </u>				



P. O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-543-2600

April 23, 1980

Area Oil and Gas Supervisor United States Geological Survey

P. O. Box 26124

Albuquerque, New Mexico 87125/

Commissioner of Public Lands

State of New Mexico Post Office Box 1148

Santa Fe, New Mexico 87501

Oil Conservation Division State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 MAY 2 S 1960 | SANTA FE SILISION

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

1980 DRILLING PROGRAM

# Gentlemen:

By letter dated January 4, 1979, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1979, providing for the drilling of three (3) Dakota wells.

Dakota Wells Nos. 286, 287, and 291, as well as Pictured Cliffs Well No. 293, have been drilled and completed. Such wells are currently being evaluated to determine whether they are capable of producing unitized substances in paying quantities so as to cause an expansion of the pertinent Participating Area.

As of this date, the total number of wells in the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	170
Non-Commercial	9
Plugged and Abandoned	13
Being Evaluated	1
Chacra	27
Commercial	27
Non-Commercial	1
Plugged and Abandoned	1

CK Eff

Dual, PC/Chacra Commercial Non-Commercial, Chacra Temporarily Abandoned	5 1 1
Mesaverde Non-Commercial	2
Dual, MV/Chacra Commercial, Chacra (Non-Commercial Mesaverde)	1
Gallup Commercial Non-Commercial	14 1
Dual, Gallup/Dakota Non-Commercial, Gallup Non-Commercial, Dakota	1
Dakota Commercial Non-Commercial Being Evaluated	19 9 3 280

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1980:

Well No.	Drilling Block	Formation
292	E/2 Section 10, T-25-N, R-6-W	Dakota
294	E/2 Section 2, T-25-N, R-6-W	Dakota
<b>29</b> 5	E/2 Section 4, T-25-N, R-6-W	Dakota
297	E/2 Section 13. T-24-N. R-6-W	Dakota

El Paso Natural Gas Company, as Unit Operator, has also designated J. Gregory Merrion and R. L. Bayless Sub-Operator for the purpose of developing certain other acreage within this Unit as to the Tertiary and the Gallup Formations during 1980. Said Sub-Operator proposes to drill the following additional wells:

Well No.	Drilling Block	Formation
296	W/2 Section 22, T-24-N, R-6-W	Tertiary
<b>29</b> 8	E/2 Section 3, T-24-N, R-6-W	Gallup
299	E/2 Section 4, T-24-N, R-6-W	Gallup
300	E/2 Section 8, T-24-N, R-6-W	Gallup

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

anjulal

D. N. Canfield Attorney-in-Fact

DNC:RHN:en Attachments Canyon Largo Unit, 3.0

APPROVED:		DATED:
	Area Oil and Gas Supervisor	
	United States Geological Survey	
	(Subject to like approval by the	
	Commissioner of Public Lands and the Oil Conservation Division)	
	the off conservation bivision)	
	ı	
	,	
488884788		DAMED
APPROVED:	Carrieriana of Dublic Lands	DATED:
	Commissioner of Public Lands	
	(Subject to like approval by the United States Geological Survey	•
	& the Oil Conservation Division)	
	d the off conscivation bivision,	
	hod la	- /
APPROVED:	The Money	DATED: 5/29/80
	Oil Conservation Division	•
	(Subject to like approval by the	
•	United States Geological Survey	
	& the Commissioner of Public Land	s)

The foregoing approvals are for the 1980 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of
 Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Conoco, Inc.

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

. Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Merrion Foundation
John K. Merrion, Trustee

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner, Jr.

J. Glenn Turner, Jr. &
Mercantile Nat'l Bank at
Dallas, Texas, Trustees of
the Mary Frances Turner, Jr. Trust

Mr. Frederick Eugene Turner

Mr. John Lee Turner

Elizabeth Jeanne Turner Calloway

Mr. William G. Webb

WILLIAM R. SPEER CONSULTING GEOLOGIST Petroleum Club Plaza Bldg. Farmington, New Mexico 87401

P.O. BOX 255

PHONE 505-325-7789

Certified Professional Geologist # 1121
Petroleum and Mineral Evaluation and Management

January 25, 1980

El Paso Natural Gas Co. Attn: Mr. R.H. Hordhausen Land Department P.O. Box 1492 El Paso, Texas 79978

> Re: Canyon Largo Unit #297 Well Cost Estimate Approval

Dear Mr. Nordhausen,

Attached is a Well Cost Estimate approval for the Canyon Largo Unit Well No. 297 signed by Mr. Tom Bolack, as requested in your letter of January 16, 1980. One copy has been retained for our file.

Very truly yours,

William R. Speer

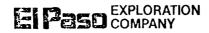
laj

Attachment

Form approved. Budget Bureau No. 42-R1425.

# UMTED STATES DEPARTMENT OF THE INTERIOR

•	DEPARTMENT	OF THE I	NIEF	RIOR		5. LEASE DESIGNATION AND SERIAL NO.
	GEOLO	GICAL SURVI	ΕY			SF 080594
<del></del>	I FOR PERMIT T	O DRILL, I	DEEP	N, OR PLUG B	ACK	G. IF INDIAN, ALLOTTER OR TRIBE NAME
1a. TYPE OF WORK DRII	LX	DEEPEN (		PLUG BAC	K 🗆	7. UNIT AGREEMENT NAME
D. TIPE OF WELL OIL GAR	SLL X OTHER			NGLE MULTIP	LE [	Canyon Largo Unit
2. NAME OF OPERATOR El Paso Na	tural Gas Co	mnany				Canyon Largo Unit
3. ADDRESS OF OPERATOR	Tural ous co	трану				
PO Box 289	, Farmington	, NM 874	101	•		297 10. FIELD AND POOL, OR WILDCAT
4. LOCATION OF WELL (Re At surface			h any S	state requirements.*)		Basin Dakota
At proposed prod. zone	1580'S, 16	50'E				11. SEC., T., R., M., OH BLE. AND SURVEY OR AREA Sec. 13, T-24-N, R-6-W
<u> </u>	- sam <b>e</b>				<del>-</del> •	- NMPM
14. DISTANCE IN MILES A		1		€.		12. COUNTY OR PARISH 13. STATE
/ MILES NO	orth of Couns	elors, N		OF COST		Rio Arriba NM
LOCATION TO NEAREST PROPERTY OR LEASE LI	NE, FT. Q C	·o'	10. NO	O. OF ACRES IN LEASE		OF ACRES ASSIGNED
(Also to nearest drig. 18. DISTANCE FROM PROPO	unit line, it any)		19, ra	Unit	20. ROTA	320.00
TO NEAREST WELL, DR OR APPLIED FOR, ON THIS	ILLING, COMPLETED, 60	001		6787'	Rotar	••••
21. ELEVATIONS (Show when 6567 GL	ther DF, RT, GR, etc.)					22. APPROX. DATE WORK WILL START*
23.	P	ROPOSED CASIN	VG ANI	CEMENTING PROGRA	M	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FO		SETTING DEPTH	<u> </u>	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#		200'	165 0	u.ft.circ. to surface
7 7/8"		10.5#&11.	6#	6787'		ges - 1323 cu.ft.
2nd stage 3rd stage	- 463 cu.ft. - 460 cu.ft. - 430 cu.ft. y perforate	to cover	Mes Ojo	sa Verde O Alamo	e Dak	ota formation.
7 2000 mai			,		:	
blind and p	pipe rams wil	ll be use	d fo	or blow out p	venta reven	r equipped with tion on this well.
<u>-</u>	معمد عیدی یا د	Art Company	<del>.</del>	ومداري والرووسات الديماميسان	·	المراجع المحادي
This gas is	s dedicated.			•		
					-	
The $E/2$ of	Section 13	is dedica	ted	to this well	•	
	rill or deepen directiona					uctive zone and proposed new productive d and true vertical depths. Give blowout
24.	~~~	•				
SIGNED LATER	y Dradfie	(d	LE	Drilling	Clerk	PATE March 7, 1980)
(This space for Feder	al or State office use)					
PERMIT NO.			_ <del>_</del>	APPROVAL DATE		
APPROVED BY CONDITIONS OF APPROVA	L, IF ANY:	ТІТ	'LE		<del> </del>	DATE



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915 543-2600

January 16, 1980

Mr. Tom Bolack Route 3, Box 47 Farmington, New Mexico 87401

Dear Mr. Bolack:

Pursuant to your request we will include on the proposed 1980 Drilling Program for the Canyon Largo Unit the drilling of a Dakota well on the SE/4 of Section 13, T-24-N, R-6-W, N.M.P.M. Accordingly we are enclosing herewith two (2) copies of the Well Cost Estimate form for said well. Please evidence your agreement to pay the cost of such well by executing and returning one copy of such Well Cost Estimate form.

Very truly yours,

R. H. Nordhausen Senior Landman

Land Department

RHN/sfg Canyon Largo Unit 3.0

EI Paso COMPANY

NATURAL GAS

COMPANY

DIVISION 1, 1979

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 10.541

Re:

Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
THIRTEENTH EXPANDED PARTICIPATING AREA
Effective September 1, 1978

Dakota Formation

## Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit operator, determined on the date indicated below that the below listed well is capable of producing unitized substances in paying quantities from the Dakota Formation and that the Participating Area for the Dakota Formation is expanded accordingly as follows:

# THIRTEENTH EXPANDED PARTICIPATING AREA - Effective September 1, 1978

Drilling Block	Net Acres	Well No.
W/2 of Sec. 2, T-25-N, R-6-W	320.99	166
E/2 of Sec. 2, T-25-N, R-6-W	320.85	IDB

The Canyon Largo Unit No. 166 Well, located 900' from the South line and 1500' from the West line of Section 2, Township 25 North, Range 6 West, N.M.P.M., was spudded on May 11, 1978, and completed on September 14, 1978, at a plugged back depth of 7345'. The Dakota Formation at the intervals of 7084', 7172', 7175', 7178', 7185', 7202', 7214', 7255' was treated with a sand-water fracturing process on September 4, 1978. The well was shut-in on September 7, 1978, and after being shut-in for seven (7) days, the Dakota Formation was tested on September 14, 1978, using the Pitot tube method with an after frac guage of 344 MCF/D, with an SIPC of 2572 psia and an SIPT of 1715 psia. The spacing unit for this well is described as the W/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., containing 320.99 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Thirteenth Expanded Participating Area for the Dakota Formation will become effective as of September 1, 1978.

Attached hereto is Schedule XIV showing the Thirteenth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contract

and Titles Land Department

Energy Resource Development

JRP:RHN:pw Enclosure CLU, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

# WORKING INTEREST OWNERS CANYON LARGO UNIT DAKOTA FORMATION

Atlantic Richfield Co.

Ibex, İnc.

Kimbell Oil Company

UNIT AREA EXPANSION SCHEDULE — SAN JUAN BASIN Form 21-71 (2-72)

# SCHEDULE XIV THIRTEENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

			200 100 100 100 100 100 100 100 100 100		111111111111111111111111111111111111111	
SERIAL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPAT
			TRACT 16			
SF 078874	T-24-N, R-6-W 640 Sec. 3: Lots 7,8,9,	640.00 8,9,	••	12.500%	12.500%	9.862100%
	Sec. 4: Lots 7,	lu, se/4 Lots 7,8,9,10, SE/4	Working interest: El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	,
			TRACT 17		•	
SF 078875	T-25-N, R-6-W Sec. 33: E/2	320.00	Royalty;	12.500%	12.500%	4.931050%
			Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	
			TRACT 19			
SF 078877	T-24-N, R-6-W 24 Sec. 12: N/2 SE/4,	240.00 4,	Royalty; Working Interest:	12,500%	12.500%	3.6982888
				78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	÷
			TRACT 24			
SF 078882	T-25-N, R-6-W Sec. 17: W/2	320.00		12.500%	12.500%	4.931050%
			El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	

# SCHEDULE XIV

12.500% 78.750% 8.750% 100.000%	TRACT 32  12.500% (ing Interest: 78.750%) Paso Natural Gas Co.; 8.750% [; TOTAL 100.000%]	40.30 Royalty; 1,2 Working El Paso	T-24-N, R-6-W Sec. 3: Lots l Sec. 4: Lots l	SF 078957
	TRACT 31  Royalty; Royalty; Working Interest: El Paso Natural Gas Co.; ORRI;  TOTAL  12.500% 78.750% 8.750%	320.00 Royalty; Working El Paso ORRI;	T-24-N, R-6-W Sec. 25: E/2	SF 078925
	TRACT 27  Royalty;  Morking Interest: El Paso Natural Gas Co.;  ORRI;  TOTAL  TRACT 27  12.50000%  8.75000%	1601.95 s 1,2,3,4,5/2 Royalty; s 1,2,3/4,5/2 Working s 1,2,5/2 NE/4, El Paso 4 (E/2) ORRI;	T-25-N, R-6-W Sec. 1: Lots N/2, Sec. 3: Lots Sec. 3: SE/4	SF 078885
	ty; ng Interest: so Natural Gas Co.	Royalty; Working El Paso ORRI;	T-25-N, R-6-W Sec. 12: All Sec. 13: All Sec. 14: E/2	SF 078884
	OWNERSHIP PERCENTAGE TRACT 26	OF ACRES	DESCRIPTION	SERIAL NUMBER

# SCHEDULE XIV

SERIAL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPA.
			TRACT 46			
SF 080594	T-24-N, R-6-W Sec. 1: Lots 1-	365.40 1-12	Royalty; Working Interest:	12.500%	12.500%	5.630643%
		•	Kimbell Oil Co.; ORRI; TOTAL TRACT 46-A	65.625% 21.875% 100.000%	65.625% 21.875% 100.000%	
SF 080594-A	T-24-N, R-6-W Sec. 1: SE/4	160.00	Royalty; Working Interest:	12.500%	0.000%	0.000000
			<pre>Kimbell Oil Co.; ORRI; TOTAL</pre>	65.625% 21.875% 100.000%	0.000% 0.000%	. من
			TRACT 46-B			
SF 080594-B	T-24-N, R-6-W Sec. 1: SW/4	160.00	Royalty; Working Interest:	12.500%	0.000%	0.000000
			<pre>Kimbell Oil Co.; ORRI; TOTAL</pre>	65.625% 21.875% 100.000%	0.000% 0.000% 0.000%	
			TRACT 55-A		·	
E-291-3	T-25-N, R-6-W Sec. 36: NE/4	160.00	Royalty: Norking Interest: Wiser Oil Company; ORRI;	12.50% 87.50% .00%	12.50% 87.50% .00%	2.465525%
Effective	9-1-78		PAGE 3			

	(82.50%) (82.50%)	(82.50%) (82.50%)	*Working Interest: Gas - El Paso Natural Gas Co. Oil - Burton-Hawks, Inc.			
2.4786238	12.50% 82.50% 5.00% 100.00%	12.50% 82.50% 5.00% 100.00%	Royalty Working Interest:* ORRI	160.85	T-25-N, R-6-W Sec. 2: Lots 1,2, S/2 NE/4	E-291-35
			TRACT 58			
	87.508 .008 100.008	87.50% .00% 100.00%	Atlantic Richfield ORRI TOTAL			
2.465525%	12.50%	12,50%	Royalty	160.00	T-25-N, R-6-W Sec. 2: SE/4	E-291-5
			TRACT 56			
	87.50% .00% 100.00%	87.50% .00% 100.00%	The Wiser Oil Co. ORRI TOTAL	4	71 / 12 / ANT	
3.7061468	12.50%	12.50%	Royalty Working Interest:	240.51 V/4	T-25-N, R-6-W Sec. 2: Lot 4, SW/4	E-291-37
			TRACT 55			
PARTICIPATIC	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		מרא אינויייייייייייייייייייייייייייייייייי
PRESENT ACTL	PERCENTAGE		DRILLING BLOCK	NUMBER		CEDIAI NIMBED

	75.00% 12.50% 100.00%	75,00% 12,50% 100,00%			,	
1.2327628	12.50%	12.50%	Royalty Working Interest:	80.00	T-24-N, R-6-W Sec. 12: S/2 SE/4	Fee
			TRACT 79			
	87.50% .00% 100.00%	87.50% .00% 100.00%	ibex, Inc. ORRI			
1.232763%	12.50%	12.50%	Royalty	\$ 80.00	T-25-N, R-6-W Sec. 36: N/2 SE/4	E-291-7
			TRACT 57-A			
	75,00% 12,50% 100,00%	75.008 12.508 100.008	El Paso Natural Gas Co. ORRI		·	
1.232763%	12.50%	12.50%		80.00	T-25-N, R-6-W Sec. 36: S/2 SE/4	E-291-5
			TRACT 56-B			
	(87.50%) (87.50%)	(87.50%) (87.50%)	*Working Interest: Gas - El Paso Natural Gas Co. Oil - Burton-Hawks, Inc.			
1.240159%	12.50% 87.50% .00% 100.00%	12.50% 87.50% .00% 100.00%	Royalty Working Interest:* ORRI	80.48	T-25-N, R-6-W Sec. 2: Lot 3, SE/4 NW/4	E-291-35
			TRACT 59			
PRESENT ACTU	PERCENTAGE	PERCENTAGE	OWNERSHIP DRILLING BLOCK PER	NUMBER OF ACRES	DESCRIPTION	SERIAL NUMBER

# SCHEDULE XIV

PARTICIPATIO	COMMITTED		OWNERSHIP	OF ACRES		
PRESENT ACTU	PERCENTAGE	œ	DRILLING	NUMBER	DESCRIPTION	SERIAL NEMBER

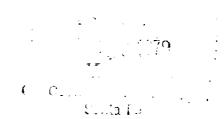
# RECAPITULATION

6,809.49 6,489.49 January 23, 1979

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



## Gentlemen:

The 1979 Drilling Program for the below listed units were approved by the regulatory bodies on the dates indicated:

	<u>Unit</u>	<u>USGS</u>	<u>CPL</u>	<u>occ</u>
540	San Juan 27-5	1-17-79	1-10-79	1-11-79
553	San Juan 28-5	1-17-79	N/A	1-11-79
445	San Juan 28-7	1-17-79	1-10-79	1-11-79
493	San Juan 30-6	1-17-79	1-10-79	1-11-79
498	San Juan 32-9	1-17-79	1-10-79	1-16-79
V54/	Canyon Largo	1-17-79	1-10-79	1-11-79
299	Rincon	1-17-79	1-10-79	1-11-79

Copies of this letter are being sent to the working interest owners of the above units.

Very truly yours,

4 Nordhame

R. H. Nordhausen Senior Landman Land Department

Energy Resource Development

RHN:pw SJ 27-5, 3.0; SJ 28-5, 3.0; SJ 28-7, 3.0; SJ 30-6, 3.0; SJ 32-9, 3.0; Canyon Largo, 3.0; Rincon, 3.0 Attachment

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation '

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

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Mrs. Merle McMillan

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No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb



# United States Department of the Interior

# GEOLOGICAL SURVEY

P. O. Box 26124 Albuquerque, New Mexico 87125

JAN 17 1979

El Paso Natural Gas Company Attention: Mr. D. H. Camfield P. O. Box 1492

El Paso, Texas 79978

## Gentlemen:

Three approved copies of your 1979 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of three Dakota wells, are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

no. 54/

011 and Gas Supervisor, SRMA

Enclosures (3)

NMOCD, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

# OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

# January 11, 1979

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: D. N. Canfield

Re: Case No. 541

Canyon Largo Unit 1979 Drilling Program

## Gentlemen:

We hereby approve the 1979 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Program is returned herewith.

Yours very truly,

JOE D. RAMEY Director

JDR/LT/fd enc.

cc: U.S.G.S. - Roswell Commissioner of Public Lands

# State of New Mexico



ALEX J. ARMIJO COMMISSIONER



# Commissioner of Public Lands

January 10, 1979

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

no.541

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
1979 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. Such plan provides for the drilling of wells No. 286, 287 and 291. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division

AJA/RDG/s encl.

cc:

OCD-Santa Fe, New Mexico USGS-Roswell, New Mexico USGS-Albuquerque, New Mexico



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

January 4, 1979

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

approve Mr SHI

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1979 DRILLING PROGRAM

# Gentlemen:

By letter dated January 11, 1978, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1978, providing for the drilling of one Dakota well.

The initial attempt in 1977 to complete the Pictured Cliffs/Chacra Well No. 281 failed because of mechanical problems; a second attempt in 1978 to complete said well also failed; as of this date, no decision has been reached as to the disposition of this well.

Dakota Well No. 166 was timely drilled and completed. Such well is currently being evaluated to determine whether it is capable of producing unitized substances in paying quantities so as to cause an expansion of the Dakota Formation Participating Area.

As of this date, the total number of wells in the Canyon Largo Unit is as follows: 

C 20... T ...

Dishumad Cliefe	
Pictured Cliffs Commercial	170
Non-Commercial	9
Plugged and Abandoned	13
Trugged and Abandoned	ر.
Chacra	
Commercial	27
Non-Commercial	1
Plugged and Abandoned	1
Dual. PC/Chacra	
Commercial	5
Non-Commercial, Chacra	1
Temporarily Abandoned	1
10mporus 22ja	•
Mesaverde	
Non-Commercial	2
Duel MI (Chaona	
<u>Dual, MV/Chacra</u> Commercial, Chacra (Non-Commercial	
Mesaverde)	1
nesaverde)	•
Gallup	
Commercial	14
Non-Commercial	1
Dual, Gallup/Dakcta	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dalrata	
<u>Dakota</u> Commercial	18
Non-Commercial	9
Being Evaluated	1
Derlie Braradood	276
	-, -

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1979:

Well No.	Drilling Block	<u>Formation</u>
287	W/2 Section 3, $T-25-N$ , $R-6-W$	Dakota
286	N/2 Section 11, T-24-N, R-6-W	Dakota
291	W/2 Section 12, T-24-N, R-6-W	Dakota

January 4, 1979

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

D. N. Canfield
Director of Land
Energy Resource Development

DNC:RHN:pw Attachments Canyon Large Unit, 3.0

APPROVED:		DATED:	_
	Regional Oil & Gas Supervisor		
	United States Geological Survey (Subject to like approval by the		
	Commissioner of Public Lands and		
	the Oil Conservation Commission)		
APPROVED:		DATED:	
	Commissioner of Public Lands		
	(Subject to like approval by the		
	United States Geological Survey		
	& the Oil Conservation Commission)		
APPROVED:	All Maney	DATED: ////>9	
	Øil Conservation Commission		
/	(Subject to like approval by the		
	Mnited States Geological Survey	<b>、</b>	
47	& the Commissioner of Public Lands	)	

The foregoing approvals are for the 1979 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb



P. O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-543-2600

August 30, 1978

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

w. 5+1

Re: Canyon Largo Unit Notice of Completion of Additional Wells Pictured Cliffs Formation

# Gentlemen:

Please substitute the enclosed Page 1 for the original Page 1 of our Notice of Completion of Additional Wells dated August 14, 1978.

Very truly yours,

R. H. Nordhausen Senior Landman

RK Kordlaure

Land Department

Energy Resource Development

RHN: Paw Enclosure



P. O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-543-2600

August 14, 1978

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit.

The Canyon Largo Unit #277 well, located 820' from the North line and 1190' from the West line of Section 28, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 22, 1976, and completed on August 31, 1977, in the Pictured Cliffs formation at a total depth of 2629'. The Pictured Cliffs formation at the intervals 2544', 2548', 2580', 2584', 2589', 2598', and 2600' was treated with a sand-water fracturing process on May 6, 1976 and re-perforated at 2544', 2546', 2579', 2581', 2583', 2585', 2587', 2589', 2594', and 2596' and acidized on November 18, 1976. The perforations were squeezed with 50 sacks of cement to 550 psi, and the Pictured Cliffs Formation was re-perforated at 2540' -2548', 2577' - 2589' and 2597' - 2600' and treated with sandwater (treated with stable foam) fracturing process on August 17, 1977. The well was shut-in on August 31, 1977, and after being shut-in for seven (7) days the well was tested on September 7, 1977 in the Pictured Cliffs formation with an after frac guage of 466 MCF/D, with an SIPC of 471 psia. The spacing unit for this well is described as the W/2 of Section 28, Township 25 North, Range 7 West, containing 320.00 acres.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Seventh Expanded Pictured Cliffs Participating Area effective November 1, 1976 and the completion of this well does not warrant any further expansions of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

JRP:RHN:paw Enclosure CLU 4.1.1

cc: Mr. Antonio Martinez

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of
 Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PMG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

# EIPaso NATURAL GAS COMPANY

P.O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

April 20, 1978

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



No. 541

# Gentlemen:

The 1978 Drilling Programs for the below listed units were approved by the regulatory bodies on the dates indicated:

<u>Unit</u>	<u>USGS</u>	CPL	<u>occ</u>
San Juan 28-5 San Juan 28-7 San Juan 29-7 San Juan 30-6 San Juan 32-9 Canyon Largo	2-3-78 2-3-78 3-6-78 1-27-78 1-27-78 3-6-78	N/A 1-25-78 1-19-78 1-19-78 1-19-78 1-19-78	1-26-78 1-26-78 1-17-78 1-17-78 2-8-78 1-17-78
Rincon	1-31-78	1-19-70	1-16-78

Copies of this letter are being sent to the working interest owners of the above units.

Very truly yours,

R. H. Nordhausen Senior Landman Land Department

Energy Resource Development

RHN:paw

SJ 28-5, 3.0; SJ 28-7, 3.0; SJ 29-7, 3.0; SJ 30-6, 3.0; SJ 32-9, 3.0; Canyon Largo 3.0;

Rincon, 3.0

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly 011 Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb



# United States Department of the Interior

GEOLOGICAL SURVEY
P. 0. Box 26124
Altaquerque, New Mexico 87128

MAR 0 6 1978

El Paso Ratural Gas Company Attention: Mr. J. H. Canfield P. G. Box 1492 El Paso, Texas 79978

mo. 541

### Gentlemen:

Three approved copies of your 1973 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of one Dakota well are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SCO.) GENE F. DANIEL

GENE F. DAMIEL Acting Area Dil I Cas Supervisor

## Enclosures

cc: NMOCC, Santa Fe (1tr. only). The Copy for Com. Pub. Lands, Santa Fe (1tr. only)

**ILLEGIBLE** 

12 07 1976 12 CONSER 17 CC.

#### State of New Mexico





RECEIVED MAR 3 1978

Oil Conservation Commission

#### Commissioner of Public Lands

March 3, 1978

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

PHIL R. LUCERO COMMISSIONER

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas 79978

14. 541

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
FORTIETH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective September 1, 1977

ATTENTION: Mr. James R. Permenter

Gentlemen:

We are in receipt of three copies of the Fortieth Expanded Participating Area, Pictured Cliffs Formation, for the Canyon Largo Unit, effective as of September 1, 1977.

Since this needs no official approval, we have this date accepted and filed the instrument in our unit file.

Enclosed is one copy reflecting the date it was received in this office.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division

PRL/RDG/s encl.

cc:

OCC-Santa Fe, New Mexico USGS-Roswell, New Mexico USGS-Albuquerque, New Mexico

### OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

January 17, 1978

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: D. N. Canfield

Re: Case No. 541

Canyon Largo Unit 1978 Drilling Program

#### Gentlemen:

We hereby approve the 1978 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Program is returned herewith.

Very truly yours,

JOE D. RAMEY Secretary-Director

JDR/LT/fd enc.

cc: U.S.G.S. - Roswell

Commissioner of Public Lands

#### State of New Mexico





#### Commissioner of Public Lands

PHIL R. LUCERO COMMISSIONER

January 19, 1978

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

El Paso Hatural Gas Company

P. O. Box 1492

El Paso, Texas 79978

TK 541

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
1978 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1978 Drilling Program for the Camyon Largo Unit, Rio Arriba County, New Mexico. Such plan calls for the drilling of one Dakota well during 1978. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCKED CORRESSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division

PRL/RDG/s encls.

ee :

USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

RECEIVED

JAN 20 1978

Oil Conservation Commission



P. O. BOX 1492 FL PASO, TEXAS, 79978

PHONE: 915-543-2600

Vr. 541

Experience of

January 11, 1978

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico 1978 DRILLING PROGRAM

Gentlemen:

By letter dated February 25, 1977, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1977, providing for the drilling of one Pictured Cliffs well, one dual Pictured Cliffs/Chacra well and one Dakota well. All wells were timely drilled. Pictured Cliffs Well No. 290 was completed as a well capable of producing unitized substances in paying quantities which will cause an expansion of the Pictured Cliffs Participating Area.

The initial attempt to complete the Pictured Cliffs/Chacra Well No. 281 failed because of mechanical problems; another attempt to complete said well is currently being made.

Dakota Well No. 6 was completed as a well capable of producing unitized substances in paying quantities, causing the twelfth expansion of the Dakota Participating Area.

As of this date, the total number of wells in the Canyon Largo Unit is as set forth on the following page:

Pictured Cliffs Commercial Non-Commercial Plugged and Abandoned	170 9 13
Chacra Commercial Non-Commercial Plugged and Abandoned	27 1 1
Dual, PC/Chacra Commercial Non-Commercial, Chacra Being Completed	5 1 1
Mesaverde Non-Commercial	2
Dual, MV/Chacra Commercial, Chacra (Non-Commercial Mesaverde)	1
Gallup Commercial Non-Commercial	14 1
Dual, Gallup/Dakota Non-Commercial, Gallup Non-Commercial, Dakota	]
Dakota Commercial Non-Commercial	18 9 275

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following well during the calendar year 1978:

Well No.	Drilling Block	Formation
166	W/2 Section 2, T-25-N, R-6-W	Dakota

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

D. N. Canfield Director of Land

Energy Resource Development

DNC:sas Attachments Canyon Largo Unit, 3.0

APPROVED:		DATED:	
	Regional Oil & Gas Supervisor United States Geological Survey (Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission)		
APPROVED:	Commissioner of Public Lands (subject to like approval by the United States Geological Survey & the Oil Conservation Commission)	DATED:	
APPROVED:	Oil Conservation Commission (subject to like approval by the United States Geological Survey & the Commissioner of Public Lands)	DATED:	_1/18/78

The foregoing approvals are for the 1978 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

#### State of New Mexico







#### Commissioner of Public Lands

Movember 18, 1977

P. O. BOX 1148 SANTA FE, NEW MEXICO 87501

El Paso Matural Gas Company P. O. Box 1492

El Paso, Texas 79978

the Soil

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
TWELFTH EXPANDED PARTICIPATING AREA
Effective August 1, 1977
DAKOTA FORMATION

ATTENTION: Mr. James R. Permenter

#### Gentlemen:

We are in receipt of three (3) copies of the Twelfth Expended Participating Area, for the Canyon Largo Unit, Rio Arriba County, New Mexico. This expension covers the Dakota Formation.

Since this needs no official approval we have this date filed it in our unit file.

Saclosed is one copy for your records showing the date it was received in this office.

Very truly yours,

PHIL R. LUCENO CORRUSSIONER OF PUBLIC LANDS

BY: RAY D. GRAHAM, Director Oil and Gas Division

PRL/RDG/s encls.

ce:

OCC-Santa Fe, New Mexico USGS-Roswell, New Mexico USGS-Albuquerque, New Mexico



7 1977.0. BOX/1492 EL PASO, TEXAS 79978 PHONE 915-543-2600

November 4, 1977

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2038 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWELFTH EXPANDED PARTICIPATING AREA
Effective August 1, 1977
Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include this well, to wit:

TWELFTH EXPANDED PARTICIPATING AREA - Effective August 1, 1977

Description of Lands

Acres

Township 24 North, Range 6 West, N.M.P.M.

Section 25: E/2

320.00

Pertinent data on this well is as follows:

The Canyon Largo Unit #6 Well, located 965' from the North line and 1160' from the East line of Section 25, Township 24 North, Range 6 West, N.M.P.M., was spudded on April 12, 1977, and completed on July 19, 1977, at a total depth of 6799'. The Dakota Formation at the intervals of 6490', 6500', 6520', 6604', 6626', 6634', 6642', 6695' and 6700' was treated with a sand-water fracturing process on July 9, 1977. The well was shut-in on July 12, 1977, and after being shut-in for seven (7) days, the Dakota Formation was tested on July 19, 1977, using the Pitot tube method with an after frac guage of 1325 MCF/D, with an SIPC of 1910 psia and an SIPT of 987 psia. The spacing unit for this well is described as the E/2 of Section 25, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Twelfth Expanded Participating Area for the Dakota Formation will become effective as of August 1, 1977.

Attached hereto is Schedule XIII showing the Twelfth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contracts & Titles

Land Department

ame & lemen to

Energy Resource Development

JRP:RHN:sas Enclosures CLU, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

### WORKING INTEREST OWNERS CANYON LARGO UNIT DAKOTA FORMATION

Kimbell Oil Company
The Wiser Oil Company
Petroleum Corporation of Texas

EL PASO NATURAL GAS COMPANY

UNIT AREA EXPANSION SCHEDULE — SAN JUAN BASIN
Form 21-71 (2-72)

# SCHEDULE XIII IWELFTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

5.472284	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	T-25-N, R-6-W 320.00 Sec. 17: W/2	SF 078882
	8.750% 100.000%	8.750% 100.000%	ORRI; TOTAL TRACT 24		
4.104212	12.500% 78.750%	12.500% 78.750%	Royalty; Working Interest: El Paso Natural Gas Co.;	T-24-N, R-6-W 240.00 Sec. 12: N/2 SE/4, NE/4	SF 078877
			TRACT 19		
	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	ORRI;  TOTAL		
5.472284	12.500%	12.500%	Royalty;	T-25-N, R-6-W 320.00 Sec. 33: E/2	SF 078875
			TRACT 17		
<i>;</i> -	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	El Paso Natural Gas Co.; ORRI; TOTAL	Sec. 4: Lots 7,8,9,10, SE/4	
10.944567	12.500%	12.500%	Royalty; Working Interest:	T-24-N, R-6-W 640.00 Sec. 3: Lots 7,8,9,	SF 078874
			TRACT 16		
PRESENT ACT	PERCENTAGE COMMITTED	PERCENTAGE		DESCRIPTION NUMBER OF ACRES	SERIAL NUMBER

Effective 8-1-77

### SCHEDULE XIII

.689165	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	T-24-N, R-6-M Sec. 3: Lots 1,2 Sec. 4: Lots 1,2	SF 078957
5.472284	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	•	T-24-N, R-6-W 320.00 Sec. 25: E/2	SF 078925
27.394765	12.50000% 78.75000% 8.75000% 100.00000%	12.50000% 78.75000% 8.75000% 100.00000%		T-25-N, R-6-W 1601.95 Sec. 1: Lots 1,2,3,4,5/2 N/2, S/2 (A11) Sec. 3: Lots 1,2,5/2 NE/4, Sec. 11: A11 Sec. 11: A11	SF 078885
27.361418	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	T-25-N, R-6-W 1600.00 Sec. 12: All Sec. 13: All Sec. 14: E/2	SF 078884
PRESENT ACT	PERCENTAGE	PERCENTAGE	OWNERSHIP TRACT 26	DESCRIPTION NUMBER OF ACRES	SERIAL NUMBER

El Paso Natural Gas Company
UNIT AREA EXPANSION SCHEDULE - SAN JUAN BASIN
Form 21-71 (2-72)

# SCHEDULE XIII

		NUMBER	DRILLING BLOCK		PERCENTAGE	PRESENT ACT
SEXIAL NOMBER	DESCRITTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATI
			TRACT 46			
SF 080594	T-24-N, R-6-W Sec. 1: Lots 1-12	365.40 12	Royalty; Working Interest:	12.500%	12.500%	6.248664
			Kimbell Oil Co.; ORRI; TOTAL TRACT 46-A	65.625% 21.875% 100.000%	65.625% 21.875% 100.000%	
SF 080594-A	T-24-N, R-6-W Sec. 1: SE/4	160.00	Royalty; Working Interest:	12.500%	0.000%	0.000000%
			Kimbell Oil Co.; ORRI; TOTAL	65.625% 21.875% 100.000%	0.000% 0.000%	<i>;</i> *
			TRACT 46-B			
SF 080594-B	T-24-N, R-6-W Sec. 1: SW/4	160.00	Royalty; Working Interest:	12.500%	0.000%	0.000000%
			Kimbell Oil Co.; ORRI; TOTAL	65.625% 21.875% 100.000%	0.000% 0.000% 0.000%	
			TRACT 55-A			
E-291-3	T-25-N, R-6-W Sec. 36: NE/4	160.00	Royalty: Norking Interest: Wiser Oil Company; ORRI;	12.50% 87.50% .00%	12.50% 87.50% .00%	2.736142
Effective	8-1-77		PAGE 3			

## SCHEDULE XIII

Fee	E-291-/		E-291-5	SERIAL NUMBER
T-24-N, R-6-W Sec. 12: S/2 SE/4	Sec. 36: N/2 SE/4		T-25-N, R-6-W Sec. 36: S/2 SE/4	DESCRIPTION
80.00	4	20 00 00	80.00 4	NUMBER OF ACRES
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: Petroleum Corp. of Texas; ORRI; TOTAL	El Paso Natural Gas Co.; ORRI; TOTAL TRACT 57-A	TRACT 56-B Royalty; Working Interest:	DRILLING BLOCK
12.500% 75.000% 12.500% 100.000%	12.50% 87.50% .00% 100.00%	75.00% 12.50% 100.00%	12.50%	PERCENTAGE
12.500% 75.000% 12.500% 100.000%	12.50% 87.50% .00% 100.00%	75.00% 12.50% 100.00%	12.50%	PERCENTAGE COMMITTED
1.368071		2000	1.368071	PRESENT AC

# Effective 8-1-77

## SCHEDULE XIII

والمراجعة						
PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTUA	PERCENTAGE	IG BLOCK	ロカニー	NUMBER	DESCRIPTION	AND AL NEWDOOD
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		

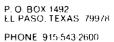
## RECAPITULATION

Section 36: Total number Total number	Section 14: Section 17: Section 33:	Section 11: Section 12: Section 13:	Township 25 North, Section 1: All Section 3: E/2	Section 3: Section 4: Section 12: Section 25:	Township 24 Section 1:
Section 36: E/2 Total number of acres in Participating Area: Total number of acres committed to Participating Area:	E/2 E/2	A11 A11 A11	North, Range 6 West, N.M.P.M. All E/2	E/2 E/2 E/2	Township 24 North, Range 6 West, N.M.P.M. Section 1: All
6,167.65 a: 5,847.65			·		

# SCHEDULE XIII TWELFTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

SERIAL NUMBER	DESCRIPTION		DRILLING BLOCK		PERCENTAGE	PRESENT ACT
		OF ACRES	OWNERSHIP TRACT 16	PERCENTAGE	COMM	TAX
SF 078874	T-24-N, R-6-W 640 Sec. 3: Lots 7,8,9,	640.00 8,9,	Royalty;	12.500%	12.500%	10.944567
	Sec. 4: Lots 7,	lots 7,8,9,10, SE/4	Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	·
			TRACT 17		,	
SF 078875	T-25-N, R-6-W Sec. 33: E/2	320.00	Royalty;	12.500%	12.500%	5.472284
			Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	
			TRACT 19			
SF 078877	T-24-N, R-6-W 2. Sec. 12: N/2 SE/4,	240.00 '4,	Royalty;	12.500%	12.500%	4.104212
	NE/ 4		Norking Interest: El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	
			TRACT 24			
SF 078882	T-25-N, R-6-W Sec. 17: W/2	320.00	Royalty;	12.500%	12.500%	5.472284
7			El Paso Natural Gas Co.; ORRI; TOTAL	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	

fective 8-1-77





October 18, 1977

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 107 24 1977 J

no. 541

Re:

Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL
WELLS, Mesaverde Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described wells, which were completed on acreage committed to this unit, are not capable of producing unitized substances in paying quantities from the Mesaverde Formation:

The Canyon Largo Unit #121 Well, which is located 990' FNL and 990' FEL of Section 27, T-24-N, R-6-W, NMPM, was initially completed as a Gallup formation well. Operations to recomplete this well in the Mesaverde formation were commenced on November 3, 1976 and completed on November 11, 1976. The Mesaverde formation was perforated in the interval between 4312' - 4322'. Production of the well was observed for a period ending October 7, 1977, on which date it was determined that the well is not capable of producing unitized substances from the Mesaverde formation.

The Canyon Largo Unit #122 Well, which is located 790' FSL and 1650' FEL of Section 8, T-24-N, R-6-W, NMPM, was initially completed as a Gallup formation well. Operations to recomplete this well in the Mesaverde formation were commenced on November 29, 1976 and completed on December 1, 1976. The Mesaverde formation was perforated at 4260'. Production of the well was observed for a period ending October 7, 1977 on which date it was determined that the well is not capable of producing unitized substances from the Mesaverde formation.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, these determinations shall be effective as of the dates set out above.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contracts

and Titles Land Department

Energy Resource Development

JRP:RHN:sas

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

#### EI Paso NATURAL GAS COMPANY

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

August 15, 1977

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of PUblic Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 AUG 19 1977
OIL CONSERVATION COMM
Santa FO

Mr. 541

le: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico NOTICE OF COMPLETION OF A

NON-COMMERCIAL WELL Gallup Formation

Gentlemen:

By our letter of January 3, 1977, we advised you that we had determined that the Canyon Largo Unit No. 185 Well completed upon acreage committed to this Unit was capable of producing unitized substances in paying quantities from the Gallup Formation and that the Participating Area for the Gallup Formation was expanded accordingly to include this well.

We have now reviewed the pertinent data and have determined that the well is non-commercial and that the Seventh Expanded Participating Area for the Gallup Formation will <u>not</u> become effective. Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of October 1, 1975.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours.

James R. Permenter

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

CLU, 4.4

cc: Mr. Antonio Martinez

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

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El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Getty Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company



#### United States Department of the Interior

GEOLOGICAL SURVEY

Conservation Division P. O. Box 26124 Albuquerque, New Mexico 87125

" CONSERVATION JOHN

June 25 1977

Jun 241

El Page Matural Gas Company Attention: Mr. James Permenter F. O. Box 1492 El Page, Texas 79948

#### Gentlemen:

The information supplied in your latter of May 12, 1977 and previous correspondence concerning Canyon Largo unit well No. 185 located in the SN, see. 3, 7. 24 M., R. 6 W., is inedequate to justify your previous determination that such well is capable of producing unitieed substances in paying quantities from the Gallup formation. Revever, we realise that commingled production makes it difficult to establish the actual producing history of the Gallup formation. It is noted that you are crediting all the gas production from the well to the Bekota and all the oil produced by the well to the Callup formation for official production purposes which create an appearent discrepancy with the figures supplied in your letter of May 12, 1977.

We suggest that you review and evaluate all the data available and either determine the well is non-commercial in the Gallup formation or supply us a reserve-economic evaluation based on record production rates accompanied by the collateral date on which the determination is based that would justify a paying well determination within responsible technical limits of eccuracy.

We will be glad to discuss the mesons in detail that prevent us from agreeing with your provious data either by phone or in a conference if you so desire. In connection with this request, your records will show that the Dekots-Gellup formation commingling has not been approved by the Burengo District Engineer.

Sincerely yours.

cc: NMOCC, Santa Fe Comm. Pub. Lands, Santa Fe

Acting Arms Oil & Gas Supervisor



#### United States Department of the Interior

GEOLOGICAL SURVEY

Conservation Division
Western Bank Building
505 Marquette, NW, Room 815
Albuquerque, New Mexico 87102

MAR 3 0 1977

El Paso Hatural Gas Company Attention: Mr. D. H. Canfield P.O. Box 1492 El Paso, Texas 79978

#### Gentlemen:

Your 1977 plan of development for the Canyon Largo unit agreement, Rio Arriba County, New Mexico, was approved on this date, subject to approval by the appropriate officials of the State of New Mexico.

Such plan proposes the drilling of three wells, all outside of existing participating areas. Unit well No. 281 will test the Pictured Cliffs/Checrs, No. 290 will test the Pictured Cliffs, and No. 6 will test the Daketa.

Three approved copies are enclosed.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Area Oil and Ges Supervisor

#### Enclosure

NMOCC, Santa Fe (1tr. only) This Copy for Com. Pub. lands, Santa Fe (1tr. only)

541

### OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

#### March 30, 1977

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: 1977 Drilling Program

Canyon Largo Unit, Rio Arriba

County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program providing for the drilling of one Pictured Cliffs-Chacra well, one Pictured Cliffs well, and one Dakota well during the calendar year 1977, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

JOE D. RAMEY Secretary-Director

#### JDR/JEK/og

cc: Commissioner of Public Lands Santa Fe, New Mexico

> U. S. Geological Survey Roswell, New Mexico



#### United States Department of the Interior

GEOLOGICAL SURVEY

P. 0. Dreser 1857 Remoli. Nor Nortes 88281 541

March 3, 1977

El Papo Matural Gas Company Attention: Mr. James H. Permonter P. G. Box 1482 El Papo, Taxas 79048

#### Sent lemm:

Your letter deted January 3, 1976, and received in this office on January 4, 1977, states that £1 Page Natural dos Company, as operator of the Campon Large unit ajus, has determined that unit noil No. 186, leasted in the SM; of Section 3, T. 24M., R. CM., N.M.P.M., is capable of producing unitized substances in paying quantities from the Gallup forunties.

This letter confirms the tantative objection made by a representative of this office by telephone on January 17, 1977. In order to determine whether this well is, in fact, emphie of producing unitized substances in paying quantities under the criteria established by Sections 9 and 11 of this suit agreement, the delicating resorve-assumpts analysis information for the above well is maded to supplement the information already supplied:

- 1. Control data sufficient to allow a responsible estimate of the resourceble reserves from the Sailup formation, with respect to tibe.
- 2. The economics involved, including the total each to drill and complete a unil to the fallow formation at the time the unil une recompleted in this formation (2006); not just the recompletion each, and the mouthly operating expenses.

Inscipt of the requested information will emble this office to either consur with or disapprope your determination that the well is

producing in paying quantities and appropriate revision of the participating area.

Sincerely yours,

CARL C. TRAYWICK Assistant Area Oil and Gas Supervisor

cc: Commissioner of Public Lands, Santa Fe NMOCC, Santa Fe



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

February 25, 1977

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1977 DRILLING PROGRAM

#### Gentlemen:

By letter dated January 2, 1976, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program covering the subject Unit for the calendar year 1976 providing for the drilling of twelve (12) Pictured Cliffs and one (1) Dakota wells. All wells were timely drilled. Pictured Cliffs Wells Nos. 242, 244, 247, 248, 268, 269, 277, 280, 284 and 289 were completed within the boundaries of the Pictured Cliffs Participating Area and did not cause an expansion. Pictured Cliffs Well No. 267 caused the 39th expansion of the Pictured Cliffs Participating Area. Dakota Well No. 288 was completed within the boundaries of the Dakota Participating Area and did not cause an expansion of the Participating Area. Pictured Cliffs Well No. 275 is currently being evaluated to determine if it is commercial and will cause an expansion of the Pictured Cliffs Participating Area.

As of this date, the total number of wells in the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	169
Non-commercial	9
Plugged and Abandoned	13

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Chacra	
Commercial	27
Non-commercial	1
Plugged and Abandoned	1
Dual, Pictured Cliffs-Chacra	
Commercial	5
Non-commercial, Chacra	1
Mesaverde	
Non-commercial	2
Dual, Mesaverde-Chacra	
Commercial Chacra (Non-	
commercial Mesaverde)	1
,	•
Gallup	14
Commercial	14
Non-commercial	i
Dual, Gallup-Dakota	
Non-commercial, Gallup	1
Non-commercial, Dakota	1
Dakota	
Commercial	17
Non-commercial	9
	272

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following wells during the calendar year 1977.

Well No.	Drilling Block	<u>Formation</u>
281 290 6	NW/4, N/2 SW/4 Sec. 15, T-25-N, R-6-W W/2 Section 33, T-25-N, R-7-W E/2 Section 25, T-24-N, R-6-W	Pictured Cliffs/Chacra Pictured Cliffs Dakota

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

D. N. Canfield
Director of Land

Energy Resource Development

DNC/DW/mb

Attachments

Canyon Largo Unit, 3.0

APPROVED	Regional Oil & Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE:
APPROVED	: Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE:
APPROVED	Of) Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE: 1977

The foregoing approvals are for the 1977 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. Only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Ibex, Inc.

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

February 8, 1977

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
THIRTY-NINTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation,
Effective September 1, 1976

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

#### THIRTY-NINTH EXPANDED PARTICIPATING AREA - EFFECTIVE SEPTEMBER 1, 1976

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Section 18: W/2	320.52	267

Pertinent data on this well is as follows:

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The Canyon Largo Unit #267 well, located 790' from the South Line and 790' from the West Line of Section 18, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 1, 1976 and completed on August 30, 1976 in the Pictured Cliffs Formation at a total depth of 2906'. The Pictured Cliffs Formation in the intervals between 2802-2805', 2843-2854', and 2859-2871' was treated with a sand-water fracturing process on June 10, 1976. The well was shut-in on August 23, 1976 and after being shut-in for seven (7) days the well was tested on August 30, 1976, using the Pitot tube method with an after frac gauge of 524 MCF/D, with an SIPC of 378 psia. The spacing unit for this well is described as the West Half of Section 18, Township 25 North, Range 6 West, containing 320.52 acres.

Attached hereto is Schedule XL showing the Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation will become effective as of September 1, 1976.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

James & Rement

JRP:RHN:nm Enclosures CLU, 4.1

cc: Mr. Antonio Martinez

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

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Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Continental Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

# SCHEDÜLE XL 1HIRTY-WINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION CANYON LARGO UNIT AREA

			CANYON LARGO UNIT AREA			
RIAL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATION
SF 078598	T-24-N, R-6-W Sec. 22: W/2,	480.00 SE/4	Royalty TRACT 9	12.50%	12.50%	1.364701%
			Working Interest: El Paso Natural Gas Co. Robert Donnell ORRI TOTAL	38.75% 43.75% 5.60% 160.00%	33.75% 43.75% 5.60% 100.00%	
SF 078628	T-24-N, R-5-W 1 Sec. 15: N/2 NE/4, S/2 SE/4	160.00 NE/4, SE/4	IRACT 11 alty cing Interest:	12.50000%	12.50000%	.454900%
·	3/2	00/+	U	60.40625% 27.09375% 100.0000%	60.40625% 27.09375% 100.00000%	
SF 078628-A	T-24-N, R-6-W Sec. 15: W/2	320.00	Royalty Working Interest: Skelly Oil Co. ORRI TOTAL	12.50% 82.50% 5.00% 100.60%	12.50% 82.50% 5.00% 100.00%	.909800%
SF 078874	T-24-N, R-6-M Sec. 3: Lots 10,1	R-6-W 2559.04 Lots 5,6,7,8,9, 10,11,12,5/2	Royalty Working Interest:	12.50% 78.75%	12.50%	7.275674%
	Sec. 4: Lots 5/2 Sec. 5: Lots	5-12, 5-12,	TOTA	8.75% 100.00%	3.75% 100.00%	
1	Sec. 6: Lots E/2	Lots 5-14, E/2 SW/4, SE/4				

RIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DEILLING BLOCK	, , , , , , , , , , , , , , , , , , ,	COMMITTED	PRESENT ACTU
	i		TRACT 17			
	Sec. 29: All Sec. 30: All Sec. 31: All Sec. 33: All	250	Royalty Working Interest: El Paso Natural Gas Co. ORRI	12.50% 78.75% 8.75% 100.00%	12.50% 73.75% 8.75% 100.00%	7.283180%
SF 078876	T-25-N, R-7-W Sec. 29: All Sec. 30: E/2 Sec. 33: E/2	1280.00	Royalty Working Interest: El Paso Natural Gas Co. ORRI	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	3.639202%
SF 078877	T-24-N, R-6-W Sec. 8: All Sec. 9: All Sec. 11: E/2 Sec. 12: NE/4, N/ W/2 NE/4	R-6-W All All E/2 NE/4, N/2 SE/4, W/2 W/2 NE/4	Royalty Working Interest: El Paso Natural Gis Co. ORRI	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	6.368603%
SF 078878	T-25-N, R-7-W Sec. 25: All Sec. 26: All Sec. 27: N/2 Sec. 28: All	7-W 2520.00 Royalty All Working I N/2,SE/4,N/2 SW/4, El Paso SW/4 SW/4 ORRI	Royalty Working Interest: 4, El Paso Natural Gas Co. ORRI TOTAL	12.50% 78.75% 8.75%	12.50% 78.75% 8.75% 100.00%	7.164678%

SF 078881-A T-25-N, R-7-W 160 Sec. 3: Lots 3,4, S/2 NW/4	SF 078881 T-25-N, R-7-W 800 Sec. 3: Lots 1,2, S/2 NE/4, SE/4, SW/4 Sec. 11: E/2	SF 078880 T-25-N, R-7-W 1280 Sec. 13: A11 Sec. 14: A11	SF 078879  T-25-N, R-7-W Sec. 21: W/2 Sec. 23: All Sec. 24: All	RIAL NUMBER DESCRIPTION OF ACRES
160.80 Royalty Working Interest: El Paso Natural Gas Co. ORRI	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 22 1280.00 Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 21 1600.00  Royalty  Working Interest: El Paso Natural Gas Co. ORRI  TOTAL	ER DEILLING BLOCK
12.50% 78.75% 8.75%	12.50% 73.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	LOCK
12.50% 78.75% 8.75%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE COMMITTED
.457175%	2.276775%	3.639202%	4.549002%	PRESENT ACTUA

		NCMBIN N	DEILLING BLOCK		PERCENTAGE	PRESENT ACTU
ית אר אטאמות	מושער	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATIC
SF 078882	T-25-N, R-6-W	1921.72	TRACT 24			5.463693%
	Sec. 18: All	7	Royalty	12.50%	12.50%	ļ
	Sec. 20: All		Working interest: El Paso Natural Gas Co. OBDI	78.75%	78.75%	
·			TOTAL	100.00%	100.00%	
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	<del>1</del>		TRACT 25			2 285931%
or 0/8083	4. 7	1 004.02		12.50%	12.50%	
		S/2 NW/4, SW/4,		78.75%	78.75%	
٠	Sec. 7: E/2	NE/4	TOTAL	100.00%	100.00%	
SF 078883-A	T-25-N R-6-W	160 00	TRICT 25-A			.454900%
0.0000-N	Sec. 5: SE/4		Royalty	12.50%	12.50%	I
			El Paso Natural Gus Co.	78.75%	78.75%	
			TOTAL	100.00%	100.C0%	
CE 070001		3 20	TRICT 26			6.368603%
0.000	3 7.7	7.40.00	Royalty	12.50%	12.50%	
	Sec. 14: All		El Paso Natural Gis Co.	78.75%	78.75%	
	5		ORKI TOTAL	100.00%	100.00%	

WAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DESILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED
SF 078885	구	2403.32	TRACT 27	19 50%	١٥ ٥ ٥ ٥
	Sec. 1: All Sec. 3: All Sec. 10: SE/ Sec. 11: All	<del>*</del>	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%
SF 078885-A		160.00	TRACT 27-A		
	Sec. 10: NE/4	.4	Royalty Working Interest: El Paso Naturai Gas Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%
SF 078886	IP	1920.00		12.50%	12.50%
	Sec. 20: All Sec. 21: All		working interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%
F 078922	T-24-N, R-7-k	1296.18	TRACT 29	10 mos	19 50%
	12, SW/ Sec. 3: Ail Sec. 4: Lot	12, N/2 SW/4, SW/4 SW/4 3: All 4: Lots 1,2,7,8,9,	Working Interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%

fective 9-1-76

MIAL NUMBER	DESCRIPTION NUMBER	DRILLING BLOCK	CX	PERCENTAGE
SF 079071	T-25-N, R-6-W 160.00 Sec. 28: NW/4		12.5000%	12.50000%
·		Working Interest: PWG Partnership Jack Caylas ORRI TOTAL	25.52083% 51.04167% 10.93750% 100.00000%	25.52023% 51.04167% 10.93750% 100.00000%
SF 079071-A	T-25-N, R-6-N 160.00 Sec. 28: SW/4	Royalty Royalty	12.50%	12.50%
•		El Paso Natural Gis Co. ORRI TOTAL	18.50% 100.00%	59.00% 18.50% 100.00%
SF 079086	R I N	TRACT 38		
or 0/9000	Sec. 10: N/2 N/2, S/2	Royalty	12.50%	0.00%
	ω - 01 0	E. B. Germany, et al ORRI	82.50% 5.00%	0.00%
77 1070 33	) -	TRACT 41		
SF 0/91//		Royalty	12.50%	12.50%
	သ 	WORKING INTEREST: El Paso Natural Gus Co. OPPI	70.00%	70.00%
		TOTAL	100.00%	100.0

SF 080594-A T-24-N, Sec. 1: Sec. 13:	SF 080594 T-24 Sec.	SF 079915 T-24-N. Sec. 1	NM 019400 T-25-N, Sec. 4	RIAL NUMBER DESCRIPTION
1: SE/4 13: S/2 NH/4, NE/4 NW/4	T-24-N, R-6-W 685.40 Sec. 1: Lots 1,2,3,4,5, 6,7,8,9,10,11 12 (N/2) Sec. 13: S/2	1: SE/4 SW/4	4: Lot 4, SN/4 NW/4, W/2 SN/4	PTION NUMBER
Royalty Working Interest: American Petrofina Co. of Texas	Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 41-A  Royalty Working Interest: Amoco Production Co. ORRI 101AL	OWNERSHIP DE ILLING BLOCK
12.50% 87.50%	12.50% 43.75% 43.75% .00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00%	ERCENTAGE
0.00%	12.50% 43.75% 43.75% .00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00%	PERCENTAGE
0.000000%	1.948679%	.113725%	.456663%	PRESENT ACTUA

	E-291-37 T-25-N, R-6-N 560.1 Sec. 2: Lot 4, SW/4 NW/4, SW/4 Sec. 32: E/2	SF 081325	SF 080594-B T-24-N, R-6-W 16 Sec. 1: SW/4	SERIAL NUVBER DESCRIPTION OF A
320.00	560.51 SH/4 W/4	160.00	160.00	NUMBER NORES
Royalty Working Interest: El Paso Natural Gas Co.	Royalty Working Interest: El Paso Natural Sas Co. The Wiser Oil Co. ORRI	TOTAL  Royalty Norking Interest: El Paso Natural Gas Co. Tom Bolack ORRI TOTAL	TRACT 46-B Royalty Working Interest: American Petrofina Co. of Texas ORRI	DEILLING BLOCK
12.50% 75.00%	12.50% 43.75% 43.75% 100.00%	100.00% 12.50% 43.75% 43.75% 100.00%		PERCENTAGE
12.50% 75.00% 12.50%	12.50% 43.75% 43.75% .00%	99.90% 12.50% 43.75% 43.75% 100.00%	% 00.00 % 00.00 % 00.00	PERCENTAGE COMMITTED
.909800%	1.593601%	.454900%	0.000000%	PARTICIPAT

SCHEDULE XL

E-505-5	E-291-35	E-291-35	E-291-36	SERIAL NUMBER D
T-25-N, R-7-W 12 Sec. 35: N/2 NW/4, SE/4 NW/4	T-25-N, R-6-W 80 Sec. 2: Lot 3, SE/4 NW/4	T-25-N, R-6-W Sec. 2: Lors S/2 N	T-25-N, R-6-W Sec. 23: SW/4 NW/4 Sec. 32: SW/4	DESCRIPTION
120.00 NW/4	80.48 Nu/4	R-6-W 160.85 : Lous 1,2; 5/2 NE/4	240.00 NE/4, SE/4	NUMBER OF ACRES
Royalty Working Interest: Tenneco Oil Co. Continental Oil Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI	Royalty Working Interest: El Paso Natural Eas Co. ORRI TCTAL	Royalty Working Interest: El Paso Natural Cas Co. ORRI	DRULLING BLOCK
12.50% 42.75% 42.75% 2.00% 100.60%	12.50% 87.50% 0.00%	12.50% 82.50% 5.00%	12.50% 78.75% 8.75% 100.00%	PERCENTICE
12.50% 42.75% 42.75% 2.00% 160.00%	12.50% 87.50% 0.00% 100.30%	12.50% 82.50% 5.00%	0.00 0.00 0.00 0.00 0.00	PERCENTAGE COMM: TTED
.341175%	.228815%	.457317%	0.000000%	PARTICIPATI

E-5615	E-1207-1	1 · · · · · · · · · · · · · · · · · · ·	E 000 12	ENTAL NUMBER
T-24-N, R-7-N 26.64 Sec. 2: Lots 1,2,3,4	T-24-N, R-6-W Sec. 35: N/2 NE/4	Sec. 2: Lot 10,	- '`I	DESCRIPTION
26.64 s 1,2,3,4	80.00 NE/4	Lots 5,6,7,8,9, 10,11,12, \$/2	4, SW/4 4	NUMBER OF ACRES
Royalty Working Interest: Amax Petroleum Corp. ORRI	Royalty Working Interest: National Co-Op Refinery Assn. ORRI TOTAL	Royalty Working Interest: Amax Petroleum Corp. ORRI TOTAL TRACT 62	Royalty Working Interest: American Petroffica Co. of Texas ORRI TOTAL  FRACT 61-A	OWNERSHIP  TRACT 61
12.50% 82.50% 5.00% 100.00%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00% 100.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE
12.50% 82.50% 5.00%	0.00%	12.50% 82.50% 5.00% 100.00%	12.50% 82.50% 5.60% 100.00%	PERCENTAGE COMMITTED
.075741%	0.000000%		1.4/8426%	PRESENT ACT

	Fee T-25-N, Sec. 23:	Fee T-25-N, R-6-W Sec. 5: Lot	Fee T-25-N, Sec. 4	Fee T-25-N, Sec. 4	SAIAL NUMBER DESCRIPTION
T-24-N, R-6-W 160.00 Sec. 10: S/2 N/2	R-6-W SO.00 S: SE/4 NE/4, NE/4 SE/4	R-6-W 40.70	1, R-6-W 160.00 4: NU/4 SE/4, E/2 SW/4 9: NE/4 NN/4	R-6-N 2SD.65 1: Lot 3, S/2 NE/4, NE/4 SE/4, S/2 SE/4, SE/4 NW/4	ON NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust	Working Interest:  Mark Elkins Iris Balbach Lorna A. Harvey Merrion Trust TOTAL	TRACT 71  Working Interest:  Burns et al  TOTAL	Working Interest: Burns et al TOTAL	Royalty Working Interest: Skelly Oil Company ORRI TOTAL	OWNERSHIP CHILLING BLOCK
10.00%	10.05% 12.50% 12.50% 100.00%	100.00%	100.00% 100.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE
10.00%	19.00% 12.50% 12.50% 65.00%	0.00% 0.00%	0.00% 0.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE COMMITTED
.454900%	.227450%	0.000000%	0.00000%	.797923%	PRESENT ACTU

ነገ ው .ው	Fee	Fee	Tee	ERIAL NUMBER
T-24-N, R-5-M Sec. 22: NE/4	T-24-N, R-6-W 16 Sec. 15: \$/2 NE/4, N/2 SE/4	T-24-N, R-6-W Sec. 13: E/2 NE/4	T-24-N, R-6-W Sec. 12: 5/2 SE/4	DESCRIPTION
160.00	160.00 NE/4, SE/4	80.00 NE/4	80.00 SE/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust Iris Balbach Lorna A. Harvey	Royalty Working Interest: El Paso Natural Gas Co. ORRI	Working Interest:  Mark Elkins  Merrion Trust  TOTAL	Working Interest:  Mark Elkins  Merrion Trust  10TAL	OWNERSHIP
10.00% 65.00% 12.50% 12.50%	12.50000% 65.53125% 20.95875% 100.00000%	· 10.00% 90.00% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.98875% 100.00000%	10.00% 50.00% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
.454900%	.454900%	.227450%	.227450%	PARTICIPATIO

SEDIAL NEWBER	DESCRIPTION	NUMBER	DRILLING BLOCK	ם	PERCENTAGE	PRESENT ACTU
מייני מייני	000	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATIC

## RECAPITULATION

To To	To Se Se	Se Se	S S S S S S S S S S S S S S S S S S S	Se Se
Total number of acres in participating area: Total number of acres committed to participating area:	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 North, Range 6 West, N.M.P.M. Sections 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: Sections 11,27,35:	Township 25 North, Range 7 West, N.M.P.M. Sections 3,13,14,23,24,25,26,28,29,34,35,36: Sections 11,30,33: Section 21: Section 27:	Township 25 North, Range 6 West, N.M.P.M. Sections 1,2,3,4,5,10,11,12,13,14,18,19,20,29,30,31,32,33: Sections 7,15,23,24: Sections 9,28:
36,733.25 35,172.55	W/2 E/2 All	A11 E/2	A11 E/2 W/2 E/2,NW/4,W/2 SW/4, NE/4 SW/4	A11 E/2 W/2

Effective 9-7-76

#### Pasa NATURAL GAS

P. O. BOX 1492 EL PASO, TEXAS 79979 PHONE: 915-543-2600

October 7, 1976

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
SECOND REVISED THIRTY-SEVENTH &
THIRTY-EIGHTH EXPANDED PARTICIPATING AREAS, Pictured Cliffs
Formation, Effective November 1,
1974 & December 1, 1974 respectively

#### Gentlemen:

By letter dated September 1, 1976, El Paso Natural Gas Company, as Unit Operator, filed with you the Revised Thirty-Seventh Expansion of the Pictured Cliffs Participating Area for the Canyon Largo Unit. The expansion brought into the Participating Area the E/2 Section 20, T-25-N, R-6-W, E/2 Section 28, and NW/4, N/2 SW/4, SW/4 SW/4 Section 27, T-25-N, R-7-W. The NW/4, N/2 SW/4 and SW/4 SW/4 Section 27 was incorrectly included as an intervening drilling block, since an intervening drilling block is defined in Section 11 of the Unit Agreement as a drilling block on which no well has then been drilled. The Thirty-Seventh Expansion as submitted on September 1, 1976, incorrectly included the NW/4, N/2 SW/4, SW/4 SW/4 Section 27, T-25-N, R-7-W inasmuch as the non-commercial #172 well was previously drilled on the W/2 Section 27. Now, El Paso Natural Gas Company, as Unit Operator, submits this Second Revised Thirty-Seventh Expansion along with the Thirty-Eighth Expansion of the Pictured Cliffs Participating Area for the Canyon Largo Unit.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

#### SECOND REVISED THIRTY-SEVENTH EXPANDED PARTICIPATING AREA-EFFECTIVE NOVEMBER 1, 1974

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Sec. 20: E/2	320.00	270
T-25-N, R-7-W Sec. 28: E/2	320.00 640.00	173

Pertinent data on these wells are as follows:

The Canyon Largo Unit #270 well, located 1550' from the South line and 1850' from the East line of Section 20, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 9, 1974, and completed on October 9, 1974, in the Pictured Cliffs Formation at a total depth of 2753'. The Pictured Cliffs Formation in the intervals between 2670'-2680' and 2700'-2716' was treated with a sand-water fracturing process on September 18, 1974. The well was shut-in on September 30, 1974, and after being shut-in for nine (9) days, the well was tested on October 9, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 655 MCF/D through a 3/4" choke and 663 MCF/D by the calculated absolute open-flow method, with an SIPC of 586 psia. The spacing unit for this well is described as the E/2 of Section 20, Township 25 North, Range 6 West, containing 320.00 acres.

The Canyon Largo Unit #173 well, located 990' from the South line and 800' from the East line of Section 28, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 2, 1974, and completed on October 22, 1974, in the Pictured Cliffs Formation at a total depth of 2689'. The Pictured Cliffs Formation in the intervals between 2558'-2564', 2572'-2590' and 2610'-2616' was treated with a sand-water fracturing process on October 3, 1974. The well was shut-in on October 10, 1974, and after being shut-in for eleven (11) days, the well was tested on October 22, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 2162 MCF/D through a 3/4" choke and 2904 MCF/D by the calculated absolute open-flow method, with an SIPC of 421 psia. The spacing unit for this well is described as the E/2 of Section 28, Township 25 North, Range 7 West, containing 320.00 acres.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

#### THIRTY-EIGHTH EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1974

<u>Drilling Block</u> <u>Acres</u> <u>Canyon Largo Unit Well No.</u>

T-26-N, R-7-W Sec. 27: NW/4, 280.00 276 N/2 SW/4, SW/4 SW/4\*

\*The SE/4 SW/4 is being excluded from the Thirty-Eighth Expansion since the #172 non-commercial well was previously drilled on the acreage.

Pertinent data on this well is as follows:

The Canyon Largo Unit #276 well, located 1655' from the North line and 1515' from the West line of Section 27, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 3, 1974 and completed on November 13, 1974, in the Pictured Cliffs Formation at a total depth of 2623'. The Pictured Cliffs Formation in the intervals between 2534-42', 2570-78' and 2586-94' was treated with a sand-water fracturing process on September 26, 1974. The well was shut-in on October 10, 1974 and after being shut-in for thirty-four (34) days the well was tested on November 13, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 1043 MCF/D through a 3/4" choke and 1088 MCF/D by the calculated absolute open-flow method, with an SIPC of 499 psia. The spacing unit for this well is described as the West Half of Section 27, Township 25 North, Range 7 West, containing 320.00 acres.

This Thirty-Eighth Expansion caused by the completion of well #276 supersedes that Notice of Completion of Additional Well which was filed on the #276 well by letter dated April 24, 1975.

Attached hereto are Schedules XXXVIII and XXXIX showing the Second Revised Thirty-Seventh and Thirty-Eighth Expanded Participating Areas for the Pictured Cliffs Formation of the Canyon Largo Unit Area. These schedules describe the Participating Areas, show the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Second Revised Thirty-Seventh and Thirty-Eighth Expanded Participating Areas for the Pictured Cliffs Formation will become effective as of November 1, 1974 and December 1, 1974, respectively.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP:DW:nm Enclosures CLU, 4.1

cc: Mr. Antonio Martinez

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Continental Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

ω ! Paso Matural Gas Company
UNIT AREA ENPANSION SCHEDULE - SAN JUAN BASIN
Form 2-71 (2-79) SCHEDULE XXXVIII
SECOND REVISED THIRTY-SEVENTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

	O Exp post of	OWZUTA	OF ACRES	000000000000000000000000000000000000000	
PERCENTAGE PRESENT ACTU	UPHLING BLOCK PRESENT ACTU	STRIP ZINDER DEPOSITION ZONDER	スロ系の打力		

SF 078874	SF U78628-A	SF 078628		SF 078598	GERIAL NUMBER	
T-24-N, R-6-W 2559.04 Sec. 3: Lots 5,6,7,8,9, 10,11,12, S/2 Sec. 4: Lots 5-12, S/2 Sec. 5: Lots 5-12, S/2	T-24-N, R-6-W Sec. 15: W/2	T-24-N, R-5-W 16 Sec. 15: N/2 NE/4, S/2 SE/4	2/ 2		DESCRIPTION OF	
2559.04 5,7,8,9, 2,5/2	320.00	160.00	, t	430.00	NUMBER F ACRES	
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Royalty Working Interest: Skelly Oil Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. et al ORRI TOTAL	Working Interest: Working Interest: El Paso Natural GES Co. Robert Donnell GRRI TOTAL	TRACT 9	OWNERSHIP	CANYON LARGO UNLI AREA
12.50% 78.75% 8.75% 100.00%	12.50% 82.50% 5.00% 100.00%	12.50000% 50.40625% 27.09375% 100.00000%	38.75% 43.75% 5.60%	10 n 00 e	PERCENTAGE	
12.50% 78.75% 8.75% 100.00%	12.50% 82.50% 5.00%	12.50000% 60.40625% 27.09375% 100.00000%	33.75% 43.75% 5.00%	30 5000	PERCENTAGE COMMITTED	
7.402053%	.925604%	.462802%		1.388406%	PRESENT ACTI	

Effective 11-1-74

Sec. 6: Lots 5-14, E/2 SW/4, SE/4

ERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	OK PERCENTAGE	PERCENTAGE	PRESENT ACTU
SF 078875	29: R	2561.68	-	12.50%	12.50%	7.409689%
	Sec. 30: AII Sec. 31: AII Sec. 33: AII		El Paso Natural Gas Co. ORRI	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
SF 078876	T-25-N, R-7-M Sec. 29: ATT Sec. 30: E/2	1280.00	TRACT	12.50%	12.50%	3.702415%
	33.		U	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
SF 078877	T-24-N, R-6-W Sec. 8: All	2240.00		12.50%	12.50%	6.479226%
	Sec. 11: E/2 Sec.12: NE/4, N/ W/2 Sec.13: W/2 NE/4	, N/2 SE/4, NE/4	El Paso Natural Gis Co. CRRI	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
SF 078878	25°	2240.00	Royalty	12.50%	12.50%	6.479226%
	Sec. 27: E/2 Sec. 28: All		El Paso Natural Gas Co. ORRI	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	

SERIAL NUMBER	DESCRIPTION	NUNBER OF ACRES	DESTRUCTION OF THE SHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACT
SF 078879	T-25-N, R-7-W Sec. 21: W/2	1600.00	TRACT 21 Reyalty	12.50%	12.50%	4.628019%
			Working Interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
			<u> 13ACT 22</u>			
SF 078880	T-25-N, R-7-W Sec. 13: All	1280.00	Royalty	12.50%	12.50%	3.702415%
	4		Working Interest: El Paso Natural Gas Co. ORRI TOTAL	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	
			TRACT 23			
SF 078881	T-25-N, R-7-W 800 Sec. 3: Lots 1,2, S/2 NE/4,	800.80 1,2, E/4,	Royalty Working Interest:	12.50%	12.50%	2.316323%
	Sec. 11: E/2	SW/4	El Paso Natural Gas Co. ORRI TOTAL	8.75% 100.00%	8.75% 100.00%	
	d 2 2		TRACT 23-A			.465116%
	Sec. 3: Lots 3,4, S/2 NW/4	3,4, W/4	Royalty Working Interest: El Paso Natural Gas Co. CRRI	12.50% 78.75% 3.75%	12.50% 78.75% 8.75%	

	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	2: All 3: All 4: All 5: E/2	Sec. 17 Sec. 17 Sec. 18	
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	El Paso Natural Gas Co. ORRI TOTAL TRACT 25	•		SF 078884
	12.50%	12.50%	<b></b>	T-25-N, R-6-W 160.00 Sec. 5: SE/4	T-25-N Sec.	SF 078883-A
	12.50% 78.75% 8.75%	12.50% 78.75% 3.75%	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	R-6-W E04.02 4: Lot 1 5: Lots 2,3,4, S/2 NW/4, SW/4, S/2 NE/4 7: E/2	T-25-N, Sec. 4 Sec. 5	SF 078383
	12.50% 78.75% 8.75% 100.06%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	-N, R-6-W 1601.20 13: E/2 19: All 20: All	T-25-N Sec. 19 Sec. 19 Sec. 20	SF 078882
m	COMMITTED	OK PERCENTAGE	OWNERSHIP DE LLING BLOCK	ON NUMBER	DESCRIPTION	SERIAL NUMBER

Ail 2403.32 Royalty Harrist: 5E/4, W/2 El Paso Natural Gas Co. All 100.00 Royalty He/4 160.00 Royalty Horking Interest: TOTAL 100.00 Royalty Horking Interest: TOTAL 100.00 Royalty Horking Interest: TOTAL 100.00 Royalty Hall Racing Interest: TOTAL 12.00 Royalty All Working Interest: TOTAL 12.00 Royalty Haso Natural Gas Co. 8. 12.00 Royalty Hall Racing Interest: TOTAL 12.00 Royalty Hall Racing Interest: TOTAL 12.00 Royalty Hall Royalty Haso Natural Gas Co. 8. 12. 12. 12. 12. 12. 12. 12. 12. 12. 12	Royalty Working Interest: El Paso Natural Gas   TOTAL Royalty Working Interest: El Paso Natural Gas   CORRI TOTAL  Royalty Working Interest: El Paso Natural Gas   ORRI TOTAL  Royalty Working Interest: El Paso Natural Gas   ORRI TOTAL

	5.00%	5.00%	ORRI			
3.702415%	12.50% 82.50%	12.50% 82.50%	Royalty Working Interest: Skelly Oil Company	R-7-8 1280.00 A11 A11	Sec. 34: Sec. 35:	SF 078987
			TR 10T 35			
	78.75% S.75% 100.00%	78.75% 8.75% 100.00%	El Paso Natural Ess Co. ORRI TOTAL	Lots 1,2,3,4 Lots 1,2,3,4	Sec. 5:	
.431418%	12.50%	12.50%	TRACT 32 Royalty Warking Interest:		7-24-N, F Sec. 3: Sec. 4:	SF 078Э57
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	El Paso Natural Gas Co. ORRI TOTAL	, ,	ŗ	
2.776811%	12.50%	12.50%	Royalty Royalty Vanting Interset:	R-6-W 950.00	T-24-N, F Sec. 26: Sec. 27:	SF 078925
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	GRRI Paso Natural Gis Co.			
.925604%	12.50%	12.50%	Royalty Royalty	R-7-W 320.00 E/2	T-24-M, F Sec. 10:	SF 078923
PARTICIPATION	PERCENTAGE	OK PERCENTANS	OWNERSHIP DF ILLING BLOCK	NUMBER OF ACRES	DESCRIPTION	SERIAL NUMBER

SF 079177	SF 079086	SF 079071-A	SF 07907;	SERIAL NOMBER
T-25-N, R-6-W 800. Sec. 4: Lot 2 Sec. 9: NW/4 NW/4, Sec. 23: N/2 NE/4, Sec. 24: E/2	T-24-N, R-6-W 600.00 Sec. 10: N/2 N/2, S/2 Sec. 13: NW/4 NW/4 Sec. 35: S/2 NE/4	T-25-A, R-6-M Sec. 28: SW/4	7-25-%, R-6-W Sec. 23: AN/4	DESCRIPTION
6-W 800.69 Lot 2 NW/4 NW/4, S/2 NW/4, SW/4 N/2 NE/4, S/2 SE/4	600.00 N/2, S/2 4 NH/4 NE/4	160.00	169.00	NUMBER OF ACRES
Royalty Working Interest: El Paso Natural G.s Co. ORRI	Royalty Working Interest: E. B. Cermany, et al ORRI TOTAL	Royalty Working Interest: El Paso Matural Gis Co. ORRI TOTAL	Royalty Working Interest: PMG Partnership Jack Caylas ORRI TOTAL	CWNEHCHIP DINLLING BLOCK
12.50% 70.00% 17.50%	12.50% 82.50% 5.00%	12.50% 69.00% 13.50%	12.50000% 25.52083% 51.041673 10.93750% 100.00000%	Pennon Pe
12.50% 70.00% 17.50% 100.07%	0.00%	12.50% 69.60% 18.50%	12.500008 25.52083% 51.04167% 10.93730% 100.00000%	PERCENTAGE
2.316005%	0.000000%	.462802%	.462802%	PARTICIPATION

SF 080594-A	SF 080594	SF 079915	NM 019400	SERIAL NUMBER
T-24-N, R-6-W 280.00 Sec. 1: SE/4 Sec. 13: S/2 NW/4, NE/4 NW/4	T-24-N, R-6-M 685.40 Sec. 1: Lots 1,2,3,4,5, 6,7,8,9,10,11 12 (N/2) Sec. 13: S/2	T-24-N, R-7-N 40.00 Sec. 1: SE/4 SW/4	T-25-N, R-5-11 150.52 Sec. 4: Lot 4, SW/4 NW/4, W/2 SW/4	DESCRIPTION OF AURES
Reyalty Working Interest: American Petrofina Co. of Texas ORRI	Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Reyalty Working Interest: Amoco Production Co. ORRI TOTAL	OWNERSHIP DE LLING BLOCK
12.50% 87.50% .00% 100.00%	12.50% 43.75% 43.75% .00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00%	00000000000000000000000000000000000000
0.00% 0.00% 0.00%	12.50% 43.75% 43.75% 100.00%	12.50% 78.75% 6.75% 100.60%	12.50% 87.50% .00%	PERCENTAGE COMMITTED
0.000000%	1.982527%	.115700%	.464595%	PARTICIPATION

		OF ACRES	OWNSEST: V PERCENTAGE	\$0 E4	COMMITTED	PARTICIPATION
SF 080594-3	T-24-N, R-5-N Sec. 1: SW/4	160.00	<u>likkCT 46-B</u> Royalty 12.50%	Ö %	20.00%	0.000000%
			Morking Interest: American Petrofina Co. of Texas 87.50% ORRI TOTAL TOO.00%	. 50% . 00% . 00%	00.00% 00.00%	
SF 081325	7-24-N, R-5-W Sec. 35: SE/4	160.00	IRSCT 47 Reyalty Namking Interest:	Ö V	12.50%	.462802%
			Working Interest: El Paso Natural Sas Co. 43.75% Tom Bolack 43.75% ORRI 100.00%	75% 75% 75% 75% 75%	43.75% 43.75% .00% 100.00%	
E-291-37	G .	560.51 SV/4	<u>13401 55</u> Royalty 12.50%	0 8	12.50%	1.621282%
	: LOC 4, : NW/4, :	SW/4	Interest:  o Natural Eas Co. 43 ser Oil Co. 43	.75 % .75 %	43.75% 43.75% 43.75% 100.00%	
E-291-5	T-25-N, R-6-W Sec. 2: SF/4	320.00	<u> </u>	<b>⊃</b> ,*	12.50%	.925604%
	3.00		Working Interest: El Paso Natural Gis Co. 75.00% ORRI 12.50%	% % 0 %	75.00% 12. <sup>-</sup> 0%	

E-505-5	E-291-35	£-29i-35	E-291-36	ERIAL NUMBER
T-25-N, R-7-W 120.00 Sec. 35: N/2 NH/4, SE/4 NW/4	T-25-N, R-6-W 80.48 Sec. 2: Lot 3, SE/4 NJ/4	T-25-M, R-6-W 160.85 Sec. 2: Lows 1,2, S/2 NE/4	T-25-N, R-6-W 240.00 Sec. 23: SW/4 NE/4, NW/4 SE/4 Sec. 32: SW/4	DESCRIPTION NUMBER
Royalty Royalty Working Interest: Tenneco Oil Co. Continental Oil Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Sas Co. ORRI	Royalty Royalty Working Interest: El Paso habural tas Co. CRRI	Royalty Working Interest: El Paso Naturel Sas Co. CRRI	ONNERSHIP OF CLIPS BLOCK
12.50% 42.75% 42.75% 2.00% 100.00%	12.50% 87.59% 0.00%	100.00 5	12.50% 78.75% 3.75%	PERCENTAGE
12.50% 42.75% 42.75% 2.00% 100.00%	12.50% 87.50% 0.00% 100.30%	12.50% 82.50% 5.00%	0.00% 0.00% 0.00%	PERCENTAGE COMMITTED
.347101%	.232789%	.465261%	0.000000%	PRESENT ACTUA

E-5615	E-1207-1	E-809-13	E-809-12	SERIAL NUMBER
T-24-N, R-7-W 26.64 Sec. 2: Lots 1,2,3,4	T-24-N, R-6-W 80.00 Sec. 35: N/2 NE/4	T-24-N, R-7-W 640.00 Sec. 2: Lots 5,6,7,8,9, 10,11,12, S/2	T-25-N, R-7-W 520.00 Scc. 36: E/2, SW/4, SW/4	DESCRIPTION ACCIONS
Royalty Working Interest Amax Petroleum Corp. ORRI	Reyalty Working Interest: National Co-Op Refinery Assn. ORRI	Royalty Working Interest: Amax Petroleum Corp. CRRI TOTAL	Royalty Working Interest: Emerican Petrofica Co. of Texas ORRI	ONGERORIE CONTRIBUTION BLOCK
12.50% 82.50% 5.00%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00%	12,50% 5,00% 5,00%	PERCENTAGE
12.50% 82.50% 5.00%	0.00%	12.50% 82.50% 5.00%	12.50% 82.50% 5.60%	PERCENTAGE COMMITTED
.077057%	0.000000%	1.851207%	1.504106%	PARTICIPATIO

ERIAL NUMBER	DESCRIPTION OF ACRES		O O C T PER ROEN T AGE	
	T-25-N, R-6-H 280.65 Sec. 4: Lot 3, 8/2 NE/4, NE/4 SE/4, S/2 SE/4, SE/4 NH/4	Reyelty Reyelty Working Interest: Skelly Oil Company ORRI		12.50% 82.50% 5.00%
	T-25-N, R-6-W 160.00 Sec. 4: NW/4 SE/4, E/2 SW/4 Sec. 9: NE/4 NW/4	Working Interest: Burns et al TOTAL		100.00%
	T-25-N, R-6-W 40.70 Sec. 5: Lot 1	Working Interest: Burns et al TOTAL		100.00%
	T-25-N, R-6-W 20.00 Sec. 23: SE/4 NE/4, NE/4 SE/4	Working Interest: Wark Elkins Iris Balbach Lorna A. Harvey Merrion Trust		10.05% 12.50% 65.00%
	T-24-N, R-6-W 160.00 Sec. 10: S/2 N/2	TOTAL  Renking Interest:  Mark Elkins  Merrion Trust  TOTAL	ĮΨ	

- q		Fee	Fee	;cee	Fee	SERIAL NUMBER
Sec. 10: S/2 N/2	T 04 N D D D D D D D D D D D D D D D D D D	T-25-N, R-6-W 20.00 Sec. 23: SE/4 NE/4, NE/4 SE/4	T-25-N, R-6-W 40.70 Sec. 5: Lot 1	T-25-N, R-6-W 160.00 Sec. 4: NW/4 SE/4, E/2 SW/4 Sec. 9: NE/4 NW/4	T-25-N, R-6-W 280.65 Sec. 4: Lot 3, 8/2 NE/4, NE/4 SE/4, S/2 SE/4, SE/4 NN/4	DESCRIPTION NUMBER
Working Interest: Mark Elkins Merrion Trust TOTAL	Iris Balbach Lorna A. Harvey Merrion Trust TOTAL	TRACT 74 Working Interest: Mark Elkins	Working Interest: Burns et al TOTAL	TEACT 70 Working Interest: Burns et al TOTAL	Royalty Royalty Working Interest: Skelly Oil Company ORRI	OWNERSHIP DILLE NO ELOCK
10.00% 90.00%	12.50% 12.50% 65.00% 100.00%	10.05%	100.00%	100.00%	12.50% 82.50% 5.00%	OOK PEROENTAGE
10.00% 90.00%	12.50% 12.50% 65.00% 100.00%	10.00%	0.00%	0.00% 0.00%	12.50% 82.50% 5.00% 100.60%	PERCENTAGE
.462802%		.231401%	0.000000%	0.000000%	.811783%	PRESENT ACTU

Fee <u>T-2</u> Sec	Fee T-24. Sec.	Fee Sec	Fige Sec	SERIAL NUMBER: DESCR
T-24-N, R-6-W 160.00 Sec. 22: NE/4	T-24-N, K-6-W 160.CO Sec. 15: \$/2 NE/4, N/2 SE/4	T-24-N, R-6-W 80.00 Sec. 13: E/2 NE/4	1-24-X, R-6-W Sec. 12: \$/2 SE/4	DESCRIPTION OF ACKES
Working Interest: Mark Elkins Merrion Trust Iris Balbach Lorna A. Harvey	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Working Interest: Mark Elkins Merrion Trust TOTAL	Morking Interest: Mark Elkins Merrion Trust 10772	OWNTROHIE STALLING BLOCK
10.00% 65.00% 12.50% 12.50%	12.50000% 65.53125% 20.96875%	10.00% 90.00%	10.00% 50.00%	PIRCENTAGE
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.96875% 100.00000%	10.00% 90.90% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
.462802%	.462802%	.231401%	.231401%	PRESENT ACTU

PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
PRESENT ACTUA	PERCENTAGE	IG BLOCK	DRILL	ZCMBMR	DESCRIPTION	CEDIAL NILMBED

## RECAPITULATION

Total number of acres in participating area: Total number of acres committed to participating area:	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 North, Range 6 West, N.M.P.M. Sections 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: Sections 11,27,35:	Township 25 North, Range 7 West, N.M.P.M. Sections 3,13,14,23,24,25,26,28,29,34,35,36: Sections 11,27,30,33: Section 21:	Township 25 North, Range 6 West, N.M.P.M. Sections 1,2,3,4,5,10,11,12,13,14,19,20,29,30,31,32,33: Sections 7,15,18,23,24: Sections 9,28:
36,132.73 34,572.03	W/2 E/2 All	A11 E/2	A11 E/2 W/2	A11 E/2 W/2
w w				

# SCHEDULE XXXIX THIRTY-EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION CANYON LARGO UNIT AREA

SF 078874	SF 078628-A	SF 078628	SF 078598	ERIAL NUMBER
T-24-N, R-6-W Sec. 3: Lots 5. 10,11, Sec. 4: Lots 5. \$/2 Sec. 5: Lots 5. \$/2 Sec. 6: Lots 5. £/2 SW	T-24-N, R-6-W Sec. 15: W/2	T-24-N, R-6-W 16 Sec. 15: N/2 NE/4, S/2 SE/4	T-24-N, R-6-W 2 Sec. 22: W/2, S	DESCRIPTION
R-6-W 2559.04 Lots 5,6,7,8,9, 10,11,12, S/2 Lots 5-12, S/2 Lots 5-12, S/2 Lots 5-14, E/2 SW/4, SE/4	320.00	160.00 '4,	480.00 SE/4	NUMBER OF ACRES
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: Skelly Oil Co. ORRI TOTAL	Royalty Royalt	Royalty Working Interest: El Paso Natural Gas Co. Robert Donnell ORRI TOTAL	CANYON LARGO UNIT AREA
12.50% 78.75% 8.75% 100.00%	12.50% 82.50% 5.00%	12.50000% 60.40625% 27.09375% 100.00000%	12.50% 38.75% 43.75% 5.60%	D E B C E B
12.50% 78.75% 8.75% 100.00%	12.50% 82.50% 5.00%	12.5000% 60.40625% 27.09375% 100.00000%	12.50% 33.75% 43.75% 5.00%	PERCENTAGE
7.342585%	.918167%	. 459084%	1.377251%	PRESENT ACT

#### SCHEDULE XXXIX

RIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP  TRACT 17	PERCENTAGE	COMMITTED
SF 078875	T-25-N, R-6-W Sec. 29: All Sec. 30: All Sec. 31: All Sec. 33: All	2561.68	Royalty Working Interest: El Paso Natural Gas Co. ORRI	12 78 8	12.50% 78.75% 8.75% 100.00%
SF 078876	T-25-N, R-7-W Sec. 29: All Sec. 30: E/2 Sec. 33: E/2	1280.00	Royalty Working Interest: El Paso Natural Gas Co. ORRI	10 7	12.50% 78.75% 8.75%
SF 078877	T-24-N, R-6-W Sec. 8: All Sec. 9: All Sec. 11: E/2 Sec. 12: NE/4, N/ W/2 Sec. 13: W/2 NE/4	R-6-W 2240.00 A11 A11 E/2 NE/4, N/2 SE/4, W/2 W/2 NE/4	Royalty Working Interest: El Paso Natural Gas Co. ORRI	<b></b> (	12.50% 78.75% 8.75% 100.00%
SF 078878	T-25-N, R-7-W Sec. 25: All Sec. 26: All Sec. 27: N/2 Sec. 28: All	2520.00 ,SE/4,N/2 SW/4	7-W 2520.00  All Royalty All Working Interest: N/2,SE/4,N/2 SW/4, El Paso Natural Gas Co. SW/4 SW/4 ORRI TOTAL		12.50% 78.75% 8.75% 100.50%

SF 078881-A <u>T</u>	SF 078881 <u>T</u> S	SF 078880 T	SF 078879 T S S S	RIAL NUMBER DES
T-25-N, R-7-W 1. Sec. 3: Lots 3,4, S/2 NW/4	T-25-N, R-7-W 800 Sec. 3: Lots 1,2, \$/2 NE/4, \$E/4, SW/4 Sec. 11: E/2	T-25-N, R-7-W Sec. 13: All Sec. 14: All	T-25-N, R-7-W Sec. 21: W/2 Sec. 23: All Sec. 24: All	DESCRIPTION
160.80 3,4, NW/4	800.80 1,2, NE/4, , SW/4	1280.00	1600.00	NUMBER OF ACRES
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	ROYALTY Working Interest: El Paso Natural Gis Co. ORRI TOTAL	DFILLING BLOCK
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE COMMITTED
.461379%	2.297714%	3.672670%	4.590837%	PRESENT ACTUL

SF 078884	SF 078883-A	SF 078883	SF 078882	ERIAL NUMBER
T-25-N, R-6-W 2240.00 Sac. 12: All Sec. 13: All Sec. 14: All Sec. 15: E/2	T-25-N, R-6-W 160.00 Sec. 5: SE/4	T-25-N, R-6-W Sec. 4: Lot 1 Sec. 5: Lots 2,3,4, S/2 NW/4, SW/4, S/2 NE/4 Sec. 7: E/2	T-25-N, R-6-W 1601.20 Sec. 18: E/2 Sec. 19: All Sec. 20: All	DESCRIPTION NUMBER OF ACRES
Royalty Working Interest: El Paso Natural Gus Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	OWNERSHIP
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PMRCMUT AGE
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
6.427172%	459084%	2.306953%	4.594280%	PARTICIPA

מחמאווא ואומ.	300000000000000000000000000000000000000	N C M B E R	DRILLING BLOCK	X	PERCENTAGE	PRESENT ACTUA
2 C 3 C 3 C 3 C 3 C 3 C 3 C 3 C 3 C 3 C		OF ACRES		PERCENTAGE	COMMITTED	PARTICIPATION
SF 078885	ゴーンカード アーカード	2403 32	TRACT 27			6 00F700%
0.000	12	1.00		12.50%	12.50%	0.0937026
	:	SE/4, W/2	El Paso Natural Gas Co.	78.75%	78.75%	
	•		TOTAL	100.00%	8./5% 100.00%	
SE 078885-A	T-25-N R-6-N	160 00	TRACT 27-A			459084%
V1 0000-7	Sec. 10: NE/4		Royalty	12.50%	12.50%	, 100 CC1 /o
			El Paso Natural Gas Co.	78.75%	78.75%	
			TOTAL	100.00%	100.00%	,
SF 078886	T-24-N, R-6-W	1920.00	1R1CT 28			5.509005%
	Sec. 17: A11		Royalty	12.50%	12.50%	
	•••		El Paso Natural Gis Co.	78.75%	78.75%	
			TOTAL	100.00%	100.00%	
SF 078922	LU .	1296 18	TRACT 29			3.719095%
	Sec. 1: Lots	Lots 3,4,5,6,11,		12.50%	12.50%	
	<u>ي</u>	SM/4 SW/4		78.75%	78.75%	
	Sec. 4: Lots	Lots 1,2,7,8,9,	TOTAL	100.00%	100.00%	
	10,	SE/4 (E/Z)				

SF 078987	SF 078957	SF 078925	SF 078923	ERIAL NUMBER
T-25-N, R-7-W Sec. 34: Ail Sec. 35: All	T-24-N, R-6-W Sec. 3: Lots Sec. 4: Lots Sec. 5: Lots Sec. 6: Lots	T-24-N, R-6-W Sec. 26: All Sec. 27: E/2	T-24-N, R-7-W Sec. 10: E/2	DESCRIPTION
1280.00	s 1,2,3,4 s 1,2,3,4 s 1,2,3,4	960.00	320.00	NUMBER OF ACRES
Royalty Working Interest: Skelly Oil Compan,/ ORRI TOTAL	Royalty  Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	Royalty Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	OWNERSHIP DEILLING BLOCK
12.50% 82.50% 5.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.06%	OK PERCENT AGE
12.50% 82.50% 5.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE COMMITTED
3.672670%	.427952%	2.754502%	.918167%	PARTICIPAT

SF 079177	SF 079086	SF 079071-A	SF 079071	MAIAL NOMBER
T-25-N, R-6-W Sec. 4: Lot 2 Sec. 9: NW/4 NW/4, S/2 NW/4, SW/4 Sec. 23: N/2 NE/4, S/2 Sec. 24: E/2	T-24-N, R-6-W 600.00 Sec. 10: N/2 N/2, S/2 Sec. 13: NW/4 NW/4 Sec. 35: S/2 NE/4	T-25-N, R-6-N Sec. 28: SW/4	T-25-N, R-6-W 160.00 Sec. 28: NW/4	DESCRIPTION NUMBER OF ACRES
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: E. B. Germany, et al ORRI TOTAL	Royalty Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	Royalty Working Interest: PWG Partnership Jack Cayias ORRI TOTAL	OWNERSHIP
12.50% 70.00% 17.50% 100.00%	12.50% 82.50% 5.00%	12.50% 69.00% 18.50%	12.50000% 25.52083% 51.041673 10.93750% 100.00000%	PERCENTAGE
12.50% 70.00% 17.50% 100.00%	0.00%	12.50% 69.60% 18.50%	12.50000% 25.52083% 51.04167% 10.93750%	PERCENTAGE COMMITTED
2.297398%	0.000000%	.459084%	.459084%	PARTICIPA

SF 080594-A	SF 080594	SF 079915	NM 019400	SERIAL NUMBER
T-24-N, R-6-W 280.00 Sec. 1: SE/4 Sec. 13: S/2 NW/4, NE/4 NW/4	T-24-N, R-6-W 685.40 Sec. 1: Lots 1,2,3,4,5, 6,7,8,9,10,11 12 (N/2) Sec. 13: S/2	T-24-N, R-7-W 40.00 Sec. 1: SE/4 SW/4	T-25-N, R-6-M 160.62 Sec. 4: Lot 4, SW/4 NW/4, W/2 SW/4	DESCRIPTION NUMBER OF ACRES
Royalty Working Interest: American Petrofina Co. of Texas ORRI	Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: Amoco Production Co. ORRI TRACT 41-A	OWNERSHIP DFILLING BLOCK
12.50% 87.50% .00%	12.50% 43.75% 43.75% 100.00%	12.50% 78.75% 8.75%	12.50% 87.50% .00%	PERCENTAGE
0.00% 0.00% 0.00%	12.50% 43.75% 43.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00%	PERCENTAGE
0.000000%	1.966600%	.114771%	.460863%	PRESENT ACTU

E-291-5	E-291-37	SF 081325	SF C80594-B	SERIAL NUMBER
T-25-N, R-6-W Sec. 2: SE/4 Sec. 32: NW/4	T-25-N, R-6-W Sec. 2: Lot 4, NW/4, Sec. 32: E/2	ï-24-N, R-6-W Sec. 35: SE/4	T-24-N, R-6-W Sec. 1: SM/4	DESCRIPTION
320.00 4	560.51 4, SW/4 4, SW/4	160.00	160.00	NUMBER OF ACRES
Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Royalty Working Interest: El Paso Natural Sas Co. The Wiser Oil Co. ORRI	American Petrofina Co. of Texas ORRI  TOTAL  TOTAL  Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI  TOTAL	Royalty Royalty	DEILLING BLOCK
12.50% 75.00% 12.50% 100.00%	12.50% 43.75% 43.75% .00%	12.50% 100.00% 12.50% 43.75% 43.75% 100.00%	12.50%	P ERO CE VI A G CE
12.50% 75.00% 12.50%	12.50% 43.75% 43.75% 100.00%	00.00% 00.00% 00.00% 00.00% 12.50% 43.75% 43.75% 100.00%	00.00%	PERCENTAGE COMMITTED
.918167%	1.608256%	.459084%	0.000000%	PRESENT ACT

	E-505-5	£-291-35	E-291-35	E-291-36	SERIAL NUMBER
	T-25-N, R-7-W 120.00 Sec. 35: N/2 NW/4, SE/4 NW/4	T-25-N, R-6-W Sec. 2: Lot 3, SE/4 NW/4	T-25-N, R-6-W 160.85 Sec. 2: Loïs 1,2; S/2 NE/4	T-25-N, R-6-W 240.00 Sec. 23: SW/4 NE/4, NW/4 SE/4 Sec. 32: SW/4	DESCRIPTION NUMBER OF ACRES
Tenneco Oil Co. Continental Oil Co. ORRI TOTAL	TRACT 60 Royalty Working Interest:	Royalty Working Interest: El Paso Natural Gas Co. ORRI	Royalty Working Interest: El Paso Natural Eas Co. ORRI TCTAL	Royalty Working Interest: El Paso Natural Gas Co. ORRI	OWNERSHIP DRILLLING BLOCK
42.75% 42.75% 2.00% 100.00%	12.50%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00% 100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE
42.75% 42.75% 2.00% 100.00%	12.50%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00% 160.60%	0.00.00 0.00.00 0.00.00	PERCENTAGE COMMITTED
	.344313%	.230919%	.461523%	9.000000%	PRESENT ACTU PARTICIPATIO

E-5615	E-1207-1	E-809-13	E-809-12	ENIAL NUMBER
T-24-N, R-7-N 26.64 Sec. 2: Lots 1,2,3,4	T-24-N, R-6-W 8 Sec. 35: N/2 NE/4	T-24-N, R-7-W 640.00 Sec. 2: Lots 5,6,7,8,9, 10,11,12, S/2	T-25-N, R-7-W 520. Sec. 36: 5/2, SW/4, SW/4	DESCRIPTION OF ACRES
26.64 3,4	80.00	i0.00 ,7,8,9, , S/2	520.00 W/4	NUMBER DF ACRES
Royalty Working Interest: Amax Petrolaum Corp. ORRI	Royalty Working Interest: National Co-Op Refinery Assn. ORRI TOTAL	Foyalty Working Interest: Amax Petroleum Corp. ORRI	TRACT 61 Royalty Working Interest: American Petrofina Co. of Texas ORRI	OWNERSKIP STALLING BLOCK
12.50% 82.50% 5.00%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00%	12.50% 32.50% 5.00%	PERCENTAGE
12.50% 82.50% 5.00%	0.00%	12.50% 82.50% 5.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE
.076437%	0.000000%	1.836335%	1.492022%	PARTICIPATION

Fee .	Fee	Fee	Fee	Fee e	ERIAL NUMBER
T-24-N, R-6-W Sec. 10: S/2 N/2	T-25-N, R-6-W 80 Sec. 23: SE/4 NE/4, NE/4 SE/4	T-25-N, R-6-W Sec. 5: Lot 1	T-25-N, R-6-W Sec. 4: NW/4 E/2 Sec. 9: NE/4	T-25-N, R-6-X Sec. 4: Lot S/2 NE/4 S/2 SE/4	DESCRIPTION
160.00 1/2	30.00 NE/4, SE/4	1 40.70	-6-W 160.00 NW/4 SE/4, E/2 SW/4 NE/4 NW/4	-6-X Lot 3, S/2 NE/4, NE/4 SE/4, S/2 SE/4, SE/4 NW/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust TOTAL	Working Interest:  Mark Elkins Iris Balbach Lorna A. Harvey Merrion Trust TOTAL TRACT 78	Working Interest: Burns et al TOTAL	Working Interest: Burns et al	Royalty Working Interest: Skelly Oil Company ORRI	OWNERSHIP
10.00% 90.00% 100.00%	10.05% 12.50% 12.50% 65.00%	100.00%	100.00%	12.50% 82.50% 5.00%	BLOCK PERCENTAGE
10.06% \$0.00% 100.00%	10.00% 12.50% 12.50% 65.00%	0.00%	0.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE
.459084%	.229542%	0.000000%	0.000000%	.805262%	PARTICIPATION

ee ee	Fee	Fee	Ti ee e	ENIAL NUMBER
T-24-N, R-6-N Sec. 22: NE/4	T-24-N, R-6-W 16 Sec. 15: \$/2 NE/4, N/2 SE/4	T-24-N, R-6-W Sec. 13: E/2 NE/4	:-24-N, R-6-W 89.00 Sec. 12: \$/2 SE/4	DESCRIPTION
160.00	160.00 4E/4, SE/4	80.00 NE/4	89.00 SE/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust Iris Balbach Lorna A. Harvey TOTAL	Royalty Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 79-A Working Interest: Mark Elkins Merrion Trust TOTAL	TRACT 79 Working Interest: Mark Elkins Merrion Trust TOTAL	DEILLING BLOCK
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.96875%	· 10.00% 90.00% 100.00%	10.00% %0.00% 100.00%	PMRCENTAGE
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.96875%	10.06% \$0.06% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
.459084%	.459084%	.229542%	.229542%	PARTICIPATIO

PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		
PRESENT ACTU	PERCENTAGE	IG BLOCK	DRILLIN	NUMBER	DESCRIPTION	SERIAL NUMBER
		G BI OCK			NIMBED	

## RECAPITULATION

Total number of acres in participating area: Total number of acres committed to participating area:	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 North, Range 6 West, N.M.P.M. Sections 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: Sections 11,27,35:	Township 25 North, Range 7 West, N.M.P.M. Sections 3,13,14,23,24,25,26,28,29,34,35,36: Sections 11,30,33: Section 21: Section 27:	Township 25 North, Range 6 West, N.M.P.M. Sections 1,2,3,4,5,10,11,12,13,14,19,20,29,30,31,32,33: Sections 7,15,18,23,24: Sections 9,28:
36,412.73 34,852.03	W/2 E/2 A11	All E/2	A11 E/2 W/2 E/2,NW/4,W/2 SW/4, NE/4 SW/4	A11 E/2 W/2



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

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September 8, 1976

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Dakota Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #288 well, located 1750' from the South line and 1625' from the West line of Section 13, Township 25 North, Range 6 West, N.M.P.M., was spudded on May 3, 1976, and completed on August 17, 1976 in the Dakota formation at a total depth of 7177'. The Dakota formation at the intervals of 6918', 7000', 7006', 7014', 7033', 7040' and 7055' was treated with a sand-water fracturing process on August 7, 1976. The well was shut-in on August 10, 1976, and after being shut-in for seven (7) days the well was tested on August 17, 1976 in the Dakota formation with an after frac guage of 452 MCF/D, with an SIPC of 2906 psia and an SIPT of 2979 psia. The spacing unit for this well is described as the W/2 of Section 13, Township 25 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Tenth Expanded Dakota Participating Area effective November 1, 1974 and the completion of this well does not warrant any further expansion of the Dakota Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP/DW/mb CLU, 4.3.1 Enclosure

Cc: Mr. Antonio Martinez

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of
the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

:41



P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

September 8, 1976

SEP 13 1976 1

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that seven (7) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #242 well, located 1800' from the North line and 840' from the West line of Section 13, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 31, 1976, and completed on August 3, 1976, in the Pictured Cliffs formation at a total depth of 2838'. The Pictured Cliffs formation at the intervals 2714', 2748', 2774', 2778', 2782', 2786' and 2804' was treated with a sand-water fracturing process on June 4, 1976. The well was shut-in on June 30, 1976, and after being shut-in for thirty-four (34) days the well was tested on August 3, 1976 in the Pictured Cliffs formation with an after frac guage of 1,236 MCF/D, with an SIPC of 593 psia. The spacing unit for this well is described as the W/2 of Section 13, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Third Expanded Pictured Cliffs Participating Area effective February 1, 1973 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #244 well, located 1,490' from the South line and 1,025' from the East line of Section 23, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 24, 1976 and completed on June 2, 1976, in the Pictured Cliffs formation at a total depth of 2,695'. The Pictured Cliffs formation at intervals 2,558', 2564', 2570', 2,621', 2,624', 2,627' and 2,636' was treated with a sand-water fracturing process on May 13, 1976. The well was shut-in on May 26, 1976, and after being shut-in for seven (7) days the well was tested on June 2, 1976, in the Pictured Cliffs formation with an after frac guage of 1,150 MCF/D, with an SIPC of 440 psia. The spacing unit for this well is described as the E/2 of Section 23, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Second Expanded Pictured Cliffs Participating Area effective January 1, 1973 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #247 well, lcoated 1450' from the North line and 820' from the East line of Section 27, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 25, 1976 and completed on June 2, 1976, in the Pictured Cliffs formation at a total depth of 2730'. The Pictured Cliffs formation at intervals 2660', 2664', 2674', 2678', 2688' and 2692' was treated with a sand-water fracturing process on May 13, 1976. The well was shut-in on May 26, 1976 and after being shut-in for seven (7) days the well was tested on June 2, 1976, in the Pictured Cliffs formation with an after frac guage of 1644 MCF/D, with an SIPC of 364 psia. The spacing unit for this well is described as the E/2 of Section 27, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Thirtieth Expanded Pictured Cliffs Participating Area effective April 1, 1970 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #248 well, located 1660' from the North line and 1010' from the West line of Section 36, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 23, 1976 and completed on June 2, 1976, in the Pictured Cliffs formation at a total depth of 2591'. The Pictured Cliffs formation at intervals 2508', 2512', 2516', 2520' and 2524' was treated with a sand-water fracturing process on May 26, 1976. The well was shut-in on May 26, 1976, and after being shut-in for seven (7) days the well was tested on June 2, 1976 in the Pictured Cliffs formation with an after frac guage of 1,236 MCF/D, with an SIPC of 289 psia. The spacing unit for this well is described as the W/2 of Section 36, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Twenty-First Expanded Pictured Cliffs Participating Area effective April 1, 1959 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #268 well, located 1850' from the North line and 1850' from the East line of Section 19, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 5, 1976 and completed on July 29, 1976, in the Pictured Cliffs formation at a total depth of 2838'. The Pictured Cliffs formation at intervals 2735', 2746', 2751', 2756', 2760', 2774' and 2786' was treated with a sand-water fracturing process on June 10, 1976. The well was shut-in on July 22, 1976 and after being shut-in for seven (7) days the well was tested on July 29, 1976 in the Pictured Cliffs formation with an after frac guage of 615 MCF/D, with an SIPC of 466 psia. The spacing unit for this well is described as the E/2 of Section 19, Township 25 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit Fifth Expanded Pictured Cliffs Participating Area effective February 1, 1956 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #269 well, located 1190' from the South line and 825' from the West line of Section 20, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 6, 1976 and completed on July 6, 1976, in the Pictured Cliffs formation at a total depth of 2788'. The Pictured Cliffs formation at intervals 2710', 2713', 2725', 2729', 2733', 2754' and 2759' was treated with a sand-water fracturing process on June 10, 1976. The well was shut-in on June 28, 1976, and after being shut-in for eight (8) days the well was tested on July 6, 1976 in the Pictured Cliffs formation with an after frac guage of 3221 MCF/D, with an SIPC of 485 psia. The spacing unit for this well is described as the W/2 of Section 20, Township 25 North, Range 6 West, containing 320.00 acres

The spacing unit for this well was included in the Canyon Largo Unit, Eighth Expanded Pictured Cliffs Participating Area effective May 1, 1956 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #289 well, located 1460' from the South line and 1460' from the West line of Section 28, Township 25 North, Range 7 West, N.M.P.M., was spudded on April 7, 1976, and completed on August 3, 1976, in the Pictured Cliffs formation at a total depth of 2335'. The Pictured Cliffs formation at the intervals 2217', 2221', 2259', 2272', 2278' and 2287' was treated with a sand-water fracturing process on June 15, 1976. The well was shut-in on July 1, 1976, and after being shut-in for thirty-three (33) days the well was tested on August 3, 1976 in the Pictured Cliffs formation with an after frac guage of 869 MCF/D, with an SIPC of 545 psia. The spacing unit for this well is described as the W/2 of Section 28, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Nineth Expanded Pictured Cliffs Participating Area effective June 1, 1956 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

Dames R. Permenter

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP/DW/mb CLU, 4.1.1 Enclosure

Cc: Mr. Antonio Martinez

CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

### EPaso NATURAL GAS

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE: 915-543-2600

September 1, 1976

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Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501 SEP - V 1975 ALL COMM. Senta to

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
REVISED THIRTY-SEVENTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation,
Effective November 1, 1974

### Gentlemen:

By letter dated April 17, 1975, El Paso Natural Gas Company, as Unit Operator, filed with you the Thirty-Seventh Expansion of the Pictured Cliffs Participating Area for the Canyon Largo Unit. The expansion brought into the Participating Area the E/2 Section 20, T-25-N, R-6-W, E/2 Section 28, W/2 Section 27, T-25-N, R-7-W. The W/2 Section 27, which was brought in as an intervening drilling block in accordance with the Unit Agreement had located thereon the No. 172 Non-Commercial Pictured Cliffs well (See Notice of Completion of Non-Commercial Well submitted January 28, 1972). The Thirty-Seventh Expansion as submitted on April 17, 1975, incorrectly included the forty-acre tract (SE/4 SW/4 Section 27) on which this non-commercial well was located. Now, El Paso Natural Gas Company, as Unit Operator, submits this Revised Thirty-Seventh Expansion of the Pictured Cliffs Participating Area for the Canyon Largo Unit.

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

### REVISED THIRTY-SEVENTH EXPANDED PARTICIPATING AREA - EFFECTIVE NOVEMBER 1, 1974

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Sec. 20: E/2	320.00	270
T-25-N, R-7-W Sec. 28: E/2 Sec. 27: E/2,NW/ W/2 SW/ NE/4 SW	4, 1/4	173 Intervening Drilling Block
	920.00	

Pertinent data on these wells are as follows:

The Canyon Largo Unit #270 well, located 1550' from the South line and 1850' from the East line of Section 20, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 9, 1974, and completed on October 9, 1974, in the Pictured Cliffs Formation at a total depth of 2753'. The Pictured Cliffs Formation in the intervals between 2670'-2680' and 2700'-2716' was treated with a sand-water fracturing process on September 18, 1974. The well was shut-in on September 30, 1974, and after being shut-in for nine (9) days, the well was tested on October 9, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 655 MCF/D through a 3/4" choke and 663 MCF/D by the calculated absolute open-flow method, with an SIPC of 586 psia. The spacing unit for this well is described as the E/2 of Section 20, Township 25 North, Range 6 West, containing 320.00 acres.

The Canyon Largo Unit #173 well, located 990' from the South line and 800' from the East line of Section 28, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 2, 1974, and completed on October 22, 1974, in the Pictured Cliffs Formation at a total depth of 2689'. The Pictured Cliffs Formation in the intervals between 2558'-2564', 2572'-2590' and 2610'-2616' was treated with a sand-water fracturing process on October 3, 1974. The well was shut-in on October 10, 1974, and after being shut-in for eleven (11) days, the well was tested on October 22, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 2162 MCF/D through a 3/4" choke and 2904 MCF/D by the calculated absolute open-flow method, with an SIPC of 421 psia. The spacing unit for this well is described as the E/2 of Section 28, Township 25 North, Range 7 West, containing 320.00 acres.

The completion of well #173 also creates one intervening drilling block described as the W/2 Section 27, T-25-N, R-7-W, excluding the SE/4 SW/4 Section 27, on which a non-commercial well is located. Under the terms of the Unit Agreement, a well must have been drilled on this drilling block within one (1) year from November 1, 1974, the effective date of this 37th Expansion. The #276 well was timely drilled in the NW/4 of Section 27.

Attached hereto is Schedule XXXVIII, showing the Revised Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Revised Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation will become effective as of November 1, 1974.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP:DW:nm Enclosures CLU, 4.1

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil & Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

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Mr. J. Gregory Merrion

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Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

# REVISED THIRTY-SEVENTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION CANYON LARGO UNIT AREA SCHEDULE XXXVIII

			CANYON LARGO UNIT AREA			
ERIAL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATION
SF 078598	T-24-N, R-6-W Sec. 22: W/2	.6-W 480.00 W/2, SE/4	Royalty	12.50%	12.50%	1.377251%
			Working interest: El Paso Natural Gas Co. Robert Donnell ORRI TOTAL	38.75% 43.75% 5.60% 100.00%	33.75% 43.75% 5.00% 100.00%	
SF 078628	T-24-N, R-6-W 16 Sec. 15: N/2 NE/4, S/2 SE/4	160.00 NE/4, SE/4	Royalty Working Interest: El Paso Natural Gas Co. et al ORRI	12.50000% 60.40625% 27.09375%	12.50000% 60.40625% 27.09375%	.459084%
SF 078628-A	T-24-N, R-6-W Sec. 15: W/2	320.00	TRACT 12 Royalty Working Interest: Skelly Oil Co. ORRI TOTAL	12.50% 82.50% 5.00% 100.60%	12.50% 82.50% 5.00% 100.00%	.918167%
SF 078874	ج ابر <u>ج</u>	R-6-W 2559.04 Lots 5,6,7,8,9, 10,11,12,5/2	Royalty Working Interest: El Paso Natural Gas Co.	12.50% 78.75%	12.50% 78.75%	7.342585%
	Sec. 4: Lots S/2 Sec. 5: Lots S/2 Sec. 6: Lots E/2 S	Lots 5-12, S/2 Lots 5-12, S/2 Lots 5-14, E/2 SW/4, SE/4	ORRI	8.75% 100.00%	8.75% 100.00%	

	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	4, El Paso Natural Gas Co. ORRI TOTAL	N/2,SE/4,N/2 SW/4, SW/4 SW/4 All	* .7	
7.230569%	12.50%	12.50%	TRAC oyalty orking Interest:	7-W 2520.00 All	T-25-N, R-7-W Sec. 25: All Sec. 26: All	SF 078878
	78.75% 8.75% 100.00%	78.75% 8.75% 100.00%	Working Interest: El Paso Natural Gás Co. ORRI	A11 E/2 NE/4, N/2 SE/4, W/2 W/2 NE/4	Sec. 9: All Sec. 11: E/2 Sec. 12: NE/ W/2 Sec. 13: W/2	•
6.427172%	10 50%	12 50%	TRACT 19	5-W 2240.00	2	SF 078877
3.672670%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI	7-W 1280.00 111 1/2 1/2	T-25-N, R-7-W Sec. 29: A11 Sec. 30: E/2 Sec. 33: E/2	SF 078876
7.350160%	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	6-W 2561.68 All All All All	T-25-N, R-6-W Sec. 29: All Sec. 30: All Sec. 31: All Sec. 33: All	SF 078875
PRESENT ACTUAL PARTICIPATION	PERCENTAGE COMMITTED	PERCENT AGE	OWNERSHIP	NUMBER OF ACRES	DESCRIPTION	RIAL NUMBER

[m]
TRACT 21  12.50% lorking Interest: E1 Paso Natural Gas Co. 78.75% PRRI TOTAL 100.00%  12.50%
i

SF 078882		NUMBER OF ACRES	OWNERSHIP  TRACT 24	ת ת ת	AGE	m
SF 078882	T-25-N, R-6-W Sec. 18: E/2 Sec. 19: All Sec. 20: All		Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%		12.50% 78.75% 8.75% 100.00%
SF 078883	T-25-N, R-6-W Sec. 4: Lot Sec. 5: Lots \$/2 \$/2 Sec. 7: E/2	Lot 1 804.02 Lots 2,3,4, \$/2 NW/4, SW/4, \$/2 NE/4	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%		12.50% 78.75% 8.75% 100.00%
SF 078883-A	T-25-N, R-6-W Sec. 5: SE/4	160.00	Royalty Working Interest: El Paso Natural Gus Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%		12.50% 78.75% 8.75% 100.00%
SF 078884	T-25-N, R-6-W Sac. 12: All Sec. 13: All Sec. 14: All Sec. 15: E/2	2240.00	Royalty Working Interest: El Paso Natural Gus Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%		12.50% 78.75% 8.75%

78.75% 8.75% 100.00%	78.75% 8.75% 100.00%		SW/4 SW/4 3: Ail 4: Lots 1,2,7,8,9,	Sec. 3	
12.50%	12.50%	TRACT 29  Royalty Working Interest:	R-7-W 1296.18 : Lots 3,4,5,6,11.	T-24-N, Sec. 1	SF 078922
12.50% 78.75% 8.75% 100.00%	12.50% 1 78.75% 7 8.75% 7	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	R-6-W 1920.00 7: All 9: All	T-24-N, Sec. 17: Sec. 20: Sec. 21:	SF 078886
12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	T-25-N, R-6-W 160.00 Sec. 10: NE/4	T-25-N, Sec. 10	SF 078885-A
12.50% 78.75% 8.75% 100.00%	12.50% 1 78.75% 7 8.75% 100.00%	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	1: All 3: All 10: SE/4, W/2	T-25-N, Sec. 1 Sec. 3 Sec. 10 Sec. 11	SF 078885
COMMITTED	PERCENTAGE C	OWNERSHIP DESILLING BLOCK	ON OF ACRES	DESCRIPTION	ERIAL NUMBER

SF 078923	T-24-N, R-7-W 3:	NUMBER F ACRES	OWNERSHIP  TRACT 30  Royalty  Working Interest:	1 1 1	PERCENTAGE 12.50%	
SF 078925	T-24-N, R-6-W 98 Sec. 26: All Sec. 27: E/2	960.00	El Paso Natural Gis Co. ORRI TOTAL  IRACT 31  Royalty Working Interest: El Paso Natural Gis Co. ORRI TOTAL	78.75% 8.75% 100.00% 12.50% 78.75% 8.75% 100.00%	0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	75% 78.75% 75% 8.75% 100.00% 100.00% 12.50% 12.50% 18.75% 18.75% 100.00%
SF 078957	T-24-N, R-6-W 1.2 Sec. 3: Lots 1.2 Sec. 4: Lots 1.2 Sec. 5: Lots 1.2 Sec. 6: Lots 1.2	1,2,3,4	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	12.50% 78.75% 8.75% 100.00%	12.50% 78.75% 8.75%	50% 12.50% 75% 78.75% 8.75% 00% 100.00%
SF 078987	T-25-N, R-7-W 128 Sec. 34: Ail Sec. 35: All	1280.00	Royalty Working Interest: Skelly Oil Company ORRI TOTAL	<b>1</b>	12.50% 82.50% 5.00%	12.50% 82.50% 5.00% 6.00% 100.00%

ERIAL NUMBER	DESCRIPTION OF A	NUMBER DF ACRES	OWNERSHIP  TRACT 36	PERCENTAG	G m	PERCENTAGE COMMITTED
SF 079071	T-25-N, R-6-W 16 Sec. 28: NW/4	160.00	TRACT 36  Royalty Working Interest: PWG Partnership Jack Cavias	12.50 25.53	12.50000% 25.52083% 51.04167%	0000% 12.50000% 2083% 25.52083% 4167% 51.04167%
SF 079071-A	T-25-N, R-6-W Sec. 28: SW/4	160.00	TOTAL  TRACT 37-A  Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	10 6 1	12.50% 69.00% 18.50%	
SF 079086	T-24-N, R-6-W 600.00 Sec. 10: N/2 N/2, S/2 Sec. 13: NW/4 NW/4 Sec. 35: S/2 NE/4	5/2	Royalty Working Interest: E. B. Germany, et al ORRI TOTAL	10 8	12.50% 82.50% 5.00%	2.50% 0.00% 0.00% 0.00% 0.00% 0.00%
SF 079177	T-25-N, R-6-W Sec. 4: Lot 2 Sec. 9: NW/4 NW/4, S/2 NW/4, SW/4 Sec. 23: N/2 NE/4, S/2 Sec. 24: E/2		Royalty Working Interest: EI Paso Natural Gas Co. ORRI TOTAL		12.50% 70.00% 17.50%	12.50% 70.00% 17.50% 100.00% 100.00% 12.50% 70.00%

SF 080594-A	SF 080594	SF 079915	NM 019400	RIAL NUMBER
T-24-N, R-6-W 280.00 Sec. 1: SE/4 Sec. 13: S/2 NW/4, NE/4 NW/4	T-24-N, R-6-W 685.40 Sec. 1: Lots 1,2,3,4,5, 6,7,8,9,10,11 12 (N/2) Sec. 13: S/2	T-24-N, R-7-N 40.00 Sec. 1: SE/4 SW/4	T-25-N, R-6-W 160.62 Sec. 4: Lot 4, SW/4 NW/4, W/2 SW/4	DESCRIPTION NUMBER OF ACRES
Royalty Working Interest: American Petrofina Co. of Texas ORRI TOTAL	Royalty Working Interest: El Paso Natural Gas Co. Tom Bolack ORRI	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	TRACT 41-A Royalty Working Interest: Amoco Production Co. ORRI TOTAL	OWNERSHIP DE ING BLOCK
12.50% 87.50% .00%	12.50% 43.75% 43.75% 100.00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00%	ERCENTAGE
0.00%	12.50% 43.75% 43.75% .00%	12.50% 78.75% 8.75% 100.00%	12.50% 87.50% .00% 100.00%	PERCENTAGE COMMITTED
0.000000%	1.966600%	.114771%	.460863%	PRESENT ACTUA

RIAL NUMBER	S Z
SF 080594-B	T-24-N, R-6-W Sec. 1: SW/4
SF 081325	1-24-N, R-6-W 160.00 Sec. 35: SE/4
E-291-37	T-25-N, R-6-W 560.51 Sec. 2: Lot 4, SW/4 NW/4, SW/4 Sec. 32: E/2
E-291-5	T-25-N, R-6-W Sec. 2: SE/4 Sec. 32: NW/4

RIAL NUMBER	DESCRIPTION OF	NUMBER )F ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED
E-291-36	T-25-N, R-6-M Sec. 23: SW/4 N NW/4 Sec. 32: SW/4	240.00 NE/4, SE/4	Royalty Working Interest: El Paso Natural Gas Co. ORRI	12.50% 78.75% 8.75%	
E-291-35	T-25-N, R-6-W 160.85 Sec. 2: Lots 1,2, \$/2 NE/4	160.85 ,2, /4	Royalty Working Interest: El Paso Natural Eas Co. ORRI	12.50% 82.50% 5.00% 100.00%	
E-291-35	T-25-N, R-6-W Sec. 2: Lot 3, SE/4 NW/4	80.48 M/4	Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	12.50% 87.50% 0.00% 100.00%	
E-505-5	T-25-N, R-7-W 120 Sec. 35: N/2 NW/4, SE/4 NW/4	120.00 /4, v/4	Royalty Working Interest: Tenneco Oil Co. Continental Oil Co. ORRI TOTAL	12.50% 42.75% 42.75% 2.00%	

E-5615	E-1207-1	E-809-13	E-809-12	ERIAL NUMBER
T-24-N, R-7-W Sec. 2: Lots	T-24-N, R-6-W Sec. 35: N/2 NE/4	T-24-N, R-7-W 640.00 Sec2: Lots 5,6,7,8,9, 10,11,12, S/2	T-25-N, R-7-W 520.1 Sec. 36: E/2, SW/4, SW/4	DESCRIPTION
26.64 s 1,2,3,4	80.00 NE/4	640.00 s 5,6,7,8,9, l1,12, \$/2	520.00 4, SW/4	NUMBER OF ACRES
Royalty Working Interest: Amax Petroleum Corp. ORRI	Royalty Working Interest: National Co-Op Refinery Assn. ORRI ORRI	Royalty Working Interest: Amax Petroleum Corp. ORRI	Royalty Working Interest: American Petrofina Co. of Texas ORRI TCTAL	OWNERSHIP DITLLING BLOCK
12.50% 82.50% 5.00%	12.50% 87.50% 0.00% 100.00%	12.50% 82.50% 5.00%	12.50% 32.50% 5.00% 100.00%	PERCENTAGE
12.50% 82.50% 5.00%	0.00%	12.50% 82.50% 5.00%	12.50% 82.50% 5.60% 100.00%	PERCENTAGE
.076437%	0.000000%	1.836335%	1.492022%	PRESENT ACTUA

Fee ·	Fee ·	Fee	Fee	Fee	RIAL NUMBER
T-24-N, R-6-W Sec. 10: S/2 N/2	T-25-N, R-6-W 30 Sec. 23: SE/4 NE/4, NE/4 SE/4	T-25-N, R-6-W Sec. 5: Lot 1	T-25-N, R-6-W Sec. 4: NW/ E/2 Sec. 9: NE/	T-25-N, R-6- Sec. 4: Lo S/ S/ SE	DESCRIPTION
N/2	74 NE/4, 74 SE/4	40.70	-6-W 160.00 NW/4 SE/4, E/2 SW/4 NE/4 NW/4	R-6-W 280.65 1: Lot 3, S/2 NE/4, NE/4 SE/4, S/2 SE/4, SE/4 NW/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust TOTAL	Working Interest: Mark Elkins Iris Balbach Lorna A. Harvey Merrion Trust TOTAL TRACT 78	TRACT 71 Working Interest: Burns et al TOTAL	Working Interest: Burns et al	Royalty Working Interest: Skelly Oil Company ORRI TOTAL	OWNERSHIP DRILLING BLO
10.00% 90.00% 100.00%	10.00% 12.50% 12.50% 65.00%	100.00% 100.00%	100.00%	12.50% 82.50% 5.00%	PERCENTAGE
10.00% \$0.00% 100.00%	10.00% 12.50% 12.50% 65.00%	0.00%	0.00% 0.00%	12.50% 82.50% 5.00% 100.00%	PERCENTAGE COMMITTED
.459084%	. 229542%	0.000000%	0.000000%	.805262%	PRESENT ACTUA

### SCHEDULE XXXVIII

Fee	Fee	Fee	Fiee e	RIAL NUMBER
T-24-N, R-6-W Sec. 22: NE/4	T-24-N, R-6-W 160.00 Sec. 15: \$/2 NE/4, N/2 SE/4	T-24-N, R-6-W Sec. 13: E/2 NE/4	T-24-N, R-6-W 8 Sec. 12: S/2 SE/4	DESCRIPTION
160.00	160.00 NE/4, SE/4	80.00 NE/4	80.00 SE/4	NUMBER OF ACRES
Working Interest: Mark Elkins Merrion Trust Iris Balbach Lorna A. Harvey	Royalty Royalty Working Interest: El Paso Natural Gas Co. ORRI TOTAL	Working Interest: Mark Elkins Merrion Trust TOTAL	Working Interest:  Mark Elkins  Merrion Trust  101AL	DEILLING BLOCK
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.56875%	. 10.00% 90.00% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
10.00% 65.00% 12.50% 12.50%	12.50000% 66.53125% 20.96875% 100.00000%	10.00% 90.00% 100.00%	10.00% 90.00% 100.00%	PERCENTAGE
.459084%	.459084%	.229542%	.229542%	PRESENT ACTUA

### SCHEDULE XXXVIII

	DESCRIPTION	NUMBER	DRILLING	BLOCK	PERCENTAGE	PRESENT ACTUA
המקר אס הא המיני	ברי	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATION

# RECAPITULATION

Total number of acres in participating area: Total number of acres committed to participating area:	Township 24 North, Range 7 West, N.M.P.M. Section 1: Sections 4,10: Sections 2,3:	Township 24 North, Range 6 West, N.M.P.M. Sections 1,3,4,5,6,8,9,10,12,13,15,17,20,21,22,26: Sections 11,27,35:	Township 25 North, Range 7 West, N.M.P.M. Sections 3,13,14,23,24,25,26,28,29,34,35,36: Sections 11,30,33: Section 21: Section 27:	Township 25 North, Range 6 West, N.M.P.M. Sections 1,2,3,4,5,10,11,12,13,14,19,20,29,30,31,32,33: Sections 7,15,18,23,24: Sections 9,28:
36,412.73 34,852.03	W/2 E/2 A]]	All E/2	A11 E/2 W/2 E/2,NW/4,W/2 SW/4, NE/4 SW/4	A11 E/2 W/2

-14-



OIL CONSERVATION COMM.
Santa Fe PHONE: 915-543-2600

11

July 20, 1976

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELLS, DAKOTA FORMATION

### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described wells, which were drilled by El Paso, as Unit Operator, are not capable of producing unitized substances in paying quantities from the Dakota Formation:

The Canyon Largo Unit No. 241 well, located 1460' from the South line and 1840' from the West line of Section 23, Township 25 North, Range 7 West, N.M.P.M., was spudded on June 26, 1973, and completed on November 16, 1975, in the Dakota Formation at a total depth of 7276'. The Dakota Formation at the intervals 6906', 6908', 6910', 6912', 6972', 6974', 6976', 7020', 7022', 7024', 7040', 7042', 7044', 7060', 7062', 7064', 7092', 7094', 7096, and 7098' was treated with a sand-water fracturing process on July 20, 1973. The well was shut-in on November 6, 1975, and after being shut-in for ten (10) days an attempt to test the well on November 16, 1975 was unsuccessful as the volume was too small to measure. The well tested with an SIPC of 1724 psia and SIPT of 422 psia. The spacing unit for this well is described as the W/2 of Section 23, Township 25 North, Range 7 West, containing 320.00 acres.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The Canyon Largo Unit No. 255 well, located 1550' from the South line and 1530' from the West line of Section 13, Township 25 North, Range 7 West, N.M.P.M., was spudded on February 24, 1975, and completed on November 3, 1975, in the Dakota Formation at a total depth of 7340'. The Dakota Formation at the intervals 7018', 7080', 7126' and 7148' was treated with a sand-water fracturing process on October 12, 1975. The well was shut-in on October 15, 1975, and after being shut-in for twelve (12) days the well was tested on November 3, 1975 and following a three (3) hour blowdown period, gauged 487 MCF/D through a 3/4" choke and 502 MCF/D by the calculated absolute open-flow method, with an SIPC of 1709 psia and SIPT of 900 psia. The spacing unit for this well is described as the W/2 of Section 13, Township 25 North, Range 7 West, containing 320.00 acres.

Inasmuch as this need no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of the dates the subject wells were tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

Jones & Permen &

Manager, Land Contracts and Titles

Land Department

Energy Resource Development

JRP:DW:nm Enclosure CLU, 4.3.1

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Continental Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company



OL CONSERVATION COMPHONE: 915-543-2600
Santa Fe

Acres

July 20, 1976

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico ELEVENTH EXPANDED PARTICIPATING AREA, Effective December 1, 1975, Dakota Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include this well, to wit:

### ELEVENTH EXPANDED PARTICIPATING AREA - Effective December 1, 1975

Description of Lands

Township 24 North, Range 6 West, N.M.P.M.
Section 4: Lots 1,2,7,8,9,10, SE/4 339.45

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Pertinent data on this well is as follows:

The Canyon Largo Unit No. 249 well, located 1500' from the North line and 890' from the East line of Section 4, Township 24 North, Range 6 West, N.M.P.M., was spudded on February 8, 1975, and completed on November 13, 1975, in the Dakota Formation at a total depth of 6684'. The Dakota Formation at the intervals 6439', 6504', 6534', 6568', and 6584' was treated with a sand-water fracturing process on October 24, 1975. The well was shut-in on October 27, 1975 and after being shut-in for seventeen (17) days the well was tested on November 13, 1975, and following a three (3) hour blowdown period, the Dakota Formation gauged 471 MCF/D through a 3/4" choke and 490 MCF/D by the calculated absolute open-flow method, with an SIPC of 2269 psia and an SIPT of 834 psia. The spacing unit for this well is described as the E/2 of Section 4, Township 24 North, Range 6 West, containing 339.45 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Eleventh Expanded Participating Area for the Dakota Formation will become effective as of December 1, 1975.

Attached hereto is Schedule XII showing the Eleventh Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

lamo & Permen E

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP:DW:nm Enclosures CLU, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

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Mr. Tom Bolack

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The Fort Worth National Bank GMFG Oil Account No. 3153

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Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

EI Paso Natural Gas Company

UNIT AREA EXPANSION SCHEDULE - SAN JUAN BASIN
Form 21-71 (2-72)

FI FVFNTH FYI

SCHEDULE XII ELEVENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

SF 078882	SF 078877	SF 078875	SF 078874	SERIAL NUMBER
T-25-N, R-6-W Sec. 17: W/2	T-24-N, R-6-W 240.00 Sec. 12: N/2 SE/4, NE/4	T-25-N, R-6-W Sec. 33: E/2	T-24-N, R-6-W Sec. 3: Lots 7 10, SE/ Sec. 4: Lots 7	DESCRIPTION
320.00	240.00	320.00	6-W 640.00 Lots 7,8,9, 10, SE/4 Lots 7,8,9,10, SE/4	NUMBER OF ACRES
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	OWNERSHIP TRACT 16
12.500% 78.750% 8.750%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	PERCENTAGE
12.500% 78.750% 8.750%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% 8.750% 100.000%	PERCENTAGE COMMITTED
5.789078	4.341809	5.7890782	11.578157%	PRESENT AC

ETTECTIVE IZ-I-/5		SF 080594		·	SF 078957			SF 078885				SF 078884		SERIAL NUMBER	
1-/5		T-24-N, R-6-W 365.40 Sec. 1: Lots 1-12		Sec. 4: LOTS	-N, R-6-W 3: Lots		Sec. 3: Lots   SE/4   Sec. 11: All	T-25-N, R-6-W Sec. 1: Lots			Sec. 14: E/2	-N, R		DESCRIPTION	
		365.40 -12		- 2	40,30		1,2,5/2 NE/4, (E/2)	1601.95 1,2,3,4,S/2				1600:00		OF ACRES	NUMBER
PAGE 2	<pre>Kimbell Oil Co.; ORRI; TOTAL</pre>	Royalty; Working Interest:	TRACT 46	El Paso Natural Gas Co.; ORRI; TOTAL	••	TRACT 32	El Paso Natural Gas Co.; ORRI; TOTAL	Royalty;	TRACT 27	ORRI; TOTAL	El Paso Natural Gas Co.;	Royalty;	TRACT 26	OWNERSHIP	DRILLING BLOCK
	65.625% 21.875% 100.000%	12.500%		78.750% 8.750% 100.000%	12.500%		78.75000% 8.75000% 100.00000%	12.50000%	No.	100.00%	78.75%	12.50%		PERCENTAGE	CK
	65.625% 21.875% 100.000%	12.500%		78.750% 8.750% 100.000%	12.500%		78.75000% 8.75000% 100.00000%	12.50000%		100.00%	78.75%	12.50%		COMMITTED	PERCENTAGE
		6.610404%			.729062%			28.980670%				28.945393%		PARTICIPAT	PRESENT AC

Effective 12-	E-291-5		E-291-3		·	SF 080594-B			SF 080594-A	;	SERIAL NUMBER
12-1-75	T-25-N, R-6-W Sec. 36: S/2 SE/4		T-25-N, R-6-W Sec. 36: NE/4			T-24-N, R-6-W Sec. 1: SW/4			T-24-N, R-6-W Sec. 1: SE/4		DESCRIPTION
	80.00		160.00			160.00			160.00		NUMBER OF ACRES
El Paso Natural Gas Co.; ORRIs TOTAL PAGE 3	Royalty; Working Interest:	TRACT 56-B	Royalty: Working Interest: Wiser Oil Company; ORRI;	TRACT 55-A	Kimbell Oil Co.; ORRI; TOTAL	Royalty; Working Interest:	TRACT 46-B	Kimbell Oil Co.; ORRI; TOTAL	Royalty; Working Interest:	TRACT 46-A	DRILLING BLOCK
12.50% 100.00%	12.50%		12.50% 87.50% .00% 100.00%		65.625% 21.875% 100.000%	12.500%		65.625% 21.875% 100.000%	12.500%		PERCENTAGE
75.00% 12.50% 100.00%	12.50%		12.50% 87.50% .00% 100.00%		0.000% 0.000% 0.000%	0.000%		0.000% 0.000% 0.000%	0.000%		PERCENTAGE
	1.447270		2.894539			0.000000			0.000000		PRESENT AC

Fee		E-291-7			SERIAL NIMBER
T-24-N, R-6-W 8 Sec. 12: S/2 SE/4		T-25-N, R-6-W Sec. 36: N/2 SE/4			DESCRIPTION
80.00		80.00		OF ACRES	NUMBER
Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	TRACT 79	Royalty; Working Interest: Petroleum Corp. of Texas; ORRI;	TRACT 57-A	OWNERSHIP	DRILLING BLOCK
12.500% 75.000% 12.500% 100.000%		12.50% 87.50% .00% 100.00%		PERCENTAGE	<b>Χ</b>
12.500% 75.000% 12.500% 100.000%		12.50% 87.50% .00% 100.00%		COMMITTED	PERCENTAGE
1.447270%		1.447270%		PARTICIPA	PRESENT A

		The second secon				
PARTICIPATION	COMMITTED	PERCENTAGE	OWNERSHIP	OF ACRES		אַר אַכאַמּרָאַ
PRESENT ACTUA	PERCENTAGE	NG BLOCK	DRILLING	NUMBER	DESCRIPTION	

### RECAPITULATION

• •	13: 14: 17:	Section 1: All Section 3: E/2 Section 11: All Section 12: All	 Township 24 North, Range 6 West, N.M.P.M. Section 1: All Section 3: E/2 Section 4: E/2
5,847.65 5,527.65			

541



MAR 2 2 1976

P.O. BOX 1492

O'L CONSHONE: 912:543:2600

Santa 12:543:2600

March 17, 1976

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

### Gentlemen:

The 1976 Drilling Programs for the below listed units were approved by the regulatory bodies on the dates indicated:

<u>Unit</u>	<u>USGS</u>	<u>CPL</u>	<u>0CC</u>
San Juan 28-7 Unit	3-12-76	2-2-76	2-12-76
San Juan 29-4 Unit	3-10-76	N/A	2-12-76
✓Canyon Largo Unit	3-10-76	1-16-76	1-8-76
Huerfanito Unit	3-10-76	1-6-76	1-8-76

Copies of this letter are being sent to the working interest owners of the above units.

Yours very truly,

Don Wadsworth

Landman

Land Department

Energy Resource Development

SJ 28-7, 3.0

SJ 29-4

Huerfanito

CLU



### United States Department of the Interior

### GEOLOGICAL SURVEY

### Brawer 1867 Roswell, New Mexico 88201

March 10, 1976 54/

El Paso Natural Gas Company Attention: Mr. D. N. Canfield

P.O. Box 1492

El Paso, Texas 79978

### Gentlamen:

Your 1976 plan of development, dated January 2, 1976, for the Canyon Large unit area, Rio Arriba County, New Mexico, was received by this effice on January 7, 1976. Such plan was not signed by El Paso Natural Gas Company, unit operator.

The 1976 plan proposes the drilling of 12 Pictured Cliffs wells and one Bakota well, eleven of which have been carried forward from your 1974 and 1975 plan. This plan is hereby approved on this date and is subject to like approval by the appropriate State officials. Three copies are enclosed.

You are requested to return to this office two copies of the plan properly signed by El Paso Materal Gas Company.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYNICK Acing Area 011 and Gas Supervisor

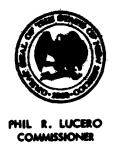
### Enclosure

Durango (w/cy plan) NMOCC, Santa Fe (1tr. only) 

This Copy for Com. Pub. Lands, Santa Fe (1tr only)

JAGillham:dap

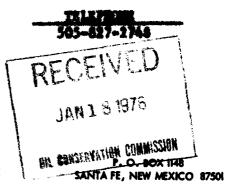
541







Commissioner of Public Lands



El Peso Matural Gas Company

7. 0. Box 1492

El Paso, Temas 79978

Re: Gamyon Large Unit Rie Arriba County, Hew Hexico 1976 DRILLIMS PROGRAM

ATTMETICALING. D. M. Confield

### Gentlemen:

The Commissioner of Public Lands has this date approved your 1976 Drilling Program for the Comyon Largo Unit, Rio Arriba County, How Mexico. Such plan proposed the drilling of twelve Pictured Cliffs and one Dakota well. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCKED
CONGISSIONER OF PUBLIC LANDS

BY: Bay d.

RAY D. GRAHAM, Director Oil and Gas Division

781/196/s eacl.

**66**:

USGS-Recordly, New Mexico GCC- Santa Pe, New Mexico E PESO NATURAL GAS COMPANY

JAN 1 6 1976

JAN 1 6 1976

OIL CONSERVATION COMM

Sonta Fo

January 14, 1976

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> e: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, PICTURED CLIFFS FORMATION

### Gentlemen:

El Paso Natural Gas company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo Unit #263 Well, located 1550' from the South line and 1670' from the West line of Section 35, Township 24 North, Range 6 West, N.M.P.M., was spudded on March 8, 1975, and completed on August 21, 1975, in the Pictured Cliffs Formation at a total depth of 2161'. The Pictured Cliffs Formation in the intervals between 2030', 2032', 2034' and 2038' was treated with a sand-water fracturing process on July 29, 1975. The well was shut-in on August 14, 1975, and after being shut-in for seven (7) days the well was tested on August 21, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 196 mcf/d through a 3/4" choke and 196 mcf/d by the calculated absolute openflow method, with an SIPT of 662 psia. The spacing unit for this well is described as the SW/4 of Section 35, Township 34 North, Range 6 West, containing 160.00 acres.

January 14, 1975

Inasmuch as this need no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of August 21, 1975, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Jamo & Rement

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

JRP:DW:sas Enclosure Canyon Largo Unit, 4.1.1

cc: Mr. Antonio Martinez
Executive Director, New Mexico Oil
and Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Continental Oil Company

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

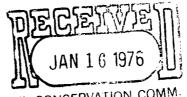
Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

E P350 NATURAL GAS



CONSERVATION COMM.
Santa Fc

P. O. BOX 1492 EL PASO, TEXAS 79978 PHONE 915-543-2600

January 14, 1976

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 8/501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, DAKOTA FORMATION

### Gentlemen:

El Paso Natural Gas company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Dakota Formation:

The Canyon Largo Unit #256 Well, located 1570' from the South line and 1760' from the West line of Section 27, Township 25 North, Range 7 West, N.M.P.M., was spudded on March 15, 1975, and completed on November 11, 1975, in the Dakota Formation at a total depth of 7190'. The Dakota Formation in the intervals between 6932', 6944', 6956', 6966', 7018', 7040' and 7068' was treated with a sand-water fracturing process on October 18, 1975. The well was shut-in on October 22, 1975, and after being shut-in for twenty (20) days the well was tested on November 11, 1975, but production gauged was too small to measure during the pitot tube test. The well tested with an SIPC of 721 psia and SIPT of 867 psia. The spacing unit for this well is described as the W/2 of Section 27, Township 25 North, Range 7 West, containing 320.00 acres.

4//

Inasmuch as this need no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of November 11, 1975, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

James R. Permenter

Manager, Land Contracts

and Titles

Land Department

Energy Resource Development

JRP:DW:sas Enclosure Canyon Largo Unit, 4.3.1

cc: Mr. Antonio Martinez
Executive Director, New Mexico Oil
and Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Kichfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

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Mr. A. G. Hill

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Mr. J. Gregory Merrion

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PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

### OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

January 8, 1976

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: 1976 Drilling Program,
Canyon Largo Unit,
Rio Arriba County,
New Mexico.

### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1976 providing for the drilling of no wells for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

JOE D. RAMEY Secretary-Director

JDR/JEK/og

cc: United States Geological Survey Roswell, New Mexico

Commissioner of Public Lands Santa Fe, New Mexico

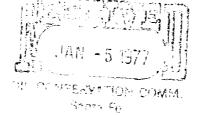
541



P.O BOX 1492 EL PASO, TEXAS 79978

PHONE 915 543-2600

January 3, 1976



Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SEVENTH EXPANDED PARTICIPATING AREA, Effective October 1, 1975, Gallup Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Gallup Formation has been completed upon acreage committed to this Unit, and that the Participating Area for the Gallup Formation is expanded accordingly to include this well, to wit:

### SEVENTH EXPANDED PARTICIPATING AREA - Effective October 1, 1975

Description of Lands Acres

Township 24 North, Range 6 West, N.M.P.M.
Section 3: Lots 3,4,5,6,11,12, SW/4 340.15

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Pertinent data on this well is as follows:

The Canyon Largo Unit No. 185 well, located 1650' from the South line and 1600' from the West line of Section 3, Township 24 North, Range 6 West, N.M.P.M., was spudded on August 8, 1975, and completed on September 7, 1975, in the Gallup Formation at a total depth of 6710'. The Gallup Formation at the intervals 5593-97' and 5471-75' was treated with a sand-oil fracturing process on September 7, 1975. On a twenty-four (24) hour pumping test on September 8, 1975, the well produced 35 BOPD through a 2" choke. The spacing unit for this well is described as the W/2 of Section 3, Township 24 North, Range 6 West, containing 340.15 acres.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Seventh Expanded Participating Area for the Gallup Formation will become effective as of October 1, 1975.

Attached hereto is Schedule VIII showing the Seventh Expanded Participating Area for the Gallup Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of the percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter

tames & learner to

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP:RHN:nm Enclosures CLU, 4.4

cc: Mr. Antonio Martinez

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Continental Oil Company

Mr. A. G. Hill

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Estate of Hugh McMillan

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Edna W. Merrion Trusts No. 1, 2, 3

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The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

EI Paso Natural Gas Company UNIT AREA EXPANSION SCHEDULE — SAN JUAN BASIN Form 21-71 (2-72)

## SCHEDULE VIII SEVENTH EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT

			CANYON LAKGO UNII			
	NO FOLIO CARO	NUMBER	DRILLING BLOCK	<b>Y</b> O	PERCENTAGE	PRESENT ACT
SERIAL NOMB		OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATI
			TRACT 12			
V-005000 33	W-A-M M-NC-T	320 00				10.974351%
	Section 15: W/2		Royalty - U.S.A.	12.50%	12.50%	
			working interest: Skelly Oil Co. ORRI	85.00% 2.50%	85.00%	
			TOTAL	100.00%	100.00%	
			TRACT 16			
SF 078874	R-6-	639.04		;		21.915779%
		5,6, , SW/4	Royalty - U.S.A. Working Interest:	12.50% 78.75%	12.50% 78.75%	
	Section 6: Lots 5	Lots 5,6, 11,12,13,14,	ORRI TOTAL	$\frac{8.75\%}{100.00\%}$	8.75% 100.00%	
	E/2 3V	4 / <b>x</b>	(Working Interest - Gas & Condensate:			
			El Paso Natural Gas Co.	(78.75%)	(78.75%)	
			Ull a casingneau bas: J. Gregory Merrion et al)	(78.75%)	(78.75%)	
			TRACT 19			
SF 07887	T-24-N. R-6-W	1280.00				43.897403%
	Sections 8 & 9		Royalty - U.S.A. Working Interest:	12.50% 78.75%	12.50% 78.75%	
			ORRI TOTAL	$\frac{8.75\%}{100.00\%}$	$\frac{8.75\%}{100.00\%}$	
			(Working Interest -			
			El Paso Natural Gas Co.	(78.75%)	(78.75%)	
			Ull & Casinghead Gas: J. Gregory Merrion et al)	(78.75%)	(78.75%)	

Effective October 1, 1975

EI Paso Natural Gas Car**moany** UNIT AREA EXPANSION SCHEDULE — SAN JUAN BASIN Form 21-71 (2-72)

### SCHEDULE VIII

		<u></u>			With the state of	
SERIAL NUMBER	BER DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PRESENT ACT
			TRACT 28			
SF 079886	7-24-N, R-6-W	640.00				%C07010 [C
	Section 17: All		Royalty - U.S.A. Working Interest:	12.50% 78.75%	12.50% 78.75%	940702%
			JAKI TOTAL	%C/-S 100.001	8.75% 100.00%	
			(Working Interest - Gas & Condensate: El Paso Natural Gas Co	(78.75%)	(82 32)	
			Oil & Casinghead Gas:	(%61.01)	( vc / · o / )	
			J. Gregory Merrion et al)	(78.75%)	(78.75%)	
			TRACT 32			
SF 078957	T-24-N, R-6-W	36.85				1 263765%
·	Section 3: Lots 3 Section 6: Lots 3	33 88 84 84 84 84 84 84 84 84 84 84 84 84	Royalty - U.S.A. Working Interest:	12.50% 78.75%	12.50% 78.75%	% CO . CO
			ORRI TOTAL	8.75% 100.00%	8.75%	
			(Working Interest - Gas & Condensate:			
			El Paso Natural Gas Co. Oil & Casinghead Gas:	(78.75%)	(78.75%)	
			J. Gregory Merrion et al)	(78.75%)	(78.75%)	

- 2 -

### SCHEDULE VIII

	NUMBER			PERCENTAGE	PRESENT ACTU
SERIAL NOMBER	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATIO

# RECAPITULATION

Township	24	. North,	Range 6	6 West,	N.M.P.M.
Section	3:	W/2			
Section	9:	M/2			
Section	 ∞	A11			
Section	9:	A11			
Section	17:	A11			
Section	5	W/2			

Total number of acres in Participating Area: 2,915.89 Total number of acres committed to Participating Area: 2,915.89



January 2, 1976

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1976 DRILLING PROGRAM

### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit on January 16, 1975 for the calendar year 1975, providing for the drilling of twenty-nine (29) Pictured Cliffs and five (5) Dakota wells during 1975. Pictured Cliffs wells Nos. 258, 260, 264, 271, 272, and 273 were completed within the boundaries of the Pictured Cliffs Participating Area and did not cause an expansion. Pictured Cliffs well No. 265 was plugged and abandoned. Dakota well No. 256 was determined to be non-commercial and will not cause an expansion of the Participating Area. Pictured Cliffs well No. 263 and Dakota wells Nos. 249 and 255 are currently being evaluated to determine if they are commercial and will cause an expansion of their respective Participating Areas. Pictured Cliffs wells Nos. 242, 244, 247, 248, 267, 268, 269, 275, 276, 280 and 284 will be included in our 1976 Drilling Program.

Due to pipe shortages and unavailability of rigs during 1974 and 1975, drilling in the San Juan Basin was delayed. These delays and the increasing shortage of gas necessitated a revaluation of our proposed drilling programs in the San Juan Basin so that the wells proposed for drilling would obtain the maximum increase in deliverability. In this vein, Pictured Cliffs wells Nos. 245, 257, 259, 262, 266, 274, 281, 282, 283, 285 and Dakota wells Nos. 286 and 287 were not drilled during 1975 and will not be drilled during 1976.

Regional 1 & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs Commercial Non-Commercial Plugged and Abandoned Being Evaluated (Well No. 263)	157 9 13 1
Chacra Commercial Plugged and Abandoned Non-Commercial	25 1 1
Dual, Pictured Cliffs-Chacra Commercial Non-Commercial, Chacra	5 1
Mesaverde Non-Commercial	1
Dual, Mesaverde-Chacra Commercial Chacra (Non-Commercial Mesaverde)	1
Gallup Commercial Non-Commercial	14 1
Dual, Gallup-Dakota Non-Commercial, Gallup Non-Commercial, Dakota	1
Dakota Commercial Non-Commercial Being Evaluated (No. 249, 255)	17 6 2 257

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1976.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

Well No.	Drilling Block	<u>Formation</u>
242	W/2 Sec. 13, T-25-N, R-7-W	Pictured Cliffs
244	E/2 Sec. 23, T-25-N, R-7-W	Pictured Cliffs
247	E/2 Sec. 27, T-25-N, R-7-W	Pictured Cliffs
248	W/2 Sec. 36, T-25-N, R-7-W	Pictured Cliffs
267	W/2 Sec. 18, T-25-N, R-6-W	Pictured Cliffs
268	E/2 Sec. 19, T-25-N, R-6-W	Pictured Cliffs
269	W/2 Sec. 20, T-25-N, R-6-W	Pictured Cliffs
275	W/2 Sec. 15, T-25-N, R-7-W	Pictured Cliffs
277	E/2 Sec. 28, T-25-N, R-7-W	Pictured Cliffs
280	W/2 Sec. 14, T-25-N, R-6-W	Pictured Cliffs
<b>2</b> 84	W/2 Sec. 3, T-25-N, R-7-W	Pictured Cliffs
288	W/2 Sec. 13, T-25-N, R-6-W	Dakota
289	W/2 Sec. 28, T-25-N, R-7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

D. N. Canfield Director of Land Energy Resource Development

DNC:DW:nm Enclosures CLU 3.0

Regional Oil & Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE:
APPROVED:  Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE:
APPROVED:  Oil/Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE: Januery 8, 1976

The foregoing approvals are for the 1976 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of
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Mr. R. L. Bayless

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Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

El Paso NATURAL GAS COMPANY

P.O. BOX 1492 EL PASO, TEXAS 79978

PHONE: 915-543-2600

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that six (6) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #258 well, located 910' from the North line and 1140' from the East line of Section 6, Township 24 North, Range 6 West, N.M.P.M., was spudded on March 21, 1975, and completed on August 20, 1975, in the Pictured Cliffs formation at a total depth of 2356'. The Pictured Cliffs formation at the intervals 2248', 2250', 2252', 2276', 2278', and 2280' was treated with a sand-water fracturing process on July 23, 1975. The well was shut-in on August 12, 1975, and after being shut-in for eight (8) days the well was tested on August 20, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 1271 MCF/D through a 3/4" choke and 1319 MCF/D by the calculated absolute open-flow method, with an SIPC of 641 psia. The spacing unit for this well is described as Lots 1, 2, 7, 8, 9, 10, SE/4 of Section 6, Township 24 North, Range 6 West, containing 337.45 acres.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Fourth Expanded Pictured Cliffs Participating Area effective March 1, 1973 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #264 well, located 1840' from the South line and 1705' from the West line of Section 1, Township 24 North, Range 7 West, N.M.P.M., was spudded on March 24, 1975, and completed on August 20, 1975, in the Pictured Cliffs formation at a total depth of 2344'. The Pictured Cliffs formation at intervals 2242', 2246', 2264', 2266', 2280' and 2282' was treated with a sand-water fracturing process on July 29, 1975. The well was shut-in on August 12, 1975, and after being shut-in for eight (8) days the well was tested on August 20, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 333 MCF/D through a 3/4" choke and 334 MCF/D by the calculated absolute open-flow method, with an SIPC of 639 psia. The spacing unit for this well is described as Lots 3, 4, 5, 6, 11, 12, SW/4 of Section 1, Township 24 North, Range 7 West, containing 335.60 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Seventeenth Expanded Pictured Cliffs Participating Area effective August 1, 1958 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #260 well, located 1710' from the South line and 1660' from the West line of Section 17, Township 24 North, Range 6 West, N.M.P.M., was spudded on April 6, 1975, and completed on August 13, 1975, in the Pictured Cliffs formation at a total depth of 2119'. The Pictured Cliffs formation at intervals 2014', 2016', 2028', 2030', 2064' and 2066' was treated with a sand-water fracturing process on July 29, 1975. The well was shut-in on August 6, 1975, and after being shut-in for seven (7) days the well was tested on August 13, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 1,479 MCF/D through a 3/4" choke and 1,660 MCF/D by the calculated absolute open-flow method, with and SIPC of 356 psia. The spacing unit for this well is described as the W/2 of Section 17, Township 24 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-First Expanded Pictured Cliffs Participating Area effective November 1, 1972 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

The Canyon Largo Unit #271 well, located 1555' from the South line and 985' from the East line of Section 32, Township 25 North, Range 6 West, N.M.P.M., was spudded on March 16, 1975, and completed on August 8, 1975, in the Pictured Cliffs formation at a total depth of 2365'. The Pictured Cliffs formation at the intervals 2222', 2226', 2250', 2256', 2308' and 2312' was treated with a sand-water fracturing process on July 23, 1975. The well was shut-in on July 29, 1975, and after being shut-in for ten (10) days the well was tested on August 8, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 2098 MCF/D through a 3/4" choke and 2452 MCF/D by the calculated absolute open-flow method, with an SIPC of 530 psia. The spacing unit for this well is described as the E/2 of Section 32, Township 25 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Eighteenth Expanded Pictured Cliffs Participating Area effective September 1, 1958 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #272 well, located 1580' from the South line and 990' from the West line of Section 33, Township 25 North, Range 6 West, N.M.P.M., was spudded on March 11, 1975, and completed on August 8, 1975, in the Pictured Cliffs formation at a total depth of 2300'. The Pictured Cliffs formation at the intervals 2184', 2189', 2194', 2210', 2250', 2255, and 2260' was treated with a sand-water fracturing process on July 25, 1975. The well was shut-in on July 29, 1975, and after being shut-in for ten (10) days the well was tested on August 8, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 2193 MCF/D through a 3/4" choke and 2522 MCF/D by the calculated absolute open-flow method, with an SIPC of 580 psia. The spacing unit for this well is described as the W/2 of Section 33, Township 25 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Eighth Expanded Pictured Cliffs Participating Area effective May 1, 1956 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #273 well, located 810' from the South line and 1565' from the East line of Section 33, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 1, 1975, and completed on August 8, 1975, in the Pictured Cliffs formation at a total depth of 2494'. The Pictured Cliffs formation at the intervals 2406', 2411', 2416', 2460', 2465' and 2470' was treated with a sand-water fracturing process on July 25, 1975. The well was shut-in on July 31, 1975 and after being

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

shut-in for eight (8) days the well was tested on August 8, 1975, and following a three (3) hour blow-down period, the Pictured Cliffs formation gauged 806 MCF/D through a 3/4" choke and 824 MCF/D by the calculated absolute open-flow method, with an SIPC of 533 psia. The spacing unit for this well is described as the E/2 of Section 33, Township 25 North, Range 6 West, containing 320.00 acres.

The spacing unit for this well was included in Canyon Largo Unit, Thirty-Third Expanded Pictured Cliffs Participating Area effective February 1, 1973 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter

- ames & Permer T

Manager, Land Contracts & Titles

Land Department

Energy Resource Development

JRP:DW:nm CLU, 4.1.1 Enclosure

cc: Mr. Antonio Martinez

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

541

## El Paso Natural Gas Company

El Paso, Texas 79978

July 16, 1975

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexco Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit

Intervening Drilling Block W/2 Section 13, T-25-N, R-6-W Rio Arriba County, New Mexico

#### Gentlemen:

Our request for an extension to July 1, 1976 in which to commence a Dakota well in the W/2 of Section 13, T-25-N, R-6-W, Canyon Largo Unit was approved on the dates indicated below.

#### Date

United States Geological Survey	6-16-75
Oil Conservation Commission	6-27-75
Commissioner of Public Lands	6-11-75

A copy of this letter is being sent to the Canyon Largo Unit Working Interest Owners.

Yours very truly,

Don Wadsworth

Landman

Land Department

Energy Resource Development

DW:nm CLU 3.0

#### OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 27, 1975

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Attention: Mr. D. N. Canfield

Intervening Drilling Re: Block - W/2 Section 13, Township 25 North, Range 6 West, Canyon Largo Unit, Rio Arriba County,

New Mexico.

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the requested extension of time to July 1, 1976, in which to commence the drilling of a Dakota well on the subject drilling block on the Canyon Largo Unit, Rio Arriba 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.

Very truly yours,

JOE D. RAMEY Secretary-Director

JDR/JEK/og

United States Geological Survey CC: Box 1857 Roswell, New Mexico

> Commissioner of Public Lands Santa Fe, New Mexico

541

### State of New Mexico



### Commissioner of Public Lands

June 11, 1975

TELEPHONE 505-827-2748

RECEIVED

JUNI 2 1975

E CONSERVATION COMMISSION

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

PHIL R. LUCERO COMMISSIONER

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Re: Canyon Largo Unit

Intervening Drilling Block W/2 Section 13, T-25-N, R-6-W Rio Arriba County, New Mexico

ATTENTION: Mr. D. N. Canfield

Gentlemen:

Your letter of May 29, 1975, requests an extension in time to July 1, 1976, in which to commence a Dakota well which was due to be commenced November 1, 1975, in the Canyon Largo unit area. Such request is hereby approved on this date and is subject to like approval by the United States Geological Survey and the Oil Conservation Commission as per Paragraph 3 of the Unit Agreement.

We are furnishing a copy of this approval to the USGS and the Oil Conservation Commission.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division

PRL/RDG/s

cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

El Paso Natural Gas Company 5 41

May 29, 1975

United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit Intervening Drilling Block W/2 Section 13, T-25-N, R-6-W Rio Arriba County, New Mexico

#### Gentlemen:

The tenth expansion of the Canyon Largo Unit Dakota Participating Area created the referenced intervening drilling block on which El Paso, as Unit Operator must commence the drilling of a Dakota well by November 1, 1975 (one year from effective date of expansion), unless said time be extended by the Director, Commissioner, and Commission, as provided for in Paragraph 3 of the Unit Agreement.

Due to difficulties arising in scheduling and budgeting the well, El Paso does not anticipate being able to commence the well within the time period provided for in the Unit Agreement. Therefore, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, hereby requests an extension in time to July 1, 1976 to commence the well, as provided for in Paragraph 3 of the Unit Agreement.

Thank you for your consideration of this matter.

Yours very truly,

D. N./Canfield Director of Land

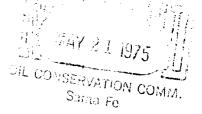
Energy Resource Development

DNC:DW:nm CLU 30

# El Paso Natural Gas Company

El Paso, Texas 1915

May 16, 1975



United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Re: 1975 Drilling Programs

#### Gentlemen:

The 1975 Drilling Programs for the listed units were approved by the Regulatory Agencies on the dates indicated.

#### DATE OF APPROVAL

<u>Unit</u>	USGS	<u>0CC</u>	CPL
San Juan 27-5	<b>5</b> -7-75	3-24-75	3-11-75
San Juan 28-5	5-7-75	3-24-75	
San Juan 28-6	4-24-75	1-13-75	1-15-75
San Juan 28-7	4-24-75	1-27-75	1-23-75
San Juan 32-9	4-24-75	1-27-75	1-23-75
Allison	5-6-75	4-14-75	4-2-75
Canyon Largo	4-23-75	1-27-75	1-23-75

Copies of this letter are being sent to the working interest owners of the units.

Yours very truly,

Don Wadsworth

Landman

Land Department

Energy Resource Development

# El Paso Natural Gas Company

El Paso, Texas 79978

April 24, 1975

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe. New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059

NOTICE OF DRY HOLE

Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on March 29, 1975 that the following described well was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The Canyon Largo Unit #265 Well, located 1810' from the South line and 1140' from the East line of Section 10, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on March 28, 1975 and drilled to a total depth of 2310' in the Pictued Cliffs Formation. On March 31, 1975, the well was plugged and abandoned by setting plugs from 1925' to 2310' with 44 sacks of cement, 1445' to 1745' with 40 sacks of cement, and 44 sacks of cement at 161'. Set cement plug at surface with 15 sacks of cement and installed a permanent plug and abandonment marker, and location was restored to original contour. The committed drilling block upon which this well was located is described as the E/2 of Section 10, Township 24 North, Range 7 West, N.M.P.M., containing 320.00 acres.

Since this well was determined to be a dry hole and has been plugged and abandoned, official approval is not necessary.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP;DW;sas CLU, 4.1.1 Enclosure CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

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Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

# El Paso Natural Gas Company

El Paso, Texas 79978

April 24, 1975

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #276 well, located 1655' from the North line and 1515' from the West line of Section 27, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 3, 1974 and completed on November 13, 1974, in the Pictured Cliffs Formation at a total depth of 2623'. The Pictured Cliffs Formation in the intervals between 2534-42', 2570-78' and 2586-94' was treated with a sandwater fracturing process on September 26, 1974. The well was shut-in on October 10, 1974 and after being shut-in for thirty-four (34) days the well was tested on November 13, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 1043 MCF/D through a 3/4" choke and 1088 MCF/D by the calculated absolute open-flow method, with an SIPC of 499 psia. The spacing unit for this well is described as the West Half of Section 27, Township 25 North, Range 7 West, containing 320.00 acres.

Regional Oil & G., Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Seventh Expanded Pictured Cliffs Participating Area effective November 1, 1974, and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter
Supervising Landman
Land Department

Energy Resource Development

JRP:DW:nm CLU, 4.1.1 Enclosure

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayies (P.C. only)

Continental Oil Company

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J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company



### United States Department of the Interior

GEOLOGICAL SURVEY

## Drawer 1857 Roswell, New Mexico 88201

April 23, 1975

541

El Paso Natural Gas Company Attention: Mr. D. N. Canfield P.O. Box 1492 El Paso, Texas 79978

#### Gentlemen:

The 1975 plan of development submitted for the Canyon Largo unit area, Rio Arriba County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan reschedules the drilling of 23 Pictured Cliffs wells and 3 Dakota wells from your 1974 plans to the 1975 plan as the result of tublar shortages in 1974 and proposes the additional drilling of 6 Pictured Cliffs wells and 2 Dakota wells.

Three approved copies are enclosed.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

CC:

NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Durango
JAGillham:ds

# El Paso Natural Gas Company

El Paso, Texas 79978

April 17, 1975

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Canyon largo Unit #14-08-001-1059

Rio Arriba County, New Mexico THIRTY-SEVENTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation,

Effective November 1, 1974

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

#### THIRTY-SEVENTH EXPANDED PARTICIPATING AREA - EFFECTIVE NOVEMBER 1, 1974

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Sec. 20: E/2	320.00	270
T-25-N, R-7-W Sec. 28: E/2 Sec. 27: W/2	320.00 320.00 960.00	173 Intervening Drilling Block

Pertinent data on these wells are as follows:

The Canyon Largo Unit #270 Well, located 1550' from the South line and 1850' from the East line of Section 20, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 9, 1974, and completed on October 9, 1974, in the Pictured Cliffs Formation at a total depth of 2753'. The Pictured Cliffs Formation in the intervals between 2670'-2680' and 2700'-2716' was treated with a sand-water fracturing process on September 18, 1974. The well was shut-in on September 30, 1974, and after being shut-in for nine (9) days, the well was tested on October 9, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 655 MCF/D through a 3/4" choke and 663 MCF/D by the calculated absolute open-flow method, with an SIPC of 586 psia. The spacing unit for this well is described as the E/2 of Section 20, Township 25 North, Range 6 West, containing 320.00 acres.

The Canyon Largo Unit #173 Well, located 990' from the South line and 800' from the East line of Section 28, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 2, 1974, and completed on Octuber 22, 1974, in the Pictured Cliffs Formation at a total depth of 2689'. The Pictured Cliffs Formation in the intervals between 2558'-2564', 2572'-2590' and 2610'-2616' was treated with a sand-water fracturing process on Octuber 3, 1974. The well was shut-in on October 10, 1974, and after being shut-in for eleven (11) days, the well was tested on October 22, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 2162 MCF/D through a 3/4" choke and 2904 MCF/D by the calculated absolute open-flow method, with an SIPC of 421 psia. The spacing unit for this well is described as the E/2 of Section 28, Township 25 North, Range 7 West, containing 320.00 acres.

The completion of well #173 also creates one intervening drilling block described as the W/2 Section 27, T-25-N, R-7-W. Under the terms of the Unit Agreement, a well must be drilled on this drilling block within one (1) year from November 1, 1974, the effective date of this 37th Expansion.

Attached hereto is Schedule XXXVIII, showing the Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation will become effective as of November 1, 1974.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP;DW;sas Enclosures CLU 4.1

cc: Antonio Martinez Executive Director

New Mexico Oil & Gas Accounting Commission

Post Office Box 2308

Santa Fe, New Mexico 87501





365-627-2744



Commissioner of Public Lands

P. O. BOX 1148 SANTA FE, NEW MEXICO 87501

El Paso Hatural Gas Campany

P. O. Bon 1492

El Reso, Tomas 79978

Re: Canyon Large Unit
Rio Asythe County, New Maxico
HIREM AND THIRE HERANDED PARTICL—
PATING ARRAS, Effective October 1,
1974 and November 1, 1974, respectively
Dakets Formation

ATTEMTION: Mr. James R. Permenter

Contlemen:

This will asknowledge receipt of your Hinth and Tenth Expanded Participating Areas, Dakots Founties, for the Course Large Unit.

Since this mode no official approval we have this date accepted the expansions and filed than for record purposes.

Enclosed is one copy of the expansions showing the date received by this office.

Very truly yours,

PULL R. LUCKED COMMESCIONER OF PUBLIC LANSES

NY: NY D. GRAHME, Director Oil and Goo Division

PEL/196/s emel.

9000-housell, New Memico OCG- South Fo, Mar Memico

## El Paso Natural Gas Company

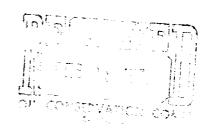
El Paso, Texas 79978

February 24, 1975

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NINTH AND TENTH EXPANDED PARTICIPATING AREAS, Effective October 1,
1974 and November 1, 1974, respectively

Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that six (6) wells capable of producing unitized substances in paying quantities from the Dakota Formation have been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include these wells, to wit:

#### NINIH EXPANDED PARTICIPATING AREA - Effective October 1, 1974

Description	of Lands	Acres
	North, Range 6 West, N.M.P.M.	
Section 1:	Lots 1,2, S/2 NE/4, SE/4 (E/2)	320.20
Section 3:	Lots 1,2, S/2 NE/4, SE/4 (E/2)	321.15
Section 11:	W/2	320.00
Section 12:	E/2	320.00
Section 14:	E/2	320.00
		1601.35

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Pertinent data on these wells is as follows:

The Canyon Largo Unit #250 Well, located 1550' from the North line and 800' from the East line of Section 1, Township 25 North, Range 6 West, N.M.P.M., was spudded on March 8, 1974, and completed on September 12, 1974, in the Dakota Formation at a total depth of 7358'. The Dakota Formation at the intervals 7082', 7127', 7161', 7189', 7194' and 7234' was treated with a sand-water fracturing process on August 30, 1974. The well was shut-in on September 2, 1974, and after being shut-in for ten (10) days the well was tested on September 12, 1974, and following a three (3) hour blow-down period, the Dakota Formation gauged 1992 MCF/D through a 3/4" choke and 2032 MCF/D by the calculated absolute openflow method, with an SIPC of 2437 psia and an SIPT of 2527 psia. The spacing unit for this well is described as the E/2 of Section 1, Township 25 North, Range 6 West, containing 320.20 acres.

The Canyon Largo Unit #252 Well, located 1150' from the North line and 800' from the East line of Section 3, Township 25 North, Range 6 West, N.M.P.M., was spudded on February 14, 1974, and completed on September 5, 1974, in the Dakota Formation at a total depth of 7469'. The Dakota Formation at the intervals 7175', 7264', 7301', 7315', 7336' and 7346' was treated with a sand-water fracturing process on August 26, 1974. The well was shut-in on August 29, 1974, and after being shut-in for seven (7) days the well was tested on September 5, 1974, and following a three (3) hour blow-down period, the Dakota Formation gauged 3495 MCF/D through a 3/4" choke and 3666 MCF/D by the calculated absolute open-flow method, with an SIPC of 2452 psia and an SIPT of 2387 psia. The spacing unit for this well is described as the E/2 of Section 3, Township 25 North, Range 6 West, containing 321.15 acres.

The Canyon Largo Unit #253 Well, located 1800' from the South line and 900' from the East line of Section 12, Township 25 North, Range 6 West, N.M.P.M., was spudded on March 30, 1974, and completed on September 25, 1974, in the Dakota Formation at a total depth of 7383'. The Dakota Formation at the intervals 7160', 7186', 7216', 7250', 7254', 7283', 7296' and 7322' was treated with a sand-water fracturing process on September 14, 1974. The well was shut-in on September 16, 1974, and after being shut-in for seven (7) days the well was tested on September 25, 1974, and following a three (3) hour blow-down period,

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

the Dakota Formation gauged 1256 MCF/D through a 3/4" choke and 1276 MCF/D by the calculated absolute open-flow method, with an SIPC of 2516 psia and an SIPT of 2505 psia. The spacing unit for this well is described as the E/2 of Section 12, Township 25 North, Range 6 West, containing 320.00 acres.

The Canyon Largo Unit #278 Well, located 1960' from the South line and 1820' from the West line of Section 11, Township 25 North, Fange 6 West, N.M.P.M., was spudded on May 30, 1974, and completed on September 13, 1974, in the Dakota Formation at a total depth of 7283'. The Dakota Formation at the intervals 7018', 7100', 7111', 7125', 7140' and 7175' was treated with a sand-water fracturing process on September 3, 1974. The well was shut-in on September 6, 1974, and after being shut-in for seven (7) days the well was tested on September 13, 1974, and following a three (3) hour blow-down period, the Dakota Formation gauged 1415 MCF/D through a 3/4" choke and 1429 MCF/D by the calculated absolute open-flow method, with an SIPC of 2372 psia and an SIPT of 1972 psia. The spacing unit for this well is described as the W/2 of Section 11, Township 25 North, Range 6 West, containing 320.00 acres.

The Canyon Largo Unit #279 Well, located 790' from the North line and 1140' from the East line of Section 14, Township 25 North, Range 6 West, N.M.P.M., was spudded on May 10, 1974, and completed on September 19, 1974, in the Dakota Formation at a total depth of 7213'. The Dakota Formation at the intervals 6948', 6972', 7050', 7080', 7098', 7130' and 7167' was treated with a sand-water fracturing process on September 7, 1974. The well was shutin on September 10, 1974, and after being shut-in for nine (9) days the well was tested on September 19, 1974, and following a three (3) hour blow-down period, the Dakota Formation gauged 1852 MCF/D through a 3/4" choke and 1917 MCF/D by the calculated absolute open-flow method, with an SIPC of 2422 psia and an SIPT of 2131 psia. The spacing unit for this well is described as the E/2 of Section 14, Township 25 North, Range 6 West, containing 320.00 acres.

#### TENTH EXPANDED PARTICIPATING AREA - Effective November 1, 1974

Description of Lands

Acres

Township 25 North, Range 6 West, N.M.P.M. Section 13: E/2

320.00

Regional Oil and as Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

Pertinent data on this well is as follows:

The Canyon Largo Unit #254 Well, located 1150' from the North line and 850' from the East line of Section 13, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 20, 1974, and completed on October 2, 1974, in the Dakota Formation at a total depth of 7266'. The Dakota Formation at the intervals 7040', 7090', 7122', 7136', 7156' and 7180' was treated with a sand-water fracturing process on September 17, 1974. The well was shutin on September 20, 1974, and after being shut-in for fourteen (14) days the well was tested on October 2, 1974, and following a three (3) hour blow-down period, the Dakota Formation gauged 1913 MCF/D through a 3/4" choke and 1934 MCF/D by the calculated absolute open-flow method, with an SIPC of 2492 psia and an SIPT of 2389 psia. The spacing unit for this well is described as the E/2 of Section 13, Township 25 North, Range 6 West, containing 320.00 acres.

In addition to the above, the completion of well number 254 creates one (1) intervening drilling block, described as the W/2 of Section 13, which pursuant to the terms of the Unit Agreement will also be admitted to the Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Ninth and Tenth Expanded Participating Areas for the Dakota Formation will become effective as of October 1, 1974 and November 1, 1974, respectively.

Attached hereto are Schedules X and XI showing the Ninth and Tenth Expanded Participating Areas for the Dakota Formation of the Canyon Largo Unit. These Schedules describe the Participating Areas, show the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:DW:km Enclosures Canyon Largo Unit, 4.3

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins and Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank

Mr. A. G. Hill

Margaret Hunt Hill

Ibex Partnership

Kimbell Oil Company

Estate of Hugh McMillan

#### CANYON LARGO UNIT Working Interest Owners - Page Two

Mrs. Merle McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

## El Paso Natural Gas Company

El Paso, Texas 79978

February 21, 1975

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



RE: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #243 well, located 1720' from the North line and 1140' from the East line of Section 14, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 12, 1974 and completed on October 9, 1974, in the Pictured Cliffs Formation at a total depth of 2447'. The Pictured Cliffs Formation in the intervals between 2358'-2366', 2372'-2382' and 2394'-2402' was treated with a sand-water fracturing process on September 18, 1974. The well was shut-in on September 30, 1974, and after being shut-in for nine (9) days the well was tested on October 9, 1974, and following a three (3) hour blowdown period, the Pictured Cliffs Formation gauged 458 MCF/D through a 3/4" choke and 460 MCF/D by the calculated absolute open-flow method, with an SIPC of 649 psia. The spacing unit for this well is described as the East Half of Section 14, Township 25 North, Range 7 West, containing 320.00 acres.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

The spacing unit for this well was included in the Canyon Largo Unit, Fourteenth Expanded Pictured Cliffs Participating Area effective July 1, 1957 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #246 well, located 800' from the South line and 1600' from the East line of Section 26, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 5, 1974, and completed on October 22, 1974, in the Pictured Cliffs Formation at a total depth of 2853'. The Pictured Cliffs Formation in the intervals between 2680'-2690' and 2704'-2726' was treated with a sand-water fracturing process on September 26, 1974. The well was shut-in on October 10, 1974, and after being shut-in for twelve (12) days the well was tested on October 22, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 1140 MCF/D through a 3/4" choke and 1339 MCF/D by the calculated absolute open-flow method, with an SIPC of 291 psia. The spacing unit for this well is described as the East Half of Section 26, Township 25 North, Range 7 West, containing 320.00 acres.

The spacing unit for this well was included in the Canyon Largo Unit, Thirty-Second Expanded Pictured Cliffs Participating Area effective January 1, 1973 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #261 well, located 1715' from the South line and 1115' from the West line of Section 21, Township 24 North, Range 6 West, N.M.P.M., was spudded on August 1, 1974, and completed on December 11, 1974, in the Pictured Cliffs Formation at a total depth of 2519'. The Pictured Cliffs Formation in the intervals between 2436'-2456' was treated with a sandwater fracturing process on October 3, 1974. The well was shut-in on November 15, 1974, and after being shut-in for twenty-six (26) days the well was tested on December 11, 1974, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 430 MCF/D through a 3/4" choke and 431 MCF/D by the calculated absolute open-flow method, with an SIPC of 699 psia. The spacing unit for this well is described as the West Half of Section 21, Township 24 North, Range 6 West, containing 320.00 acres.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

The spacing unit for this well was included in the Canyon Largo Unit, Twenty-First Expanded Pictured Cliffs Participating Area effective April 1, 1959 and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP;DW;dm CLU, 4.1.1 Enclosure

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Ibex Inc.

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

541

January 27, 1975

El Paso Natural Gas Company Box 1492 El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: 1975 Drilling Program Canyon Largo Unit, Rio Arriba County, New Mexico.

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1975 providing for the drilling of twenty-six wells for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

cc: Commissioner of Public Lands Santa Fe, New Mexico

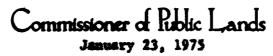
United States Geological Survey

Roswell, New Mexico

State of New Mexico



TELEPHONE 505-827-2748



P. O. BOX 1148 SANTA FE, NEW MEXICO \$7501

PHIL R. LUCERO COMMISSIONER

El Puso Matural Gas Company

P. O. Box 1492

El Paso, Temas 79999

Ra: Camyon Largo Unit Rio Arriba County, New Mexico 1975 DRILLING PROGRAM

ATTENTION: Mr. D. W. Confield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1975 Drilling Program for the Camyon Largo unit, Rio Arriba County, New Memico, proposing the drilling of six Pictured Cliffs and two Daksta wells, in addition to those wells previously listed as being carried forward from the 1974 Drilling Program. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed herewith.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PMIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:

BAY D. GRABAM, Director Oil and Gas Division

PRL/RDG/s

199

USGS-Recwell, New Mexico OCC- Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas 79978

January 16, 1975

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1975 DRILLING PROGRAM

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program and Supplemental Drilling Program for the referenced Unit on February 6, 1974 and May 1, 1974, respectively, for the calendar year 1974, providing for the drilling of twenty-nine (29) Pictured Cliffs, and nine (9) Dakota wells during 1974. All of the proposed wells were timely drilled or completed during 1974 with the exception of the following wells which will be drilled during 1975 due to a shortage of tubular goods during 1974:

Regional Oil & Gas & pervisor Commissioner of Public Lands Oil Conservation Commission Page Two

T.T... 1 1 A

Well #	Formation
<del></del>	
Canyon Largo #242	Pictured Cliffs
Canyon Largo #244	Pictured Cliffs
Canyon Largo #245	Pictured Cliffs
Canyon Largo #247	Pictured Cliffs
Canyon Largo #248	Pictured Cliffs
Canyon Largo #257	Pictured Cliffs
Canyon Largo #258	Pictured Cliffs
Canyon Largo #259	Pictured Cliffs
Canyon Largo #260	Pictured Cliffs
Canyon Largo #262	Pictured Cliffs
Canyon Largo #263	Pictured Cliffs
Canyon Largo #264	Pictured Cliffs
Canyon Largo #265	Pictured Cliffs
Canyon Largo #266	Pictured Cliffs
Canyon Largo #267	Pictured Cliffs
Canyon Largo #268	Pictured Cliffs
Canyon Largo #269	Pictured Cliffs
Canyon Largo #271	Pictured Cliffs
Canyon Largo #272	Pictured Cliffs
Canyon Largo #273	Pictured Cliffs
Canyon Largo #274	Pictured Cliffs
Canyon Largo #275	Pictured Cliffs
Canyon Largo #277	Pictured Cliffs
Canyon Largo #249	Dakota
Canyon Largo #255	Dakota
Canyon Largo #256	Dakota

Formation

The Thirty-sixth Expansion of the Pictured Cliffs Participating Area, effective May 1, 1974, was occasioned by the completion of the #230 well in the Pictured Cliffs formation. Pictured Cliff wells Nos. 173, 270 and 276 are currently being evaluated to determine if they will cause an expansion of the Pictured Cliffs Participating Area. Pictured Cliffs wells Nos. 243, 246 and 261 were completed within the existing boundaries of the Pictured Cliffs Participating Area and did not cause an expansion.

The completion of Dakota wells Nos. 250, 252, 253, 278 and 279 caused the Ninth Expansion of the Dakota Participating Area, effective October 1, 1974. The completion of Dakota well #254 caused the Tenth Expansion of the Dakota Participating Area, effective November 1, 1974.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

Pictured Cliffs  Commercial (includes #173, #270, #276 wells) Non-Commercial Plugged and Abandoned	151 9 12
Chacra Commercial Plugged and Abandoned Non-Commercial	25 1 1
Dual, Pictured Cliffs-Chacra Commercial Non-Commercial, Chacra	5 1
Mesaverde Non-Commercial	1
Dual, Mesaverde-Chacra Commercial Chacra (Non-Commercial Mesaverde)	1
Gallup Commercial Non-Commercial	1 <u>4</u> 1
Dual, <u>Gallup-Dakota</u> Non-Commercial, <u>Gallup</u> Non-Commercial, <u>Dakota</u>	1
Dakota Commercial Non-Commercial	17 5 246

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1975, in addition to those wells previously listed as being carried forward from the 1974 Drilling Program.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

Well No.	Drilling Block	Formation
280	W/2 Sec. 14, T-25-N, R-6-W	Pictured Cliffs
281	NW/4, $N/2$ $SW/4$ , Sec. 15,	Pictured Cliffs
	T-25-N, R-6-W	
282	E/2 Sec. 21, T-25-N, R-7-W	Pictured Cliffs
283	E/2 Sec. 29, T-25-N, R-7-W	Pictured Cliffs
284	Lots 3,4, S/2 NW/4, SW/4 (W/2)	Pictured Cliffs
	Sec. 3, T-25-N, R-7-W	
285	Lots 1,2, $S/2$ NE/4, $SE/4$ (E/2)	Pictured Cliffs
	Sec. 3, T-25-N, R-7-W	
286	E/2 Sec. 11, T-24-N, R-6-W	Dakota
287	W/2 Sec. 3, T-25-N, R-6-W	Dakota

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Director of Land

Energy Resource Development

DNC:DW:mcv Enclosures Canyon Largo 3.0

APPROVED:		DATE:
_	Regional Oil & Gas Supervisor	
	United States Geological Survey	
	Subject to like approval by the	
	Commissioner of Public Lands and	
	the Oil Conservation Commission	
APPROVED:		DATE:
	Commissioner of Public Lands	
	Subject to like approval by the	
	United States Geological Survey and	
	the Oil Conservation Commission	
	the Oil Conservation Commission	

DATE: Sinuary 27, 1975

APPROVED:

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

The foregoing approvals are for the 1975 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins and Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank

Mr. A. G. Hill

Margaret Hunt Hill

Ibex Partnership

Kimbell Oil Company

Estate of Hugh McMillan

#### CANYON LARGO UNIT Working Interest Owners - Page Two

Mrs. Merle McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

El Paso Matural Gas Company

El Paso, Texas MA - 1971

January 6, 1975

OIL CORLEGE OF COMM

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Chacra Formation

#### Gentlemen:

į

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Chacra Formation:

The Canyon Largo Unit #161 Well, located 1190' from the North line and 990' from the West line of Section 5, Township 25 North, Range 6 West, N.M.P.M., was spudded on April 15, 1970, and completed on May 15, 1974, in the Chacra Formation at a total depth of 3850'. The Chacra Formation in the intervals between 3684'-3700' and 3789'-3797' was treated with a sandwater fracturing process on May 19, 1970. The well was shut-in on April 1, 1974, and after being shut-in for forty-five (45) days the well was tested on May 15, 1974, and following a three (3) hour blow-down period, the Chacra Formation gauged 308 MCF/D through a 3/4" choke and 311 MCF/D by the calculated absolute openflow method, with an SIPT of 949 psia. The spacing unit for this well is described as the W/2 of Section 5, Township 25 North, Range 6 West, containing 320.00 acres.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of May 15, 1974, the date the subject well was tested:

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP:DW:km Enclosure Canyon Largo Unit, 4.5.1

cc: Mr. Antonio Martinez

Executive Director, New Mexico Oil

& Gas Accounting Commission

P. O. Box 2308

Santa Fe, New Mexico 87501

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins and Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank

Mr. A. G. Hill

Margaret Hunt Hill

Ibex Partnership

Kimbell Oil Company

Estate of Hugh McMillan

#### CANYON LARGO UNIT Working Interest Owners - Page Two

Mrs. Merle McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

El Paso, Texas 79978

August 21, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL

> > WELL, Chacra Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the test date indicated that one (1) additional well capable of producing unitized substances in paying quantities from the Chacra Formation, has been completed upon acreage committed to this unit.

#### This well is as follows:

The Canyon Largo Unit #237 Well, located 1050' from the North line and 800' from the East line of Section 1, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 19, 1973, and completed on December 24, 1973, at a total depth of 3955'. The Chacra Formation in the intervals between 3736'-3748', and 3836'-3844' was treated with a sand-water fracturing process on April 17, 1974. The well was shut-in on May 23, 1974, and after being shut-in for twenty-seven (27) days, the Chacra Formation was tested on June 19, 1974, and after a three-hour blow-down period the well gauged 1014 MCF/D through a 3/4" choke and 1032 MCF/D by the calculated absolute open-flow method, with a SIPC of 735 psia. The spacing unit for this well is described as the E/2 of Section 1, Township 25 North, Range 6 West, containing 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Five

This drilling block was included in the Canyon Largo Unit 9th Expanded Participating Area for the Chacra Formation, effective December 1, 1969. The completion of this well does not warrant any further expansion of the Chacra Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter & Supervising Landman

Land Department

Energy Resource Development

JRP:RGC:sn Attachment CLU, 4.5.

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

CANYON LARGO UNIT Working Interest Owners - Page 2

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

El Paso, Texas 79978

August 15, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico,
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Mesaverde Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso as Unit Operator, is not capable of producing unitized substances in paying quantities from the Mesaverde formation:

The Canyon Largo Unit #237 Well is located 1050' from the North line and 800' from the East line of Section 1, Township 25 North, Range 6 West, N.M.P.M. This well was spudded on November 19, 1973 and completed on December 24, 1973, at a total depth of 5302'. The Mesaverde formation in the intervals between 5082'-5098', 5140'-5148', 5170'-5176', 5186'-5200', and 5224'-5240' was treated with a sand-water fracturing process on April 17, 1974, and after being shut-in for thirty-six (36) days, the Mesaverde formation was tested on July 9, 1974 and following a three-hour blow-down period gauged 350 MCF/D through a 3/4" choke and 355 MCF/D by the calculated absolute open-flow method with an SIPC of 1234 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Mesaverde formation was made on July 9, 1974.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, these determinations shall be effective as of the dates the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:RGC:sn

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company (3)

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

OIL CONST TO THE COLAM

El Paso, Texas 79978 August 15, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL, Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059 approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #205 well, located 1500' from the North line and 1750' from the East line of Section 13, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 10, 1973, and completed on November 29, 1973, at a total depth of 2869'. The Pictured Cliffs Formation in the intervals between 2748'-2758', and 2776'-2790', was treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on May 7, 1974, and after being shut-in for sixty-one (60) days the Pictured Cliffs formation was tested on July 9, 1974, and after a three-hour blow-down period the well gauged 1441 MCF/D through a 3/4" choke and 1487 MCF/D by the calculated absolute open-flow method, with an SIPC of 807 psia. The spacing unit for this well is described as the E/2 of Section 13, Township 25 North, Range 6 West, containing 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission August 15, 1974 Page Two

This drilling block was included in the Canyon Largo Unit Seventh Expanded Participating Area for the Pictured Cliffs formation, effective April 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:RGC:sn CLU, 4.1.1 Enclosure

### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Caylas (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

PWG Partnership

El Paso, Texas 79978

June 19, 1974

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re:

Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, Mesaverde Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Mesaverde Formation:

The Canyon Largo Unit #238 Well, located 890' from the North line and 800' from the East line of Section 12, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 15, 1973, and completed on December 10, 1973 at a total depth of 5240'. The Mesaverde Formation in the intervals between 4946'-4956', 4978'-4988', 5024'-5054', 5080'-5092', 5118'-5132', 5146'-5156', 5186'-5198' was treated with a sand-water fracturing process on December 11, 1973. The well was shut-in on April 10, 1974, and after being shut-in for twenty (20) days the Mesaverde Formation was tested on April 30, 1974, and after a three-hour blow down period the well gauged 792 MCF/D through a 3/4" choke and 865 MCF/D by the calculated absolute open-flow method, with an SIPC of 1237 psia and an SIPT of 954 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on April 30, 1974.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, these determinations shall be effective as of the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:1j CLU 4.3, 4.3.1

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

CANYON LARGO UNIT Working Interest Owners - Page 2

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

El Paso, Texas 79078

June 5, 1974

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SUPPLEMENTAL 1974 DRILLING PROGRAM Pictured Cliffs-Chacra Formations

#### Gentlemen:

This is to advise that the captioned Supplemental Drilling Program was approved by the regulatory agencies on the following dates:

> United States Geological Survey - May 23, 1974 Commissioner of Public Lands - May 3, 1974 - May 29, 1974 Oil Conservation Commission

Copies of this letter will be sent to the working interest owners of the Canyon Largo Unit.

Yours very truly,

Robert G. Clark

Landman

Land Department

Energy Resource Development

RGC:1j CLU 3.0, 4.1, 4.3

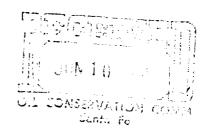
El Paso, Texas 79978

June 5, 1974

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re:

Canyon Largo Unit #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS, Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the test dates indicated that six (6) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation, have been completed upon acreage committed to this unit.

These wells are as follows:

The Canyon Largo Unit #201 Well, located 1840' from the South line and 1775' from the East line of Section 3, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 16, 1973 and completed on April 18, 1974 at a total depth of 3025'. The Pictured Cliffs Formation in the intervals between 2904'-2912', 2928'-2944' was treated with a sand-water fracturing process on April 10, 1974. The well was shut-in on April 22,1974 and after being shut-in for sixteen (16) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 867 MCF/D through a 3/4" choke and 876 MCF/D by the calculated absolute open-flow method, with an SIPC of 854 psia. The spacing unit for this well is described as the E/2 of Section 3, Township 25 North, Range 6 West, containing 321.15 acres.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #224 Well, located 1550' from the South line and 800' from the West line of Section 1, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 30, 1973 and completed on November 12, 1973 at a total depth of 3035'. The Pictured Cliffs Formation in the intervals between 2896'-2904', 2914'-2930', 2954'-2966', was treated with a sand water fracturing process on April 10, 1974. The well was shut-in on April 17, 1974 and after being shut-in for twenty-one (21) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 1624 MCF/D through a 3/4" choke and 1718 MCF/D by the calculated absolute open-flow method, with an SIPC of 689 psia. The spacing unit for this well is described as the W/2 of Section 1, Township 25 North, Range 6 West, containing 320.60 acres.

This drilling block was included in the Canyon Largo Unit Twenty-first Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #225 Well, located 800' from the South line and 1180' from the West line of Section 3, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 15, 1973 and completed on October 28, 1973 at a total depth of 2982'. The Pictured Cliffs Formation in the intervals between 2882'-2890', 2906'-2918' was treated with a sand-water fracturing process on April 10, 1974. The well was shut-in on April 17, 1974 and after being shut-in for twenty-one (21) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 982 MCF/D through a 3/4" choke and 996 MCF/D by the calculated absolute open-flow method, with an SIPC of 832 psia. The spacing unit for this well is described as the W/2 of Section 3, Township 25 North, Range 6 West, containing 321.37 acres.

This drilling block was included in the Canyon Largo Unit Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

The Canyon Largo Unit #226 Well, located 1750' from the South line and 1550' from the East line of Section 10, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 18, 1973 and completed on November 6, 1973 at a total depth of 2876'. The Pictured Cliffs Formation in the intervals between 2766'-2778', 2786'-2798' was treated with a sand-water fracturing process on April 10, 1974. The well was shut-in on April 15, 1974 and after being shut-in for twenty-three (23) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 2960 MCF/D through a 3/4" choke and 3459 MCF/D by the calculated absolute openflow method, with an SIPC of 767 psia. The spacing unit for this well is described as the E/2 of Section 10, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #227 Well, located 800' from the South line and 1810' from the West line of Section 11, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 1, 1973 and completed on November 14, 1973 at a total depth of 2816'. The Pictured Cliffs Formation in the intervals between 2732'-2744', 2756'-2764' was treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on April 16, 1974 and after being shut-in for twenty-two (22) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 774 MCF/D through a 3/4" choke and 781 MCF/D by the calculated absolute open-flow method, with an SIPC of 810 psia. The spacing unit for this well is described as the W/2 of Section 11, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Sixth Expanded Participating Area for the Pictured Cliffs Formation, effective March 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

The Canyon Largo Unit #228 Well, located 1810' from the South line and 800' from the West line of Section 13, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 9, 1973 and completed on November 26, 1973 at a total depth of 2766'. The Pictured Cliffs Formation in the interval between 2668'-2688' was treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on April 17, 1974 and after being shut-in for twenty-one (21) days the Pictured Cliffs Formation was tested on May 8, 1974, and after a three-hour blow-down period the well gauged 2361 MCF/D through a 3/4" choke and 2601 MCF/D by the calculated absolute open-flow method, with an SIPC of 762 psia. The spacing unit for this well is described as the W/2 of Section 13, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Seventh Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

James R. Permenter pur Supervising Landman

Supervising Landm Land Department

Energy Resource Development

JRP:RGC:lj
Attachment
CLU 3.0, 4.1.1

cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and Gas Accounting Commission
Post Office Box 2308
Santa Fe, New Mexico 87501

#### CANYON LARGO UNII Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Admin. of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

541

El Paso Natural Gas Company To

May 30

OIL CONSERVATION COMM

Lanta le

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857

Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re:

Canyon Largo Unit #14-03-001-1059 Rio Arriba County, New Mexico NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, Pictured Cliffs Formation

#### Gentlemen:

Please find enclosed a copy of our letter dated February 7, 1974 with regard to the captioned completion of the Canyon Largo Unit #219 non-commercial well.

We have received word from the Regional Oil and Gas Supervisor of the United States Geological Survey that they did not receive the enclosed notice of non-commercial well, and we are therefore redistributing copies to all governmental agencies and working interest owners of the Canyon Largo Unit.

If you have previously received a notice of completion of the Canyon Largo Unit #219 non-commercial well, please disregard this notice.

Yours very truly,

Robert G. Clark

Landman

Land Department

Energy Resource Development

RGC:1j Enclosure CLU 4.1, 4.1.1 NM-6207

El Paso, Texas 79978

February 7, 1974

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, Pictured Cliffs

Formation

#### Gentlemen:

CONSERVATION COM

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The Canyon Largo Unit #219 Well, located 1170' from the North line and 1700' from the East line of Section 1, Township 24 North, Range 7 West, N.M.P.M., was spudded on August 27, 1973 and completed on November 15, 1973 at a total depth of 2528'. The Pictured Cliffs Formation in the intervals between 2434'-2444', 2462'-2478', 2488'-2494' was treated with a sand-water fracturing process on September 28, 1973. The well was shut-in on December 17. 1973, and after being shut-in for thirty-six (36) days the Pictured Cliffs Formation was tested on January 23, 1974, and after a three-hour blow-down period the well gauged 186 MCF/D through a 3/4" choke and 186 MCF/D by the calculated absolute open-flow method, with an SIPC of 609 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 30, 1974.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefore, and in the absence of disapproval, this determination shall be effective as of the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter poc Supervising Landman

Land Department

Energy Resource Development

JRP:RGC:1j
CLU 4.1, 4.1.1

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

#### CANYON LARGO UNIT Working Interest Owners - Page 2

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

### OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 29, 1974

El Paso Natural Gas Company P. O. Box 1492

KL Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: Supplemental 1974 Drilling Program, Campon Largo Unit, Rio Arriba County, New Mexico.

#### Gentlemen:

This is to advise that the New Maxico Oil Conservation Commission has this date approved the supplement to the 1974 Drilling Program providing for the drilling of twenty-one Pictured Cliffs wells and two Dakota wells for the Camyon Large Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Maxico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

cc: Commissioner of Public Lands Santa Fe, New Mexico

> U. S. Geological Survey Roswell, New Mexico

El Paso, Texas 79978 May 24, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #203 well, located 1480' from the South line and 1740' from the West line of Section 10, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 17, 1973, and completed on November 3, 1973, at a total depth of 2868'. The Pictured Cliffs Formation in the intervals between 2748'-2766' and 2808'-2822', were treated with a sand-water fracturing process on April 10, 1974. The well was shut-in on April 17, 1974, and after being shut-in for fourteen (14) days the Pictured Cliffs Formation was tested on May 1, 1974, and after a three-hour blow-down period the well gauged 2018 MCF/D through a 3/4" choke and 2221 MCF/D by the calculated absolute open-flow method, with an SIPC of 658 psia. The drilling block upon which this well is located is described as the W/2 of Section 10-25N-6W, N.M.P.M., and consists of 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Thirty-third Expanded Participating Area for the Pictured Cliffs Formation, effective February 1, 1973. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #204 well, located 850' from the North line and 925' from the East line of Section 11, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 29, 1973, and completed on November 9, 1973, at a total depth of 2978'. The Pictured Cliffs Formation in the intervals between 2864'-2876' and 2902'-2910', were treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on April 17, 1974, and after being shut-in for fourteen (14) days the Pictured Cliffs Formation was tested on May 1, 1974, and after a three-hour blow-down period the well gauged 1157 MCF/D through a 3/4" choke and 1182 MCF/D by the calculated absolute openflow method, with an SIPC of 806 psia. The spacing unit for this well is described as the E/2 of Section 11, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1955. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly

James R. Permenter (Supervising Landman

Land Department

Energy Resource Development

JRP:RGC:mcv CLU, 4.1.1 Enclosure CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlantic Richfield Company (3)

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

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J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMFG Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

El Paso, Texas 79978 May 24, 1974

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re:

Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico THIRTY-SIXTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation, Effective May 1, 1974

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

#### THIRTY-SIXTH EXPANDED PARTICIPATING AREA - Effective May 1, 1974

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W Sec. 15: E/2	320.00	230

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Pertinent data on this well is as follows:

The Canyon Largo Unit #230 well, located 900' from the North line and 800' from the East line of Section 15, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 3, 1973, and completed on November 17, 1973, at a total depth of 2802'. The Pictured Cliffs Formation in the interval between 2708'-2720', was treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on April 15, 1974, and after being shut-in for eight (8) days the Pictured Cliffs Formation was tested on April 23, 1974, and after a three-hour blow-down period the well gauged 2302 MCF/D through a 3/4" choke and 2486 MCF/D by the calculated absolute open-flow method, with and SIPC of 834 psia. The committed Drilling Block upon which this well is located is described as the E/2 of Section 15, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on April 23, 1974.

Attached hereto is Schedule XXXVII showing the Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownershp in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation will become effective as of May 1, 1974.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

James & Rement

Energy Resource Development

JRP:RGC:mcv Enclosures CLU 4.1

cc: Antonio Martinez
Executive Director
New Mexico Oil & Gas Accounting Commission
Post Office Box 2308
Santa Fe, New Mexico 87501



### United States Department of the Interior

GEOLOGICAL SURVEY

Roswell, New Mexico 88201

May 2 1974

OEL CONSERS AND COMM.

El Paso Natural Gas Company Attention: Mr. D. N. Canfield

P. O. Bex 1492

El Paso, Texas: 79978

#### Gentlemen:

Your supplement, dated May 6, 1974, to the 1974 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, was approved on this date subject to like approval by the appropriate State officials. Such supplement proposes the drilling of two Dakota wells and 21 Pictured Cliffs wells.

Three approved copies of the supplemental plan are enclosed.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. Frederick Area Oil and Gas Supervisor

cc:
NMOCC, Santa Fe (ltr only) \( \sqrt{}
Com. Pub. lands, Santa Fe (ltr. only)
Durango (w/cy plan)

JAG:td

State of New Mexico

781479088 --505-827-2748



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands

May 8, 1974

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Pago Matural Gas Company

P. O. Bex 1492

El Pase, Tema S 79999

Re: Canyon Largo Unit Rie Arriba County, New Mexice SUPPLIMENTAL 1974 DRILLING PROGRAM

ATTENTION: Mr. D. N. Confield

Gentlemen:

The Commissioner of Public Lands has this date approved your Supplemental 1974 Drilling Program for the Huerfano Unit, Rio Arribe County, New Maxico, proposing the drilling of twenty-one (21) Pictured Cliffs wells and two (2) Debota wells. This approvel is subject to like approval by the United States Geological Survey and the Oil Conservation Counterion.

One approved copy of the plan is enclosed herewith.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director 011 and Gas Department

AJA/RDG/s unels.

00:

USGS-Roswell, New Maxico OCC- Santa Fa, New Mexico

El Paso, Texas 79978

May 3, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #229 well, located 1630' from the South line and 1140' from the East line of Section 14, Township 25 North, Range 6 West, N.M.P.M., was spudded on November 5, 1973, and completed on November 20, 1973, at a total depth of 2644'. The Pictured Cliffs Formation in the interval between 2554'-2572', was treated with a sand-water fracturing process on April 5, 1974. The well was shut-in on April 15, 1974, and after being shut-in for eight (8) days the Pictured Cliffs Formation was tested on April 23, 1974, and after a three-hour blow-down period the well gauged 2972 MCF/D through a 3/4" choke and 3409 MCF/D by the calculated absolute open-flow method, with an SIPC of 808 psia. The spacing unit for this well is described as the E/2 of Section 14, Township 25 North, Range 6 West, containing 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Fourteenth Expanded Participating Area for the Pictured Cliffs Formation, effective July 1, 1957. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:RGC:sn CLU, 4.1.1 Enclosure

cc: Mr. Antonio Martinez
New Mexico Oil & Gas
Accounting Commission

### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company (3)

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco 0il Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

El Paso, Texas 74978

May 1, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SUPPLEMENTAL 1974 DRILLING PROGRAM

#### Gentlemen:

By letter dated February 6, 1974, El Paso Natural Gas Company, as Unit Operator, submitted for your approval the proposed drilling program for the 1974 calendar year. Said program provided for the drilling of eight (8) Pictured Cliffs wells and seven (7) Dakota wells during 1974. Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, now desires to supplement the 1974 drilling program to provide for the drilling of the following wells during the 1974 calendar year:

Well No.	Drilling Block	<u>Formation</u>
257	W/2 Sec. 5-24N-6W	Pictured Cliffs
258	E/2 Sec. 6-24N-6W	Pictured Cliffs
259	E/2 Sec. 12-24N-6W	Pictured Cliffs
260	W/2 Sec. 17-24N-6W	Pictured Cliffs
261	W/2 Sec. 21-24N-6W	Pictured Cliffs
262	E/2 Sec. 21-24N-6W	Pictured Cliffs
263	SW/4 Sec. 35-24N-6W	Pictured Cliffs
264	W/2 Sec. 1-24N-7W	Pictured Cliffs
265	E/2 Sec. 10-24N-7W	Pictured Cliffs

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

Well No.	<u>Drilling Block</u>	<u>Formation</u>
266	E/2 Sec. 8-25N-6W	Pictured Cliffs
267	W/2 Sec. 18-25N-6W	Pictured Cliffs
268	E/2 Sec. 19-25N-6W	Pictured Cliffs
269	W/2 Sec. 20-25N-6W	Pictured Cliffs
270	E/2 Sec. 20-25N-6W	Pictured Cliffs
271	E/2 Sec. 32-25N-6W	Pictured Cliffs
272	W/2 Sec. 33-25N-6W	Pictured Cliffs
273	E/2 Sec. 33-25N-6W	Pictured Cliffs
274	E/2 Sec. 13-25N-7W	Pictured Cliffs
275	W/2 Sec. 15-25N-7W	Pictured Cliffs
276	W/2 Sec. 27-25N-7W	Pictured Cliffs
277	E/2 Sec. 28-25N-7W	Pictured Cliffs
278	W/2 Sec. 11-25N-6W	Dakota
279	E/2 Sec. 14-25N-6W	Dakota

In addition to the above supplemental wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this supplemental program reflects a majority of their desires for additional drilling.

If this supplemental Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this supplemental program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

D. N. Canfield

Manager

Land Department

Energy Resource Development

DNC:AA:sn Attachment CLU, 3.0

APPROVED	Regional Oil & Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE:
APPROVED	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE:
APPROVED	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE: <u>May 39, 1974</u>

The foregoing approvals are for the Supplemental 1974 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company (3)

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

El Paso, Texas 79978 April 26, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 The colors of the comm

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #213 well, located 1560' from the North line and 1140' from the West line of Section 8, Township 24
North, Range 6 West, N.M.P.M., was spudded on September 5, 1973, and completed on November 16, 1973, at a total depth of 2501'. The Pictured Cliffs Formation in the intervals between 2368'-2378', 2390'-2410', 2430'-2440', was treated with a sand-water fracturing process on October 4, 1973. The well was shut-in on November 28, 1973, and after being shut-in for seven (7) days the Pictured Cliffs Formation was tested on December 6, 1973, and after a three-hour blow-down period the well gauged 781 MCF/D through a 3/4" choke and 795 MCF/D by the calculated absolute open-flow method, with an SIPC of 588 psia. The spacing unit for this well is described as the W/2 of Section 8, Town-ship 24 North, Range 6 West, containing 320.00 acres.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Twenty-eighth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1962. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #215 well, located 1710' from the North line and 1640' from the East line of Section 9, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 13, 1973, and completed on November 17, 1973, at a total depth of 2414'. The Pictured Cliffs Formation in the intervals between 2306'-2316', 2326'-2336', 2352-2372', was treated with a sand-water fracturing process on October 6, 1973. The well was shut-in on November 20, 1973, and after being shut-in for sixteen (16) days the Pictured Cliffs Formation was tested on December 6, 1973, and after a three-hour blow-down period the well gauged 578 MCF/D through a 3/4" choke and 585 MCF/D by the calculated absolute open-flow method, with an SIPC of 512 psia. The spacing unit for this well is described as the E/2 of Section 9, Township 24 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Sixteenth Expanded Participating Area for the Pictured Cliffs Formation, effective July 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #216 well, located 1720' from the North line and 1530' from the East line of Section 15, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 12, 1973, and completed on November 18, 1973, at a total depth of 2392'. The Pictured Cliffs Formation in the intervals between 2284'-2296', 2324'-2344', was treated with a sand-water fracturing process on October 6, 1973. The well was shut-in on November 20, 1973, and after being shut-in for sixteen (16) days the Pictured Cliffs Formation was tested on December 6, 1973, and after a three-hour blow-down period the well gauged 508 MCF/D through a 3/4" choke and 514 MCF/D by the calculated absolute open-flow method, with and SIPC of 427. The spacing unit for this well is described as the E/2 of Section 15, Township 24 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Fifteenth Expanded Participating Area for the Pictured Cliffs Formation, effective March 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter
Supervising Landman
Land Department

Energy Resource Development

JRP:AEA:mcv CLU, 4.1.1 Enclosure CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company (3)

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr., and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell Oil Company

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

El Paso, Texas 19978

March 27, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re:

Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1974 DRILLING PROGRAM

#### Gentlemen:

This is to advise that the captioned Drilling Program was approved by the Regulatory Agencies on the following dates:

United States Geological Survey - March 13, 1974 Commissioner of Public Lands - March 4, 1974 Oil Conservation Commission - February 25, 1974

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Yours very truly,

Alan Alexander

Landman

Land Department

Energy Resource Development

AA:1j CLU 3.0



#### United States Department of the Interior

#### GEOLOGICAL SURVEY

#### Drawer 1857 Roswell, New Mexico 88201

March 13, 1974

El Paso Natural Gas Company Attention: Mr. D. N. Canfield P.O. Box 1492 El Paso, Texas 79978

#### Gentlemen:

Three approved copies of your 1974 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing the drilling of eight Pictured Cliffs wells and seven Dakota wells, was approved on this date subject to like approval by the appropriate official of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYMICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

NMOCC, Santa Fe (1tr only)
Com. Pub. Lands, Santa Fe (1tr only)
Durango (w/cy plan)

JAGillham:ds

State of New Mexico

TELEPHONE 505-827-2748



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1974 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your Drilling Program for the year 1974, whereby you propose to drill eight Pictured Cliffs wells and seven Dakota wells. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director Oil and Gas Department

AJA/RDG/s espels.

CC:

OCC- Santa Fe, New Mexico USGS-Roswell, New Mexico

#### OIL CONSERVATION COMMISSION

P. O. BOX 2088

#### SANTA FE, NEW MEXICO 87501

February 25, 1974

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79978

Attention: Mr. D. W. Canfield

Re: 1974 Drilling Program; Canyon Largo Unit. Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1974 providing for the drilling of eight Pictured Cliffs wells and seven Dakota wells for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEY./og

cc: Commissioner of Public Lands - Santa Fe United States Geological Survey - Roswell State of New Mexico

7214 PHONE 505-827-2748



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands February 11, 1974

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company

P. O. Ben 1492

El Paco, Texas 79978

Be: Campon Largo Unit
Rio Arribe County, New Hemico,
MIGHTH REPARENCE PARTICIPATING
AREA, Refective December 1, 1973
Dekete Formation

ATTEMPTOM: Mr. James R. Permenter

#### Gautlemen:

This will ecknowledge receipt of your Eighth Expanded Participating Area, Dekota Formation, for the Canyon Largo Unit.

Since this meeds no official approved we have this date accepted the ampaneion and filed it for record purposes.

Enclosed is one copy of the expension showing the data received in this effice.

Very truly yours.

RAY D. GRAMM, Director Oil and Gas Division

AJA/REG/s cancl. 1

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USCO-Resvell, New Meules OCC- Santa Fe, New Meules

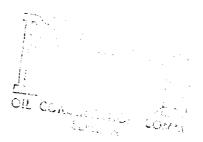
# El Paso Natural Gas Company El Paso, Texas 79978

February 7, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico, EIGHTH EXPANDED PARTICIPATING AREA, Effective December 1, 1973 Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that two (2) additional wells capable of producing unitized substances in paying quantities from the Dakota Formation have been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include these wells, to wit:

#### EIGHTH EXPANDED PARTICIPATING AREA - Effective December 1, 1973

Description of Lands	Acres
Township 25 North, Range 6 West, N.M.P.M.	
Section 1: Lots 3,4, S/2 NW/4, SW/4 (W/2)	640.60
Section 12: W/2	

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

#### Pertinent data on these wells is as follows:

The Canyon Largo Unit #239 well, located 1550' from the South line and 1600' from the West line of Section 1, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 31, 1973, and completed on November 5, 1973, at a total depth of 7484'. The Dakota Formation in the intervals between 7218'-7238', 7256'-7268', was treated with a sand-water fracturing process on November 4, 1973. The well was shut-in on November 6, 1973, and after being shut-in for fifteen (15) days the Dakota Formation was tested on November 21, 1973, and after a three-hour blow-down period the well gauged 1874 MCF/D through a 3/4" choke and 1965 MCF/D by the calculated absolute open-flow method, with an SIPC of 2667 psia and an SIPT of 2667 psia.

The Canyon Largo Unit #240 well, located 1800' from the South line and 800' from the West line of Section 12, Township 25 North, Range 6 West, N.M.P.M., was spudded on August 12, 1973, and completed on November 9, 1973, at a total depth of 7479'. The Dakota Formation in the intervals of 7154', 7156', 7198', 7236', 7238', 7284', 7286', 7312', was treated with a sand-water fracturing process on November 7, 1973. The well was shut-in on November 9, 1973, and after being shut-in for seventeen (17) days the Dakota Formation was tested on November 26, 1973, and after a three-hour blow-down period the well gauged 1466 MCF/D through a 3/4" choke and 1534 MCF/D by the calculated absolute open-flow method, with an SIPC of 2472 psia and an SIPT of 722 psia.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Eighth Expanded Participating Area for the Dakota Formation will become effective as of December 1, 1973.

Attached hereto is Schedule IX showing the Eighth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter and Schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP: AA: sn Enclosures

cc: Mr. Antonio Martinez, Executive Director New Mexico Oil & Gas Accounting Commission

El Paso, Jexas 79978 February 6, 1974

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico, 1974 DRILLING PROGRAM

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit on September 21, 1973, for the calendar year 1973, providing for the drilling of forty-one (41) Pictured Cliffs, one (1) Pictured Cliffs-Chacra, one (1) Chacra, One (1) Mesaverde-Chacra, one (1) Mesaverde, and three (3) Dakota wells during 1973. All of the proposed wells were timely drilled or completed during 1973, with the exception of the #231 Pictured Cliffs-Chacra, #236 Chacra, and #191 Pictured Cliffs wells which have not been drilled; and the #230 Pictured Cliffs, #238 Mesaverde, #241 Dakota, and #237 Mesaverde-Chacra wells, which have been drilled but have not been completed as of the date of this letter.

The 35th expansion of the Pictured Cliffs participating area, effective November 1, 1973, was occasioned by the completion of the #212 well in the Pictured Cliffs formation.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

The completion of Dakota wells #239 and #240 caused the 8th expansion of the Dakota participating area, effective December 1, 1973. The remaining Pictured Cliffs wells were completed upon acreage already included in their respective participating areas. Pictured Cliffs well #219 was completed as a well incapable of producing unitized substances in paying quantities and did not cause an expansion of the participating area.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs Commercial (includes #230 well) Non-Commercial Plugged and Abandoned	145 9 12
Chacra Commercial Plugged and Abandoned Temporarily Abandoned (#161 well)	25 1 1
Dual, Pictured Cliffs-Chacra Commercial Non-Commercial, Chacra	5 1
Mesaverde Commercial (includes #238 well) Non-Commercial	1 1
Dual, Mesaverde-Chacra Commercial (includes #237 well)	1
Gallup Commercial Non-Commercial	14 1
Dual, Gallup-Dakota Non-Commercial, Gallup Non-Commercial, Dakota	1 1
Dakota Commercial (includes #241 well) Non-Commercial	11 <u>5</u> 235

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1974.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Three

Well No.	Drilling Block	<u>Formation</u>
242	W/2 Sec. 13, T-25-N, R-7-W	Pictured Cliffs
243 244	E/2 Sec. 14, T-25-N, R-7-W E/2 Sec. 23, T-25-N, R-7-W	Pictured Cliffs Pictured Cliffs
245	W/2 Sec. 26, T-25-N, R-7-W	Pictured Cliffs
246	E/2 Sec. 26, T-25-N, R-7-W	Pictured Cliffs
247	E/2 Sec. 27, T-25-N, R-7-W	Pictured Cliffs
173	E/2 Sec. 28, T-25-N, R-7-W	Pictured Cliffs
248	W/2 Sec. 36, T-25-N, R-7-W	Pictured Cliffs
249	E/2 Sec. 4, T-24-N, R-6-W	Dakota
250	E/2 Sec. 1, T-25-N, R-6-W	Dakota
252	E/2 Sec. 3, T-25-N, R-6-W	Dakota
253	E/2 Sec. 12, T-25-N, R-6-W	Dakota
254	E/2 Sec. 13, T-25-N, R-6-W	Dakota
255	W/2 Sec. 13, T-25-N, R-7-W	Dakota
256	W/2 Sec. 27, T-25-N, R-7-W	Dakota

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

D. N. Canfield

Manager

Land Department

Energy Resource Development

angued

DNC:AEA:sn Enclosures

Canyon Largo 3.0

APPROVED	Regional Oil & Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE:
APPROVED	: Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE:
APPROVED	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE: Teliniary 25,1974

The foregoing approvals are for the 1974 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

PWG Partnership

State of New Mexico

TELEPHONE 505-827-2748



ALEX J. ARMIJO COMMISSIONER



# Commissioner of Public Lands January 31, 1974

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company P. O. Box 1492 El Paso, Texas 79999

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
THIRTY-FIFTH EXPANDED
PARTICIPATING ARRA, Pictured
Cliffs Formation, Effective 11-1-73

ATTENTION: Mr. James R. Permenter

Centlemen:

This will acknowledge receipt of your Thirty-Fifth Expanded Participating Area, Pictured Cliffs Formation, for the Canyon Large Unit.

Since this meeds no efficial approval we have this date accepted the expansion and filed it for record purposes.

Maclosed is one copy of the expansion showing the date received by this office.

Very truly yours,

RAY D. GRAHAM, Director Oil and Gas Division

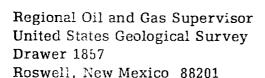
AJA/EDG/s engls.

...

USCS-Roswell, New Mexico OCC- Santa We, New Mexico

El Paso, Texas 79978

January 23, 1974



Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
THIRTY-FIFTH EXPANDED
PARTICIPATING AREA, Pictured
Cliffs Formation, Effective 11-1-73

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded as follows:

#### THIRTY-FIFTH EXPANDED PARTICIPATING AREA - Effective November 1, 1973

Drilling Block	Acres	Canyon Largo Unit Well No.
T-24-N, R-6-W Sec. 6: W/2	335.74	212

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

#### Pertinent data on this well is as follows:

The Canyon Largo Unit #212 well, located 1675' from the South line and 1150' from the West line of Section 6, Township 24 North, Range 6 West, N.M.P.M., was spudded on August 30, 1973, and completed on October 4, 1973, at a total depth of 2327'. The Pictured Cliffs Formation in the intervals between 2200'-2224', 2244'-2252' was treated with a sand-water fracturing process on October 4, 1973. The well was shut-in on October 16, 1973, and after being shutin for seven (7) days the Pictured Cliffs Formation was tested on October 23, 1973, and after a three hour blow-down period the well gauged 1017 MCF/D through a 3/4" choke and 1041 MCF/D by the calculated absolute open-flow method, with an SIPC of 656 psia. The committed Drilling Block upon which this well is located is described as the W/2 of Section 6, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 335.74 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 29, 1973.

Attached hereto is Schedule XXXVI showing the Thirty-fifth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Thirty-fifth Expanded Participating Area for the Pictured Cliffs Formation will become effective as of November 1, 1973.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP: AA: sv Enclosures CLU 4.1

cc: Antonio Martinez

Executive Director,

New Mexico Oil & Gas Accounting Commission

Post Office Box 2308

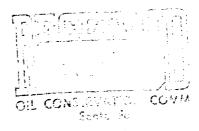
Santa Fe, New Mexico 87501

El Paso, Texas 79978 January 9, 1974 241

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that four (4) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #190 well, located 800' from the South line and 850' from the East line of Section 14, Township 25 North, Range 7 West, N.M.P.M., was spudded on October 8, 1973, and completed on November 6, 1973, at a total depth of 2705'. The Pictured Cliffs Formation in the intervals between 2590'-2604', 2666'-2682', was treated with a sand-water fracturing process on November 1, 1973. The well was shut-in on November 19, 1973, and after being shut-in for seven (7) days the Pictured Cliffs Formation was tested on November 26, 1973, and after a three-hour blow-down period the well gauged 1294 MCF/D through a 3/4" choke and 1365 MCF/D by the calculated absolute open-flow method, with an SIPC of 555 psia. The spacing unit for this well is described as the E/2 of Section 14, Township 25 North, Range 7 West, containing 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Thirty-second Expanded Participating Area for the Pictured Cliffs Formation, effective January 1, 1973. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #195 well, located 1650' from the North line and 1651' from the East line of Section 26, Township 25 North, Range 7 West, N.M.P.M. was spudded on October 5, 1973, and completed on October 24, 1973, at a total depth of 2741'. The Pictured Cliffs Formation in the intervals between 2680'-2690', 2700'-2710', was treated with a sand-water fracturing process on October 24, 1973. The well was shut-in on November 9, 1973, and after being shut-in for twelve (12) days the Pictured Cliffs Formation was tested on November 21, 1973, and after a three-hour blow-down period the well gauged 1207 MCF/D through a 3/4" choke and 1299 MCF/D by the calculated absolute open-flow method, with an SIPC of 449 psia. The spacing unit for this well is described as the E/2 of Section 26, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Thirty-second Expanded Participating Area for the Pictured Cliffs Formation, effective January 1, 1973. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #202 well, located 1760' from the South line and 1020' from the West line of Section 5, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 10, 1973, and completed on November 1, 1973, at a total depth of 2965'. The Pictured Cliffs Formation in the intervals between 2824'-2838', 2866'-2882', was treated with a sand-water fracturing process on November 1, 1973. The well was shut-in on November 13, 1973, and after being shut-in for eight (8) days the Pictured Cliffs Formation was tested on November 21, 1973, and after a three-hour blow-down period the well gauged 1269 MCF/D through a 3/4" choke and 1298 MCF/D by the calculated absolute open-flow method, with an SIPC of 837 psia. The spacing unit for this well is described as the W/2 of Section 5, Township 25 North, Range 6 West, containing 322.40 acres.

This drilling block was included in the Canyon Largo Unit Third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1955. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Three

The Canyon Largo Unit #206 well, located 890' from the South line and 800' from the West line of Section 19, Township 25 North, Range 6 West, N.M.P.M., was spudded on October 4, 1973, and completed on October 24, 1973, at a total depth of 2802'. The Pictured Cliffs Formation in the intervals between 2612'-2632', 2700'-2710', was treated with a sand-water fracturing process on October 24, 1973. The well was shut-in on October 27, 1973, and after being shut-in for twenty-five (25) days the Pictured Cliffs Formation was tested on November 21, 1973, and after a three-hour blow-down period the well gauged 1825 MCF/D through a 3/4" choke and 2675 MCF/D by the calculated absolute open-flow method, with an SIPC of 319 psia. The spacing unit for this well is described as the W/2 of Section 19, Township 25 North, Range 6 West, containing 321.20 acres.

This drilling block was included in the Canyon Largo Unit Second Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1954. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP:AEA:sn CLU, 4.1.1 Enclosure

#### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company (3)

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum .Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

PWG Partnership

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

El Paso, Texas 79978

December 4, 1973

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that nineteen (19) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #192 well, located 1470' from the North line and 1710' from the East line of Section 24, Township 25 North, Range 7 West, N.M.P.M., was spudded on July 27, 1973, and completed on October 17, 1973, at a total depth of 2889'. The Pictured Cliffs Formation in the intervals between 2746'-2756', 2810'-2820', 2832'-2842', was treated with a sand-water fracturing process on October 17, 1973. The well was shut-in on October 20, 1973, and after being shut-in for ten (10) days the Pictured Cliffs Formation was tested on October 30, 1973, and after a three-hour blow-down period the well gauged 1219 MCF/D  $\,$ through a 3/4" choke and 1335 MCF/D by the calculated absolute open-flow method, with an SIPC of 408 psia. The drilling block upon which this well is located is described as the E/2 of Section 24-25N-7W, N.M.P.M., and consists of 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

This drilling block was included in the Canyon Largo Unit Second Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1954. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #193 well, located 1600' from the South line and 1710' from the West line of Section 24, Township 25 North, Range 7 West, N.M.P.M., was spudded on July 29, 1973, and completed on October 17, 1973, at a total depth of 2796'. The Pictured Cliffs Formation in the intervals between 2676'-2692', 2704'-2712', 2752'-2764', was treated with a sand-water fracturing process on October 17, 1973. The well was shut-in on October 20, 1973, and after being shut-in for ten (10) days the Pictured Cliffs Formation was tested on October 30, 1973, and after a three-hour blow-down period the well gauged 1932 MCF/D through a 3/4" choke and 2734 MCF/D by the calculated absolute open-flow method, with an SIPC of 354 psia. The spacing unit for this well is described as the W/2 of Section 24, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit First Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1954. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #194 well. located 810' from the North line and 1150' from the East line of Section 25, Township 25 North, Range 7 West, N.M.P.M., was spudded on September 29, 1973, and completed on October 17, 1973, at a total depth of 2734'. The Pictured Cliffs Formation in the intervals between 2594'-2614', 2662'-2672', was treated with a sand-water fracturing process on October 17, The well was shut-in on October 19, 1973, and after being shut-in for eleven (11) days the Pictured Cliffs Formation was tested on October 30, 1973, and after a three-hour blow-down period the well gauged 846 MCF/D through a 3/4" choke and 909 MCF/D by the calculated absolute open-flow method, with an SIPC of 316 psia. The spacing unit for this well is described as the E/2 of Section 25, Township 25 North, Range 7 West, containing 320.00 acres.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Three

This drilling block was included in the Canyon Largo Unit Fourth Expanded Participating Area for the Pictured Cliffs Formation, effective July 1, 1955. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #196 well, located 1180' from the South line and 900' from the East line of Section 33, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 19, 1973, and completed on October 16, 1973, at a total depth of 2628'. The Pictured Cliffs Formation in the intervals between 2500'-2520', 2546'-2566', was treated with a sand-water fracturing process on September 28, 1973. The well was shut-in on October 1, 1973, and after being shut-in for fifteen (15) days the Pictured Cliffs Formation was tested on October 16, 1973, and after a three-hour blow-down period the well gauged 852 MCF/D through a 3/4" choke and 929 MCF/D by the calculated absolute open-flow method, with an SIPC of 289 psia. The spacing unit for this well is described as the E/2 of Section 33, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Thirty-second Expanded Participating Area for the Pictured Cliffs Formation, effective January 1, 1973. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #197 well, located 1620' from the North line and 1560' from the East line of Section 34, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 6, 1973, and completed on September 26, 1973, at a total depth of 2705'. The Pictured Cliffs Formation in the intervals between 2548'-2564', 2574'-2586', 2610'-2222', was treated with a sand-water fracturing process on September 26, 1973. The well was shut-in on October 2, 1973, and after being shut-in for fourteen (14) days the Pictured Cliffs Formation was tested on October 16, 1973, and after a three-hour blow-down period the well gauged 1199 MCF/D through a 3/4" choke and 1425 MCF/D by the calculated absolute open-flow method, with an SIPC of 296 psia. The spacing unit for this well is described as the E/2 of Section 34, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Twenty-third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Four

> The Canyon Largo Unit #198 well, located 1490' from the North line and 1780' from the West line of Section 34, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 7, 1973, and completed on September 26, 1973, at a total depth of 2809'. The Pictured Cliffs Formation in the intervals between 2642'-2656', 2666'-2682', 2718'-2730', was treated with a sand-water fracturing process on September 26, 1973. The well was shut-in on September 28, 1973, and after being shut-in for twelve (12) days the Pictured Cliffs Formation was tested on October 15, 1973, and after a three-hour blow-down period the well gauged 2158 MCF/D through a 3/4" choke and 3950 MCF/D by the calculated absolute open-flow method, with an SIPC of 321 psia. The spacing unit for this well is described as the W/2 of Section 34, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Twenty-third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #199 well, located 1500' from the North line and 1840' from the East line of Section 35, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 2, 1973, and completed on September 26, 1973, at a total depth of 2657'. The Pictured Cliffs Formation in the intervals between 2532'-2540', 2552'-2568', was treated with a sand-water fracturing process on September 26, 1973. The well was shut-in on September 27, 1973, and after being shut-in for thirteen (13) days the Pictured Cliffs Formation was tested on October 15, 1973, and after a three-hour blow-down period the well gauged 2203 MCF/D through a 3/4" choke and 3602 MCF/D by the calculated absolute open-flow method, with an SIPC of 350 psia. The spacing unit for this well is described as the E/2 of Section 35, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Twenty-first Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Five

The Canyon Largo Unit #200 well, located 1730' from the North line and 890' from the West line of Section 35, Township 25 North, Range 7 West, N.M.P.M., was spudded on August 3, 1973, and completed on September 26, 1973, at a total depth of 2614'. The Pictured Cliffs Formation in the intervals between 2522'-2546', 2560'-2576', was treated with a sand-water fracturing process on September 26, 1973. The well was shut-in on October 2, 1973, and after being shut-in for thirteen (13) days the Pictured Cliffs Formation was tested on October 15, 1973, and after a three-hour blow-down period the well gauged 1413 MCF/D through a 3/4"choke and 1742 MCF/D by the calculated absolute open-flow method, with an SIPC of 319 psia. The spacing unit for this well is described as the W/2 of Section 35, Township 25 North, Range 7 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Nineteenth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1958. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #207 well, located 1840' from the South line and 800' from the West line of Section 28, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 17, 1973, and completed on October 13, 1973, The Pictured Cliffs Formation at a total depth of 2698'. in the intervals between 2624'-2640', 2650'-2666', was treated with a sand-water fracturing process on October 13, The well was shut-in on October 16, 1973, and after being shut-in for eight (8) days the Pictured Cliffs Formation was tested on October 25, 1973, and after a three-hour blow-down period the well gauged 3186 MCF/D through a 3/4" choke and 4551 MCF/D by the calculated absolute open-flow method, with an SIPC of 574 psia. The spacing unit for this well is described as the W/2 of Section 28, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Thirteenth Expanded Participating Area for the Pictured Cliffs Formation, effective May 1, 1957. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Six

The Canyon Largo Unit #208 well, located 1820' from the North line and 1460' from the East line of Section 29, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 19, 1973, and completed on October 13, 1973, at a total depth of 2768'. The Pictured Cliffs Formation in the intervals between 2640'-2652', 2659'-2671', 2692'-2704', was treated with a sand-water fracturing process on October 13, 1973. The well was shut-in on October 20, 1973, and after being shut-in for ten (10) days the Pictured Cliffs Formation was tested on October 30, 1973, and after a three-hour blow-down period the well gauged 1995 MCF/D through a 3/4" choke and 2236 MCF/D by the calculated absolute openflow method, with an SIPC of 595 psia. The spacing unit for this well is described as the E/2 of Section 29, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Sixth Expanded Participating Area for the Pictured Cliffs Formation, effective March 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #209 well, located 940' from the South line and 1020' from the West line of Section 29, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 25, 1973, and completed on October 13, 1973, at a total depth of 2721'. The Pictured Cliffs Formation in the intervals between 2602'-2614', 2664'-2680', was treated with a sand-water fracturing process on October 13, 1973. The well was shut-in on October 17, 1973, and after being shut-in for seven (7) days the Pictured Cliffs Formation was tested on October 25, 1973, and after a three-hour blow-down period the well gauged 646 MCF/D through a 3/4" choke and 656 MCF/D by the calculated absolute open-flow method, with an SIPC of 532 psia. The spacing unit for this well is described as the W/2 of Section 29, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Sixth Expanded Participating Area for the Pictured Cliffs Formation, effective March 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Seven

The Canyon Largo Unit #210 well, located 1500' from the North line and 930' from the East line of Section 30, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 26, 1973, and completed on October 13, 1973, at a total depth of 2778'. The Pictured Cliffs Formation in the intervals between 2594'-2614', 2624'-2630', 2684'-2698', was treated with a sand-water fracturing process on October 13, 1973. The well was shut-in on October 20, 1973, and after being shut-in for nine (9) days the Pictured Cliffs Formation was tested on October 29, 1973, and after a three-hour blow-down period the well gauged 1102 MCF/D through a 3/4" choke and 1345 MCF/D by the calculated absolute openflow method, with an SIPC of 256 psia. The spacing unit for this well is described as the E/2 of Section 30, Township 25 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Fifth Expanded Participating Area for the Pictured Cliffs Formation, effective February 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #211 well, located 1540' from the South line and 1700' from the West line of Section 30, Township 25 North, Range 6 West, N.M.P.M., was spudded on September 28, 1973, and completed on October 17, 1973, at a total depth of 2806'. The Pictured Cliffs Formation in the intervals between 2668'-2678', 2688'-2700', was treated with a sand-water fracturing process on October 17, 1973. The well was shut-in on October 20, 1973, and after being shut-in for nine (9) days the Pictured Cliffs Formation was tested on October 29, 1973, and after a three-hour blow-down period the well gauged 893 MCF/D through a 3/4" choke and 932 MCF/D by the calculated absolute open-flow method, with an SIPC of 428 psia. The spacing unit for this well is described as the W/2 of Section 30, Township 25 North, Range 6 West, containing 321.04 acres.

This drilling block was included in the Canyon Largo Unit Fifth Expanded Participating Area for the Pictured Cliffs Formation, effective February 1, 1956. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Eight

The Canyon Largo Unit #214 well, located 1160' from the South line and 1760' from the East line of Section 8, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 8, 1973, and completed on October 11, 1973, at a total depth of 2169'. The Pictured Cliffs Formation in the intervals between 2070'-2094', 2106'-2122', 2132'-2140', was treated with a sand-water fracturing process on October 11, 1973. The well was shut-in on October 15, 1973, and after being shut-in for eight (8) days the Pictured Cliffs Formation was tested on October 23, 1973, and after a three-hour blow-down period the well gauged 728 MCF/D through a 3/4" choke and 748 MCF/D by the calculated absolute open-flow method, with an SIPC of 419 psia. The spacing unit for this well is described as the E/2 of Section 8, Township 24 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Twenty-eighth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1962 as an intervening drilling block. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #217 well, located 1170' from the North line and 1520' from the West line of Section 17, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 6, 1973, and completed on October 11, 1973, at a total depth of 2171'. The Pictured Cliffs Formation in the intervals between 2034'-2050', 2060'-2068', 2078'-2086', was treated with a sand-water fracturing process on October 11, 1973. The well was shut-in on October 20, 1973, and after being shut-in for eleven (11) days the Pictured Cliffs Formation was tested on October 31, 1973, and after a three-hour blow-down period the well gauged 1359 MCF/D through a 3/4" choke and 1460 MCF/D by the calculated absolute open-flow method, with an SIPC of 489 psia. The spacing unit for this well is described as the W/2 of Section 17, Township 24 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Thirty-first Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1972 as an intervening drilling block. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Nine

The Canyon Largo Unit #218 well, located 1020' from the North line and 890' from the East line of Section 20, Township 24 North, Range 6 West, N.M.P.M., was spudded on September 15, 1973, and completed on October 6, 1973, at a total depth of 2382'. The Pictured Cliffs Formation in the intervals between 2268'-2292', was treated with a sand-water fracturing process on October 6, 1973. The well was shut-in on October 9, 1973, and after being shut-in for nine (9) days the Pictured Cliffs Formation was tested on October 18, 1973, and after a three-hour blow-down period the well gauged 3264 MCF/D through a 3/4" choke and 4176 MCF/D by the calculated absolute open-flow method, with an SIPC of 674 psia. The spacing unit for this well is described as the E/2 of Section 20, Township 24 North, Range 6 West, containing 320.00 acres.

This drilling block was included in the Canyon Largo Unit Thirty-first Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1972, as an intervening drilling block. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #220 well, located 1740' from the South line and 1080' from the East line of Section 2, Township 24 North, Range 7 West, N.M.P.M., was spudded on August 29, 1973, and completed on October 4, 1973, at a total depth of 2367'. The Pictured Cliffs Formation in the intervals between 2306'-2330', was treated with a sand-water fracturing process on October 4, 1973. The well was shut-in on October 9, 1973, and after being shut-in for seven (7) days the Pictured Cliffs Formation was tested on October 17, 1973, and after a three-hour blow-down period the well gauged 1192 MCF/D through a 3/4" choke and 1231 MCF/D by the calculated absolute open-flow method, with an SIPC of 646 psia. The spacing unit for this well is described as the E/2 of Section 2, Township 24 North, Range 7 West, containing 320.85 acres.

This drilling block was included in the Canyon Largo Unit Twenty-first Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Ten

The Canyon Largo Unit #221 well, located 1800' from the North line and 810' from the West line of Section 3, Township 24 North, Range 7 West, N.M.P.M., was spudded on August 20, 1973, and completed on September 28, 1973, at a total depth of 2720'. The Pictured Cliffs Formation in the intervals between 2576'-2600', 2610'-2620', was treated with a sandwater fracturing process on September 28, 1973. The well was shut-in on October 1, 1973, and after being shut-in for eleven (11) days the Pictured Cliffs Formation was tested on October 12, 1973, and after a three-hour blow-down period the well gauged 1326 MCF/D through a 3/4" choke and 1707 MCF/D by the calculated absolute open-flow method, with an SIPC of 276 psia. The spacing unit for this well is described as the W/2 of Section 3, Township 24 North, Range 7 West, containing 333.50 acres.

This drilling block was included in the Canyon Largo Unit Twenty-seventh Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1960. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The Canyon Largo Unit #222 well, located 1100' from the South line and 1500' from the East line of Section 3, Township 24 North, Range 7 West, N.M.P.M., was spudded on August 23, 1973, and completed on September 28, 1973, at a total depth of 2576'. The Pictured Cliffs Formation in the intervals between 2466'-2478', 2490'-2498', was treated with a sandwater fracturing process on September 28, 1973. The well was shut-in on October 1, 1973, and after being shut-in for eleven (11) days the Pictured Cliffs Formation was tested on October 12, 1973, and after a three-hour blow-down period the well gauged 1081 MCF/D through a 3/4" choke and 1224 MCF/D by the calculated absolute openflow method, with an SIPC of 309 psia. The spacing unit for this well is described as the E/2 of Section 3, Township 24 North, Range 7 West, containing 333.46 acres.

This drilling block was included in the Canyon Largo Unit Twenty-third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1959. The completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Eleven

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

James R. Permenter

Supervising Landman
Land Department
Energy Resource Development

JRP:AEA:sn CLU, 4.1.1 Enclosure

### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

PWG Partnership

# El Paso Natural Gas Company



El Paso, Texas 79978

October 9, 1973

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

1973 DRILLING PROGRAM

#### Gentlemen:

The 1973 Drilling Program dated September 21, 1973 for the referenced Unit was approved by the Regulatory Bodies on the dates indicated below:

United States Geological Survey - September 25, 1973 Commissioner of Public Lands - September 27, 1973 Oil Conservation Commission - September 27, 1973

Copies of this letter are being sent to the working interest owners of the above-described Unit.

Yours very truly,

Alan Alexander

Landman

Land Department

Energy Resource Development

AA:sv CLU 3.0

## State of New Mexico

781279098 595-827-2748



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands

September 27, 1973

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P. O. BOX 1148 SANTA FE, NEW MEXICO

Il Paco Matural Gas Company

P. O. Box 1492

11 Paso, Temas 79999

Re: Conyon Largo Unit Rio Arribe County, New Mexico 1973 DRILLING PROGRAM

ATTENTION: Mr. James L. Permenter

### Court Lamen :

The Commissioner of Public Lands has this data approved your Brilling Program for the year 1973, whereby you propose to drill 49 unit wells. This approval is subject to like approval by the United States Geological Survey.

Inclosed is one approved copy of the plan.

Please remit & Three (\$3.60) Dellar filing foe.

Very truly yours,

BAY D. GRAMMY, Director 011 and Gas Department

AM/MBG/s

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### OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 27, 1973



El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: Mr. James R. Permenter

Re: 1973 Drilling Program Canyon Largo Unit,

Rio Arriba County, New Mexico

### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Brilling Program for the calendar year 1973 providing for the drilling of 49 wells for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Servey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

## ALP/JEK/og

es: Commissioner of Public Lands - Santa Fe U. S. Geological Survey - Rosmell



## United States Department of the Interior

GEOLOGICAL SURVEY

### Drawer 1857 Roswell, New Mexico 88201

September 25, 1973

OIL CONSTRUCTION C

141

El Paso Natural Gas Company Attention: Hr. James R. Permanter P.G. Box 1492 El Paso, Texas 79999

#### Gentlemen:

Three approved copies of your 1973 plan of development for the Canyon Largo unit area, Rio Arriba County, New Maxico, proposing the drilling of 49 unit wells, are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

100 0 0

Sincerely yours,

CARL C. TRAYWICK Acting Area Oil & Gas Supervisor

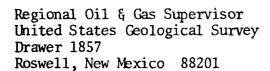
cc:

Durango (w/cy plan)
NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)

JAGillham:ds

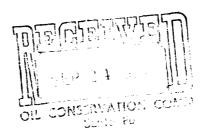
# El Paso Natural Gas Company

El Paso, Texas 79978 September 21, 1973



Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, 1973 DRILLING PROGRAM

### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit on April 10, 1972, for the calendar year 1972, providing for the drilling of eleven (11) Chacra and nine (9) Pictured Cliffs wells during 1972. By letter dated August 2, 1972, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1972 Drilling Program providing for the plugging and recompleting of the #106 Gallup well in the Pictured Cliffs formation. All of the proposed wells were timely drilled or completed during 1972, with the exception of the #168 and #182 Chacra wells which were dropped from the drilling program.

The 31st expansion of the Pictured Cliffs participating area, effective November 1, 1972, was occasioned by the plugging of the #106 well in the Gallup formation and recompleting it in the Pictured Cliffs formation.

The completion of Pictured Cliffs wells #114, #178, #180, and #181 caused the 32nd expansion of the Pictured Cliffs participating area, effective January 1, 1973. The completion of Pictured Cliffs wells #175, #177, and #179 caused the 33rd expansion of the Pictured Cliffs participating area, effective February 1, 1973. The completion of Pictured Cliffs well #176 occasioned the 34th expansion of the Pictured Cliffs participating area, effective March 1, 1973. The

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

remaining Pictured Cliffs and Chacra wells were completed upon acreage already included in their respective participating areas. The completion of the #186 Dakota well occasioned the 7th expanded Participating Area for the Dakota formation, effective August 1, 1972. Dakota wells #185, #187, and #188 were completed as wells incapable of producing unitized substances in paying quantities and did not cause an expansion of the participating area.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs Commercial Non-Commercial Plugged and Abandoned	105 8 12
Chacra Commercial Plugged and Abandoned Temporarily Abandoned (#161)	25 1 1
Dual, Pictured Cliffs-Chacra Commercial Non-Commercial, Chacra	5 1
Mesaverde Non-Commercial	1
Gallup Commercial Non-Commercial	14 1
Dual, Gallup-Dakota Non-Commercial, Gallup Non-Commercial, Dakota	1 1
Dakota Commercial Non-Commercial	8 <u>5</u> 189

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1973.

Well No.	Drilling Block	Formation	
190	E/2 Sec. 14, T-25-N, R-7-W	Pictured Cliffs	
191	W/2 Sec. 23, T-25-N, R-7-W	Pictured Cliffs	
192	E/2 Sec. 24, T-25-N, R-7-W	Pictured Cliffs	

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Three

Well No.	Drilling Block	Formation
193 194 195	W/2 Sec. 24, T-25-N, R-7-W E/2 Sec. 25, T-25-N, R-7-W E/2 Sec. 26, T-25-N, R-7-W	Pictured Cliffs Pictured Cliffs Pictured Cliffs
196 197	E/2 Sec. 33, T-25-N, R-7-W	Pictured Cliffs
198	E/2 Sec. 34, T-25-N, R-7-W W/2 Sec. 34, T-25-N, R-7-W	Pictured Cliffs Pictured Cliffs
199	E/2 Sec. 35, T-25-N, R-7-W	Pictured Cliffs
200	W/2 Sec. 35, T-25-N, R-7-W	Pictured Cliffs
201 °202	E/2 Sec. 3, T-25-N, R-6-W	Pictured Cliffs
202	W/2 Sec. 5, T-25-N, R-6-W W/2 Sec. 10, T-25-N, R-6-W	Pictured Cliffs
204	E/2 Sec. 11, T-25-N, R-6-W	Pictured Cliffs Pictured Cliffs
205	E/2 Sec. 13, T-25-N, R-6-W	Pictured Cliffs
206	W/2 Sec. 19, T-25-N, R-6-W	Pictured Cliffs
207	W/2 Sec. 28, T-25-N, R-6-W	Pictured Cliffs
208	E/2 Sec. 29, T-25-N, R-6-W	Pictured Cliffs
209	W/2 Sec. 29, T-25-N, R-6-W	Pictured Cliffs
210 211	E/2 Sec. 30, T-25-N, R-6-W	Pictured Cliffs
212	W/2 Sec. 30, T-25-N, R-6-W W/2 Sec. 6, T-24-N, R-6-W	Pictured Cliffs Pictured Cliffs
213	W/2 Sec. 8, T-24-N, R-6-W	Pictured Cliffs
214	E/2 Sec. 8, T-24-N, R-6-W	Pictured Cliffs
215	E/2 Sec. 9, T-24-N, R-6-W	Pictured Cliffs
216	E/2 Sec. 15, T-24-N, R-6-W	Pictured Cliffs
217	W/2 Sec. 17, T-24-N, R-6-W	Pictured Cliffs
218 219	E/2 Sec. 20, T-24-N, R-6-W	Pictured Cliffs
220	E/2 Sec. 1, T-24-N, R-7-W E/2 Sec. 2, T-24-N, R-7-W	Pictured Cliffs
221	W/2 Sec. 3, T-24-N, R-7-W	Pictured Cliffs Pictured Cliffs
222	E/2 Sec. 3, T-24-N, R-7-W	Pictured Cliffs
223	E/2 Sec. 4, T-24-N, R-7-W	Pictured Cliffs
224	W/2 Sec. 1, T-25-N, R-6-W	Pictured Cliffs
225	W/2 Sec. 3, T-25-N, R-6-W	Pictured Cliffs
226	E/2 Sec. 10, T-25-N, R-6-W	Pictured Cliffs
227 171	W/2 Sec. 11, T-25-N, R-6-W W/2 Sec. 12, T-25-N, R-6-W	Pictured Cliffs
228	W/2 Sec. 12, 1-25-N, R-0-W W/2 Sec. 13, T-25-N, R-6-W	Pictured Cliffs Pictured Cliffs
229	E/2 Sec. 14, T-25-N, R-6-W	Pictured Cliffs
230	E/2 Sec. 15, T-25-N, R-6-W	Pictured Cliffs
231	W/2 Sec. 24, T-25-N, R-6-W	Pictured Cliffs- Chacra
236	E/2 Sec. 24, T-25-N, R-6-W	Chacra
237 238	E/2 Sec. 1, T-25-N, R-6-W	Mesaverde-Chacra
239	E/2 Sec. 12, T-25-N, R-6-W W/2 Sec. 1, T-25-N, R-6-W	Mesaverde Dakota
240	W/2 Sec. 1, 1-25-N, R-6-W W/2 Sec. 12, T-25-N, R-6-W	Dakota Dakota
241	W/2 Sec. 23, T-25-N, R-7-W	Dakota
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-United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Four

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department
Energy Resource Development

JRP:AEA:sn Enclosures Canyon Largo 3.0

APPROVED:	Regional Oil and Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	DATE:
APPROVED	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE:
APPROVE	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE: 1973

The foregoing approvals are for the 1973 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

### CANYON LARGO UNIT Working Interest Owners

Atlantic Richfield Company

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Company

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

## State of New Mexico



Commissioner of Public Lands
Heren 26, 1973

TELEPHONE 505-827-2748

MAR 2 6 1973
OIL CONSERVATION COMM

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Pase Matural Gas Company

F. O. Box 1492

ALEX J. ARMIJO

COMMISSIONER

21 Page, Tomas 79999

Re: Conyon Large Unit
Ric Arribe County, New Mexico
THIRTY-SECOND, THIRTY-THIRD AND
THIRTY-POURTH REMAINED PARTICIPATING
ARRAS and MOTICE OF COMPLETION OF
ADDITIONAL WELLS, Pictured Cliffs
Formation

ATTENTION: Mr. James R. Fernanter

Cont leman:

This will acknowledge receipt of your Thirty-Second, Thirty-Third and Thirty-Fourth Expanded Furticipating Areas and Notice of Completion of Additional Wells, Pictured Cliffs Forunties, for the Conyon Large Unit.

Since this made no official approval we have this date accepted the expansions and filed than for record purposes.

Anchord is one copy of the expansions showing the date received by this office.

Very truly yours,

RAY D. GRAHAM, Director Oil and Gos Department

AJA/RSS/o onelo.

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USGS-Roovell, New Mexico OCC- Santa Pc, New Mexico

# El Paso Natural Gas Company

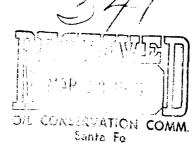
El Paso, Texas 79978

March 20, 1973

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico THIRTY-SECOND, THIRTY-THIRD AND THIRTY-FOURTH EXPANDED PARTICIPATING AREAS and NOTICE OF COMPLETION OF ADDITIONAL WELLS, Pictured Cliffs

Formation

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation and that the Pictured Cliffs Participating Area should be expanded:

### THIRTY-SECOND EXPANDED PARTICIPATING AREA - Effective January 1, 1973

Drilling Block	Acres	Canyon Largo Unit Well No.
$\frac{\text{T-25-N, R-6-W}}{\text{Sec. 14: W/2}}$	320.00	178
T-25-N, R-7-W		
Sec. 14: E/2	320.00	Intervening Drilling Block
Sec. 23: W/2	320.00	Intervening Drilling Block
Sec. 23: E/2	320.00	180
Sec. 26: W/2	320.00	181
Sec. 26: E/2	320.00	Intervening Drilling Block
Sec. 33: E/2	320.00	114

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Pertinent data on these wells is as follows:

The Canyon Largo Unit #114 Well is located 990' from the North line and 800' from the East line of Section 33, T-25-N, R-7-W, Rio Arriba County, New Mexico. This well was spudded on November 6, 1972 and completed on December 11, 1972 at a total depth of 2691'. The Pictured Cliffs Formation in the intervals between 2590'-2604', 2652'-2660' was treated with a sand-water fracturing process on December 11, 1972. The well was shut-in on December 18, 1972 and after being shut-in for nine (9) days, the well was tested on December 27, 1972, and following a three (3) hour blow-down period gauged 2396 MCF/D through a 3/4" choke and 3830 MCF/D by the calculated absolute open flow method, with an SIPC of 387 psia. The committed drilling block upon which this well is located is the E/2 of Section 33, T-25-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on December 27, 1972.

The Canyon Largo Unit #178 Well is located 990' from the North line and 1650' from the West line of Section 14, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 28, 1972 and completed on September 7, 1972 in both the Pictured Cliffs and Chacra Formations at a total depth of 3759'. The Pictured Cliffs Formation in the intervals between 2688'-2704' was treated with a sand-water fracturing process on September 7, 1972. The well was shut-in on September 8, 1972 and after being shut-in for ten (10) days, the Pictured Cliffs Formation was tested on September 18, 1972, and following a three (3) hour blow-down period the Pictured Cliffs Formation gauged 620 MCF/D through a 3/4" choke and 623 MCF/D by the calculated absolute open flow method, with an SIPC of 851 psia. The well was shut-in again on November 29, 1972 and after being shut-in for nine (9) days the Pictured Cliffs Formation was retested on December 8, 1972, and following a three (3) hour blow-down period, the Pictured Cliffs Formation gauged 1227 MCF/D through a 3/4" choke and 1258 MCF/D by the calculated absolute

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

open flow method, with an SIPC of 775 psia. The committed drilling block upon which this well is located is the W/2 of Section 14, T-25-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on December 8, 1972.

The Canyon Largo Unit #180 Well is located 890' from the North line and 800' from the East line of Section 23, T-25-N, R-7-W, Rio Arriba County, New Mexico. This well was spudded on October 18, 1972 and completed on December 8, 1972 at a total depth of 2760'. The Pictured Cliffs Formation in the intervals between 2630'-2646', 2702'-2714' was treated with a sand-water fracturing process on December 8, 1972. The well was shut-in on December 20, 1972 and after being shut-in for seven (7) days, the well was tested on December 27, 1972, and following a three (3) hour blow-down period gauged 1964 MCF/D through a 3/4" choke and 2376 MCF/D by the calculated absolute open flow method, with an SIPC of 464 psia. The committed drilling block upon which this well is located is the E/2 of Section 23, T-25-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres,. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on December 27, 1972.

The Canyon Largo Unit #181 Well is located 815' from the South line and 1130' from the West line of Section 26, T-25-N, R-7-W, Rio Arriba County, New Mexico. This well was spudded on October 25, 1972 and completed on December 11, 1972 at a total depth of 2629'. The Pictured Cliffs Formation in the intervals between 2504'-2514', 2526'-2546' was treated with a sand-water fracturing process on December 11, 1972. The well was shut-in on December 18, 1972 and after being shut-in for nine (9) days, the well was tested on December 27, 1972, and following a three (3) hour blow-down period gauged 2631 MCF/D through a 3/4" choke and 5152 MCF/D by the calculated absolute open flow method, with an SIPC of 372 psia. The committed drilling block upon which this well is located is the W/2 of Section 26,

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Four

T-25-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on December 27, 1972.

THIRTY-THIRD EXPANDED PARTICIPATING AREA - Effective February 1, 1973

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W		
Sec. 10: W/2	320.00	177
Sec. 33: E/2	320.00	175
T-25-N, R-7-W		
Sec. 13: W/2	320.00	179

Pertinent data on these wells is as follows:

The Canyon Largo Unit #175 Well is located 800' from the North line and 890' from the East line of Section 33, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on November 15, 1972 and completed on December 13, 1972 at a total depth of 2310'. The Pictured Cliffs Formation in the intervals between 2222'-2232', 2244'-2260', 2276'-2288' was treated with a sand-water fracturing process on December 13, 1972. The well was shut-in on January 3, 1973 and after being shut-in for seven (7) days, the well was tested on January 10, 1973, and following a three (3) hour blowdown period gauged 2925 MCF/D through a 3/4" choke and 3573 MCF/D by the calculated absolute open flow method, with an SIPC of 655 psia. The committed drilling block upon which this well is located is the E/2 of Section 33, T-25-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 10, 1973.

The Canyon Largo Unit #177 Well is located 1500' from the North line and 900' from the West line of Section 10, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 11, 1972 and completed on December 1, 1972 in both the Pictured Cliffs and Chacra Formations at a total depth of 3808'. The Pictured Cliffs Formation in the intervals between 2774'-2786', 2794'-2806' was treated with a sand-water fracturing

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Five

process on December 1, 1972. The well was shut-in on December 3, 1972 and after being shut-in for thirty-nine (39) days, the Pictured Cliffs Formation was tested on January 11, 1973, and following a three (3) hour blow-down period the Pictured Cliffs Formation gauged 5886 MCF/D through a 3/4" choke and 18,984 MCF/D by the calculated absolute open flow method, with and SIPC of 710 psia. The committed drilling block upon which this well is located is the W/2 of Section 10, T-25-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 11, 1973.

The Canyon Largo Unit #179 Well is located 1650' from the South line and 990' from the West line of Section 13, T-25-N, R-7-W, Rio Arriba County, New Mexico. This well was spudded on October 12, 1972 and completed on December 8, 1972 at a total depth of 2844'. The Pictured Cliffs Formation in the intervals between 2675'-2691', 2720'-2732', 2749'-2761' was treated with a sand-water fracturing process on December 8, 1972. The well was shut-in on December 19, 1972 and after being shut-in for sixteen (16) days, the well was tested on January 4, 1973, and following a three (3) hour blow-down period gauged 2145 MCF/D through a 3/4" choke and 2597 MCF/D by the calculated absolute open flow method, with an SIPC of 506 psia. The committed drilling block upon which this well is located is the W/2 of Section 13, T-25-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 4, 1973.

#### THIRTY-FOURTH EXPANDED PARTICIPATING AREA - Effective March 1, 1973

Drilling Block	Acres	Canyon Largo Unit Well No.
T-24-N, R-6-W Sec. 6: E/2	337.45	176

Pertinent data on this well is as follows:

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Six

> The Canyon Largo Unit #176 Well is located 1000' from the South line and 800' from the East line of Section 6, T-24-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on November 11, 1972 and completed on December 1, 1972 at a total depth of 2290'. The Pictured Cliffs Formation in the intervals between 2180'-2210' was treated with a sand-water fracturing process on December 1, 1972. The well was shut-in on January 16, 1973 and after being shut-in for ten (10) days, the well was tested on January 26, 1973, and following a three (3) hour blow-down period gauged 693 MCF/D through a 3/4" choke and 701 MCF/D by the calculated absolute open flow method, with an SIPC of 620 psia. The well was shut-in again and retested on February 5, 1973, and following a three (3) hour blow-down period gauged 778 MCF/D through a 3/4" choke and 790 MCF/D by the absolute open flow method with an SIPC of 628 psia. The committed drilling block upon which this well is located is the E/2 of Section 6, T-24-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 337.45 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on February 5, 1973.

El Paso Natural Gas Company, as Unit Operator, has determined that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the Unit. These wells are as follows:

The Canyon Largo Unit #169 Well is located 1100' from the North line and 800' from the East line of Section 4, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 18, 1972 and completed on December 1, 1972 in both the Pictured Cliffs and Chacra Formations at a total depth of 3889'. The Pictured Cliffs Formation in the intervals between 2892'-2904' was treated with a sand-water fracturing process on December 1, 1972. The well was shut-in on December 20, 1972 and after being shut-in for fifteen (15) days, the Pictured Cliffs Formation was tested on January 4, 1973, and following a three (3) hour blow-down period gauged 1557 MCF/D through a 3/4" choke and 1758 MCF/D by the calculated absolute open flow method, with an SIPC of 460 psia. The committed drilling block upon which this well is located in the E/2 of Section 4,

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Seven

T-25-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 321.41 acres. This drilling block was included in the Canyon Largo Eighth Expanded Participating Area effective May 1, 1956; therefore, the Participating Area is not enlarged by the completion of this well.

The Canyon Largo Unit #174 Well is located 1700' from the South line and 1750' from the West line of Section 21, T-25-N, R-7-W, Rio Arriba County, New Mexico. This well was spudded on November 19, 1972 and completed on December 14, 1972 at a total depth of 2342'. The Pictured Cliffs Formation in the intervals between 2250'-2260', 2270'-2280', 2290'-2300' was treated with a sand-water fracturing process on December 14, 1972. The well was shut-in on December 22, 1972 and after being shut-in for fourteen (14) days, the well was tested on January 5, 1973, and following a three (3) hour blow-down period gauged 733 MCF/D through a 3/4" choke and 744 MCF/D by the calculated absolute open flow method, with an SIPC of 581 psia. The committed drilling block upon which this well is located is the W/2 of Section 21, T-25-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. This drilling block was included in the Canyon Largo Twenty-second Expanded Participating Area effective May 1, 1959; therefore, the Participating Area is not enlarged by the completion of this well.

The Canyon Largo Unit #183 Well is located 1050' from the North line and 1500' from the East line of Section 2, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 3, 1972 and completed on September 14, 1972 in both the Pictured Cliffs and Chacra Formations at a total depth of 3903'. The Pictured Cliffs Formation in the intervals between 2830'-2839', 2847'-2856', 2894'-2903' was treated with a sand-water fracturing process on September 14, 1972. The well was shut-in on September 19, 1972 and after being shut-in for fourteen (14) days, the Pictured Cliffs Formation was tested on October 3, 1972, and following a three (3) hour blow-down period gauged 1738 MCF/D through a 3/4" choke and 1814 MCF/D by the calculated absolute open flow method, with an SIPC of 841 psia. The committed drilling block upon which this well is located is the E/2 of Section 2,

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Eight

T-25-N, R-6-W, N.M.P.M., Rio Arriba County, New Mexico, containing 320.85 acres. This drilling block was included in the Canyon Largo Twenty-first Expanded Participating Area effective April 1, 1959; therefore, the Participating Area is not enlarged by the completion of this well.

Attached hereto are Schedules XXXIII, XXXIV and XXXV showing the Thirty-second, Thirty-third and Thirty-fourth Expanded Participating Areas for the Pictured Cliffs Formation of the Canyon Largo Unit Area. These schedules describe the Participating Areas, show the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A," showing the location of the wells and the outline of the Thirty-second, Thirty-third and Thirty-fourth Expanded Participating Areas.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, these Thirtysecond, Thirty-third and Thirty-fourth Expanded Participating Areas for the Pictured Cliffs Formation will become effective as of January 1, 1973, February 1, 1973 and March 1, 1973.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:DI:1j Enclosures CLU 4.1

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas
Accounting Commission
Post Office Box 2308
Santa Fe, New Mexico 87501

# CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Estate of Oscar Abraham

Amax Petroleum Corporation

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado 80202

Amoco Production Company Farmington, New Mexico 87401

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Mr. Jack Cayias (P.C. only)

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank GMGF Oil Account No. 3153

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3,

Mr. J. Gregory Merrion

Mrs. Ana Gardner Osborn

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado 81321

The Superior Oil Company (2) Houston, Texas 77001

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

The Wiser Oil Company

## State of New Mexico

505-827-2748



ALEX J. ARMIJO COMMISSIONER

DEC 20 1972

OIL CONSERVATION CORNA

Santa Fe

December 18, 1972

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit
Rio Arriba County, New Maxico
THIRTY-FIRST EXPANDED PARTICIPATING
AREA and NOTICE OF COMPLETION OF
ADDITIONAL WELL

Pietured Cliffs Formation

ATTENTION: Mr. James R. Permenter

### Gentlemen:

This will acknowledge receipt of your Thirty-First Expended Participating Area, Pictured Cliffs Formation, for the Canyon Large Unit.

Since this needs no official approval, we have this date accepted the expension and filed it for record purposes.

Enclosed is one copy of the expension surplus to our need.

Very truly yours,

RAY D. GRAHA, Director Gil and Gas Department

AJA/RDG/s emels.

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OCC-Sente Fe, New Mexico' UNGS-Roswell, New Mexico

# El Paso Natural Gas Company

El Paso, Texas 79999

December 15, 1972

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Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

#### Gentlemen:

Please refer to my letter of December 14, 1972, pertaining to the Thirty-First Expanded Participating Area of the Pictured Cliffs Formation in the Canyon Largo Unit.

Please correct the township and range reference on the first page of this letter to read Township 24 North, Range 6 West, rather than Township 25 North, Range 6 West.

Yours very truly,

James R. Permenter
Supervising Landman
Land Department

Energy Resource Development

JRP:nja C.L.U. 4.1, 4.1.1

# El Paso Natural Gas Company

El Paso, Texas 79999

December 14, 1972

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WHON C

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
THIRTY-FIRST EXPANDED PARTICIPATING
AREA and NOTICE OF COMPLETION OF
ADDITIONAL WELL
Pictured Cliffs Formation

### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the Canyon Largo Unit Pictured Cliffs Participating Area should be expanded as follows:

### THIRTY-FIRST EXPANDED PARTICIPATING AREA - Effective November 1, 1972

Drilling Blo	<u>ck</u>	Acres	Canyon La	rgo Unit Well No.
Township 25	North, Range	6 West, N.M.	P.M.	
Section 17:	W/2	320.00	No Well -	Intervening Drilling Block
Section 20:	E/2	320.00	No Well -	· Intervening Drilling Block
Section 20:	W/2	320.00	#106	2100K

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

December 14, 1972

The Intervening Drilling Blocks were created by completion of Canyon Largo Unit #106 as a well capable of producing unitized substances in paying quantities from the Pictured Cliffs formation upon acreage not committed to the Unit. Pertinent data on this well is as follows:

The Canyon Largo Unit #106 Well is located 990' from the North line and 1500' from the West line of Section 20, T-24-N, R-6-W, Rio Arriba County, New Mexico. This well was plugged back from the Gallup formation on October 14, 1972, and completed October 24, 1972, at a total depth of 2097'. The Pictured Cliffs formation in the intervals between 1980'-1996', 2016'-2028' was treated with a sandwater fracturing process on October 15, 1972. The well was shut-in on October 16, 1972, and after being shut-in for eight (8) days, the well was tested in the Pictured Cliffs formation on October 24, 1972. The well gauged 853 MCF/D through a 3/4" choke and 892 MCF/D by the calculated absolute open-flow method, with an SIPC of 693 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on October 24, 1972.

Attached hereto is Schedule XXXII showing the Thirty-First Expanded Participating Area for the Pictured Cliffs formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Thirty-First Expanded Participating Area for the Pictured Cliffs formation will become effective as of November 1, 1972.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP:nja Enclosures C.L.U. 4.1, 4.1.1

cc: Mrs. Pepita O. Jeffus
New Mexico Oil & Gas Accounting
Commission

## CANYON LARGO UNIT Working Interest Owners

Joe Abraham

Estate of Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlas Corporation

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

R. L. Bayless

Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

J. B. Davis and Paulene D. Davis

Robert Donnell

Mark Elkins and Ina Elkins

El Paso Products Company

Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Merle McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

J. Glenn Turner

William G. Webb

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79978

October 25, 1972

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, NOTICE OF COMPLETION OF NON-COMMERCIAL WELLS, Dakota Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described wells, which were drilled by El Paso, as Unit Operator, are not capable of producing unitized substances in paying quantities from the Dakota formation:

The Canyon Largo Unit #185 Well is located 1650' from the South line and 1600' from the West line of Section 3, Township 24 North, Range 6 West, N. M. P. M. This well was spudded on July 14, 1972 and completed on July 31, 1972 at a total depth of 6710'. The Dakota formation in the intervals between 6384'-6396', 6456'-6464', 6486'-6494', 6518'-6530', 6590'-6596' was treated with a sand-water fracturing

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

process on July 30, 1972, and after being shut-in for thirty-eight (38) days, the Dakota formation was tested on September 7, 1972 and following a three (3) hour blow down period gauged 994 MCF/D through a 3/4" choke and 996 MCF/D by the calculated absolute open-flow method with an SIPC of 2364 psia and an SIPT of 1686 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Dakota formation was made on September 7, 1972.

The Canyon Largo Unit #187 Well is located 1400' from the South line and 1840' from the East line of Section 20, Township 25 North, Range 6 West, N. M. P. M. This well was spudded on August 19, 1972 and completed on September 12, 1972 at a total depth of 7320'. Dakota formation in the intervals between 6966'-6976', 7028'-7038', 7066'-7076', 7096'-7111' was treated with a sand-water fracturing process on September 10, 1972. The Dakota formation was shutin on September 13, 1972, and after being shut-in for fourteen (14) days, the Dakota formation was tested on September 27, 1972 and following a three (3) hour blow down period gauged 694 MCF/D through a 3/4" choke and 715 MCF/D by the calculated absolute open-flow method, with an SIPC of 2271 psia and an SIPT of 1921 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Dakota formation was made on September 27, 1972.

The Canyon Largo Unit #188 Well is located 990' from the South line and 1650' from the West line of Section 33, Township 25 North, Range 6 West, N. M. P. M. This well was spudded on July 31, 1972 and completed on August 17, 1972 at a total depth of 6796'. The Dakota formation in the intervals between 6448'-6460', 6488'-6496', 6554'-6566', 6592'-6604', 6634'-6640' was treated with a sand-water fracturing process on August 17, 1972. The Dakota formation was shut-in

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

on August 18, 1972, and after being shut-in for twenty-five (25) days, the Dakota formation was tested on September 12, 1972 and following a three (3) hour blow down period gauged 175 MCF/D through a 3/4" choke and 180 MCF/D by the calculated absolute open-flow method, with an SIPC of 2273 psia and an SIPT of 2297 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Dakota formation was made on September 12, 1972.

Inasmuch as this needs no official approval, pursuant to Section II of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, these determinations shall be effective as of the dates the subject wells were tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman

Land Department

Energy Resource Development

JRP:DI:lj CLU 4.3, 4.3.1

## Canyon Largo Unit Working Interest Owners

Joe Abraham

Estate of Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlas Corporation

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

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Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company (3) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

The Wiser Oil Company

# El Paso Natural Gas Company 1941

El Paso, Texas 79999

October 5, 1972

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501 OCT 1.3 1972

OIL CONSERVATION COMM

Santa Fe

Re: Canyon Largo Unit

Rio Arriba County, New Mexico 1972 Supplemental Drilling Program

#### Gentlemen:

The 1972 Supplemental Drilling Program for the Canyon Largo Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey - August 10, 1972 Commissioner of Public Lands - August 14, 1972 Oil Conservation Commission - September 22, 1972

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Yours very truly,

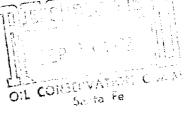
Dick Isaacks Senior Landman Land Department

Energy Resource Development

DI:1j CLU 3.0, 4.3 El Paso Natural Gas Company

El Paso, Texas 79999

September 26, 1972



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Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, SEVENTH EXPANDED PARTICIPATING AREA, Effective August 1, 1972

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include this well, to wit:

Dakota Formation

#### SEVENTH EXPANDED PARTICIPATING AREA - Effective August 1, 1972

Description of Lands	Acres
Township 25 North, Range 6 West, N.M.P.M.	
Section 11: E/2	320.00

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

> The Canyon Largo Unit #186 Well is located 990' from the North line and 1180' from the West line of Section 11, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 22, 1972, and completed on July 14, 1972, at a total depth of 7500'. The Dakota Formation in the intervals between 7145' - 7153', 7232' - 7248', 7262' - 7268', 7346' - 7358' was treated with a sand-water fracturing process on July 13, 1972. After being shut-in for seven (7) days, the well was tested on July 21, 1972, and following a three (3) hour blow-down period gauged 2426 MCF through a 3/4" choke, and 2556 MCF by the calculated absolute open-flow method, with an SIPC of 2640 psia and an SIPT of 1721 psia. The committed drilling block upon which this well is located is the E/2 of Section 11, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on July 21, 1972.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Seventh Expanded Participating Area for the Dakota Formation will become effective as of August 1, 1972.

Attached hereto is Schedule VIII showing the Seventh Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts.

Copies of this letter and Schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:DI:dks Enclosures

cc: Mrs. Penita O. Jeffus

CANYON LARGO UNIT
Working Interest Owners

Joe Abraham

Estate of Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlas Corporation

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

The Wiser Oil Company

OIL CONSERVATION COMMISSION
P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 22, 1972

El Paso Natural Gas Company Box 1492 El Paso, Texas 79999

Attention: Mr. D. W. Canfield

Re: 1972 Supplemental Drilling Program, Canyon Largo Unit,

Rio Arriba County, New

Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1972 Supplemental Drilling Program dated August 2, 1972, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

cc: Užited States Geological Survey Roswell, New Mexico

> Commissioner of Public Lands Santa Fe, New Mexico

## State of New Mexico

TRLEPHONE 505-827-2748



ALEX J. ARMIJO COMMISSIONER

### Commissioner of Public Lands August 14, 1972

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit

Rio Arriba County, New Mexico 1972 SUPPLEMENTAL DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your Supplemental Drilling Program for the Canyon Largo Unit area, Rio Arriba County, New Mexico. This supplement proposes reworking unit well No. 106 in the NW/4 of Section 20, Township 24 North, Range 6 West, by plugging back from the Gallup and recompleting in the Pictured Cliffs. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Please remit a three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director Oil and Gas Department

AJA/RDG/s encls.

CC:

USGS-Roswell, New Mexico (ltr only)
OCC- Santa Fe, New Mexico (cpy of ltr only)



## United States Department of the Interior

GEOLOGICAL SURVEY

OF CONTRACTION COMM.

#### Brawer 1857 Reguell, New Mexico 88201

August 10, 1972

El Paso Metural Gas Company

P. O. Bex 1492

El Paso, Texas 79999

Attention: Mr. D. N. Confield

Gentlemen:

The supplement, dated August 2, 1972, to your 1972 plan of development for the Canyon Large unit area, Rio Arriba County, New Mexico, was approved on this date and is subject to like approval by the appropriate officials of the State of New Mexico. Such supplement proposes reworking unit wall No. 106 in the MFK sec. 20, T. 24 N., R. 6 N., N.M.P.M., by plugging back from the Gallup and recompleting in the Pictured Cliffs.

Two approved copies of the supplemental plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. III

CARL C. TRAYWICK Acting Area Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Durango (w/cy plan)
NHOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

JAG111ham: 1h

El Paso Natural Gas Company

El Paso, Texas 79999

OIL CONSERVATION COMM

August 2, 1972

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1972 SUPPLEMENTAL DRILLING PROGRAM

#### Gentlemen:

By letter dated April 10, 1972, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1972, and you previously approved this Drilling Program.

El Paso Natural Gas Company now desires, as Unit Operator, to amend this 1972 Program and provide for the plugging of the following well in the Gallup Formation and the plugging back of said well to the Pictured Cliffs Formation during the calendar year 1972.

#### Well and Location

#### Formation

Canyon Largo Unit No. 106 NW/4 Sec. 20, T-24-N, R-6-W, N.M.P.M.

Pictured Cliffs

This No. 106 well will be drilled by El Paso Natural Gas Company, as Unit Operator, on a spacing unit which is not presently within the existing Pictured Cliffs Participating Area, to extend the limits of

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission Page Two

August 2, 1972

such Participating Area. As the well was non-commercial in the Gallup and is being drilled outside the present Pictured Cliffs Participating Area on a drilling block in which El Paso Natural Gas Company holds the full leasehold interest, the consent of the Unit working interest owners to the proposed operation is not required.

In addition to the No. 106 well, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances, and any other wells deemed necessary by the Unit Operator and the working interest owners.

If this 1972 Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to this office.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

D. N. Canfield

Manager

Land Department

Energy Resource Development

DNC:JP:nja Attachments Canyon Largo Unit 3.0, 4.3

APPROVED	:	DATE:	
	Regional Oil and Gas Supervisor		
	United States Geological Survey		
	Subject to like approval by the		
	Commissioner of Public Lands and		
	the Oil Conservation Commission		
APPROVED	• ·	DATE:	
	Commissioner of Public Lands		
	Subject to like approval by the		
	United States Geological Survey and		

APPROVED:

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and

the Commissioner of Public Lands

the Oil Conservation Commission

DATE September 22, 1972

The foregoing approvals are for the Canyon Largo Unit #14-08-001-1059 Supplemental Drilling Program for the calendar year 1972.

CANYON LARGO UNIT Working Interest Owners

Joe Abraham

Estate of Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3) Denver, Colorado

Amoco Production Company Farmington, New Mexico

Atlas Corporation

Iris V. Balbach, Administratrix of the Estate of Loren Wilcox

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Kimbell, Inc.

Estate of Hugh McMillan

Mrs. Merle McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

The Wiser Oil Company

## El Paso Natural Gas Company

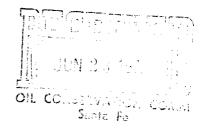
El Paso, Texas 79978

June 21, 1972

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501



Re: Canyon Largo Unit, Rio Arriba County, New Mexico, 1972 DRILLING

**PROGRAM** 

#### Gentlemen:

The 1972 Drilling Program for the Canyon Largo Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey - June 8, 1972 Commissioner of Public Lands - April 17, 1972 Oil Conservation Commission - May 8, 1972

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Yours very truly,

Dick Isaacks Senior Landman Land Department

Energy Resource Development

DI:dks Canyon Largo 3.0



## United States Department of the

GEOLOGICAL SURVEY

#### Drawer 1857 Reswell, New Mexico 88201



June 8, 1972

El Pese Matural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: Mr. D. W. Cenfield

Gentlemen:

On this date, your 1972 plan of development for the Canyon Large unit eres, Rie Arriba County, New Mexico, in which you propose to drill mine Pietured Cliffs wells, seven Chacre wells, four Dahota wells and any well that may be required to prevent drainage of unitimed substances, was approved. Such approval is subject to like approval by the appropriate officials of the State of New Mexico.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) N. O. FT TO TOTAL

N. O. FREDERICK Regional Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Durango (w/cy plan)
1840CC, Santa Fe (ltr. only)
Com. of Pub. Lands (ltr. only)

Note to Durango: Please observe the producing ability of the Continental No. 19 AXI Apache "J" well in the NWkNWk sec. 6, T. 25 N., R. 5 W., for possible drainage from the Canyon Largo unit and advise this office of your findings when you have completed your evaluation.

JAG111ham: 1h

### OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 8, 1972

El Paso Natural Gas Company Box 1492 El Paso, Texas 79978

Attention: Mr. D. N. Canfield

1972 Drilling Program Canyon Largo Unit, Rio Arriba County.

New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation: Commission has this date approved the Drilling Program for the calendar year 1972 providing for the drilling of twenty wells for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

United States Geological Survey Roswell, New Mexico

> Commissioner of Public Lands Santa Fe, New Mexico

APR 19 1972

OIL CONSERVATION COMM.
Santa Fe

April 17, 1972

El Pace Metural Cas Company

P. O. Box 1492

21 Page, Tames 79999

Re: Ganyon Large Unit Rio Arriba County, New Haxine 1972 DRILLING PROSENS

ATTEMPLOM: Mr. D. M. Confield

Sent leman:

The Commissioner of Public Lands has this date approved your 1972 Brilling Program for the Canyon Large Unit, Rio Arriba County, How Memico, which proposes the drilling of mine Pictured Cliffs wells, seven Charra wells and four Bahota wells. This approval is subject to like approval by the United States Geological Survey and the Oil Concervation County-sion.

One approved copy of the plan is enclosed.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director Oil and Gas Department

AJA/105/e encle. eci

OCC-Senta Fo, New Mexico /



Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, 1972 DRILLING PROGRAM

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit on January 14, 1971, for the calendar year 1971, providing for the drilling of two Chacra and one Pictured Cliffs wells during 1971. By letter dated November 30, 1971, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1971 Drilling Program providing for the drilling of one Mesaverde well. All of the proposed wells were timely drilled during 1971.

Chacra Wells #164 and #165 were drilled on Intervening Drilling Blocks and caused no expansion of the Chacra Participating Area. Pictured Cliffs Well #172 was completed as a well incapable of producing unitized substances in paying quantities and did not cause an expansion of the Pictured Cliffs Participating Area. Mesaverde Well #189 was a dry hole. Also during 1971, Well #162 was plugged and abandoned in the Chacra Formation and recompleted in the Pictured Cliffs Formation as a well incapable of producing unitized substances in paying quantities.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	97
Non-Commercial	8
Plugged and Abandoned	12
Chacra	
Commercial	22
Plugged and Abandoned	1
Temporarily Abandoned (#161)	1
Dual, Pictured Cliffs-Chacra	
Commercial	1
Non-Commercial, Chacra	1
,	_
Mesaverde	
Non-Commercial	1
	_
Gallup	
Commercial	14
Non-Commercial	1
	_
Dual, Gallup-Dakota	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	ī
•	_
Dakota	
Commercial	7
Non-Commercial	2
	$\frac{170}{170}$
	_, 0

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1972.

Well No.	Drilling Block	<u>Formation</u>
174	W/2 Sec. 21, T-25-N, R-7-W	Pictured Cliffs
114	E/2 Sec. 33, T-25-N, R-7-W	Pictured Cliffs
175	E/2 Sec. 33, T-25-N, R-6-W	Pictured Cliffs
176	E/2 Sec. 6, T-24-N, R-6-W	Pictured Cliffs
177	W/2 Sec. 10, T-25-N, R-6-W	Pictured Cliffs
178	W/2 Sec. 14, T-25-N, R-6-W	Pictured Cliffs
179	W/2 Sec. 13, T-25-N, R-7-W	Pictured Cliffs
180	E/2 Sec. 23, T-25-N, R-7-W	Pictured Cliffs
181	W/2 Sec. 26, T-25-N, R-7-W	Pictured Cliffs
182	E/2 Sec. 15, T-25-N, R-6-W	Chacra
183	E/2 Sec. 2, T-25-N, R-6-W	Chacra
167	E/2 Sec. 3, T-25-N, R-6-W	Chacra

Canyon Largo 3.0

Well No.	Drilling Block	Formation
168	W/2 Sec. 3, T-25-N, R-6-W	Chacra
169	E/2 Sec. 4, T-25-N, R-6-W	Chacra
170	W/2 Sec. 4, T-25-N, R-6-W	Chacra
184	E/2 Sec. 12, T-25-N, R-6-W	Chacra
185	W/2 Sec. 3, T-24-N, R-6-W	Dakota
186	E/2 Sec. 11, T-25-N, R-6-W	Dakota
187	E/2 Sec. 20, T-25-N, R-6-W	Dakota
188	W/2 Sec. 33, T-25-N, R-6-W	Dakota

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

D. N. Canfield

Manager

Land Department

DNC:DI:ks Energy Resource Development Enclosures

APPROVED:	•	DATE:
	Regional Oil and Gas Supervisor United States Geological Survey Subject to like approval by the Commissioner of Public Lands and	
	the Oil Conservation Commission	
APPROVED	: Commissioner of Public Lands	DATE:
	Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	
APPROV ED		DATE: 2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/
	Oil Conservation Commission	
	Subject to like approval by the	
	United States Geological Survey and ' the Commissioner of Public Lands	
	one committee of fabric balles	

The foregoing approvals are for the 1972 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Mr. Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3)

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Petrolcum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

Mr. Loren Wilcox and Norma Wilcox

The Wiser Oil Company

El Paso Natural Gasy Company

El Paso, JAN 3 1 1972

CONSERVATION COMM,

January 28, 1972

541

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, NOTICE OF COMPLETION OF NON-COMMERCIAL WELLS, Pictured Cliffs Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described wells, which were drilled by El Paso, as Unit Operator, are not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo #162 Well is located 1060' from the North line and 800' from the East line of Section 6, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 17, 1970 and completed on May 19, 1970 in the Chacra Formation. By Notice of Completion of Non-Commercial Well dated September 11, 1970, El Paso Natural Gas Company, as Unit Operator advised that the well was incapable of producing unitized substances in paying quantities from the Chacra Formation. On November 26, 1971, the Chacra Formation was plugged and abandoned. The top of the cement plug is at 2632'. The Pictured Cliffs Formation between 2550'-2562' was treated with a sand-water fracturing process on November 29, 1971. The well was shut-in on December 6, 1971 and after being shut in for thirty-eight (38) days, the Pictured Cliffs Formation was tested on January 13, 1972,

and following a three (3) hour blow-down period gauged 542 MCF/d through a 3/4" choke and 545 MCF/d by the calculated absolute open-flow method, with an SIPC of 784 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 13, 1972.

The Canyon Largo Unit #172 Well is located 910' from the South line and 1665' from the West line of Section 27, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 4, 1971 and completed on December 22, 1971 at a total depth of 2757'. The Pictured Cliffs Formation between 2640'-2646', 2654'-2666', 2675'-2681', 2689'-2695' was treated with a sand-water fracturing process on October 26, 1971. The well was shut-in on January 6, 1972 and after being shut-in for seven (7) days, the well was tested on January 13, 1972, and following a three (3) hour blow-down period gauged 278 MCF/d through a 3/4" choke and 279 MCF/d by the calculated absolute open-flow method, with an SIPC of 442 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 13, 1972.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, these determinations shall be effective as of January 13, 1972, the date the subject wells were tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

James R. Permenter Supervising Landman Land Department

Energy Resource Development

JRP:DI:ks Canyon Largo Unit 4.1, 4.1.1

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Mr. Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3)

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

Mr. Loren Wilcox and Norma Wilcox

The Wiser Oil Company

## El Paso Natural Gas Company

El Paso, Texas 1997 El VED

January 20, 1972

CONSERVATION COMM.

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SUPPLEMENTAL 1971 DRILLING PROGRAM

#### Gentlemen:

The Supplemental 1971 Drilling Program dated November 30, 1971 for the Canyon Largo Unit was approved by the regulatory bodies on the following dates:

United States Geological Survey December 17, 1971 December 27, 1971 Commissioner of Public Lands Oil Conservation Commission January 10, 1972

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Yours very truly,

Dick Isaacks Senior Landman Land Department

Energy Resource Development

DI:nja C.L.U. 3.0

### OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 10, 1972

El Paso Matural Gas Company P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Supplemental 1971 Drilling Ret Program, Canyon Largo Unit, Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Supplemental 1971 Drilling Program for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

cc: United States Geological Survey - Roswell Commissioner of Public Lands - Santa Fe

RÉCLAVED

3 8 1971

OL CONSERVITION COLIN.

#### December 27, 1971

El Paso Hatural Gas Company

P. Q. Box 1492

El Paso, Texas 79999

Re: Canyon Large Unit 1971 SUPPLEMENTAL DESLLING PROGRAM Rio Arriba County, New Mexico

ATTENTION: Mr. T. W. Bittick

Contlemen:

The Commissioner of Public Lands has this date approved your 1971 Supplemental Drilling Program for the Canyon Largo Unit, Rie Arriba County, New Mexico, which proposes the drilling of one Mesaverde well. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Please remit a Three (\$3.00) Bollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director Gil and Gas Department

AJA/ROG/s encls.

os: USGS-Rosvell, New Memico OCC- Santa Pe, New Memico

KEUEIVED mer 2 0 1971

OIL CONSERVATION COMM.

#### Drawer 1857 Reswell, New Mexico 88201

Becember 17, 1971

El Paso Hatural Gas Company

P. O. Best 1492 El Russ, Denne 79999

Attention: Mr. T. W. Bittick

#### Contlemen:

Your 1971 supplemental plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of one Mesoverde well has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

CARC CGD.) N. O. FPTDTTTT

M. O. PREDERICK Regional 011 and Gas Supervisor

Washington (w/cy plan) Burango (w/cy plan) MMDCC, Santa Fe (ltr. only) Com. of Public Lands, Senta Fe (itr. only) El Paso Natural Gas | Company | 1971

El Paso, Texas 79978 OIL CONSERVATION COMM. SANTA FE

December 17, 1971

541

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

#### Gentlemen:

Attached are two copies of a Designation of Agent from El Paso Natural Gas Company to J. Gregory Merrion and Robert L. Bayless covering the Mesaverde formation in Section 22, T-24-N, R-6-W, in the Canyon Largo Unit, Rio Arriba County, New Mexico.

Yours very truly

Dick Isaacks Senior Landman Land Department

Energy Resource Development

DI:nja Attachment NM-4792

DFC 2 0 1971

This indenture dated as of the 164 day of November, 1971, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79978 and J. GREGORY MERRION and ROBERT L. BAYLESS, whose address is Petroleum Plaza Building, Farmington, New Mexico 87401;

#### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat.

437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8, 1946, 60

Stat. 950, the Secretary of the Interior on the 18th day of September, 1953, approved a Unit Agreement for the Canyon Largo Unit area and the Commissioner of Public Lands of the State of New Mexico on June 3, 1953, consented to and approved said Unit Agreement by authority of Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on June 2, 1953, approved said Unit Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, The Superior Oil Company has resigned as such Operator and, in accordance with the terms of the Canyon Largo Unit Agreement, El Paso Natural Gas Company was appointed and has accepted and assumed the duties of the successor Unit Operator; and

WHEREAS, El Paso Natural Gas Company now desires to appoint J. Gregory

Merrion and Robert L. Bayless as Agent, and J. Gregory Merrion and Robert L. Bayless

desire to accept and assume the duties of Agent, as set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Agreement, hereby designates J. Gregory Merrion and Robert L. Bayless as Agent to drill, test, complete, operate and/or plug and abandon Mesaverde Formation wells in the following described portion of the Unit Area:

Township 24 North, Range 6 Mest, N.M.P.M. Section 22: All

- 2. El Paso Natural Gas Company hereby covenants and agrees to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit Area and to file all applications required or necessitated by the terms of such Agreement.
- 3. It is specifically understood that this Designation of Agent does not relieve El Paso Natural Gas Company of its responsibilities as Unit Operator of the Canyon Largo Unit.

4. It is further understood and agreed that El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to J. Gregory Merrion and Robert L. Bayless and the Supervisor, Oil and Gas Operations, the United States Geological Survey.

o. diegoty meriton and mobert be baytess and	the supervisor, wir and das operations,
the United States Geological Survey.	
IN WITNESS WHEREOF, this instrumen	t is executed by the parties hereto as
of the date hereinabove set forth.	
	EL PASO NATURAL GAS COMPANY  By: STATE OF THE STATE OF TH
	J. GREGORY JERRION  ROBERT L. BAYLESS
STATE OF TEXAS )	
COUNTY OF EL PASO )	
The foregoing instrument was acknowled, 1971, by T. W. Bittick, A COMPANY, a Belaware corporation, on behalf of	owledged before me this 13 day of attorney-in-Fact for EL PASO NATURAL GAS of said corporation.
	Claire Busse
My commission expires:	Notary Public
ELOISE BUSSE  **Control of the state of the	
STATE OF NEW MEXICO )	
COUNTY OF SAN JUAN )	1
The foregoing instrument was acknowledge, 1971, by J. Gregory Merri	owledged before me this 15th day of
My commission expires:	Kotary Public
7-15-72	
STATE OF NEW MEXICO )	
COUNTY OF SAN JUAN )	41
The foregoing instrument was acknowledge 1971, by Robert L. Bayles	owledged before me this day of ss.
My commission expires:	Mary Publis
7-15-72	

#### DESIGNATION OF AGENT

#### MITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat.

437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8, 1946, 60

Stat. 950, the Secretary of the Interior on the 18th day of September, 1953, approved a Unit Agreement for the Canyon Largo Unit area and the Commissioner of Public Lands of the State of New Mexico on June 3, 1953, consented to and approved said Unit Agreement by authority of Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on June 2, 1953, approved said Unit Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, The Superior Oil Company has resigned as such Operator and, in accordance with the terms of the Canyon Largo Unit Agreement, El Paso Natural Gas Company was appointed and has accepted and assumed the duties of the successor Unit Operator; and

WHEREAS, El Paso Natural Gas Company now desires to appoint J. Gregory

Merrion and Robert L. Bayless as Agent, and J. Gregory Merrion and Robert L. Bayless

desire to accept and assume the duties of Agent, as set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Agreement, hereby designates J. Gregory Merrion and Robert L. Bayless as Agent to drill, test, complete, operate and/or plug and abandon Mesaverde Formation wells in the following described portion of the Unit Area:

Township 24 North, Range 6 West, N.M.P.M. Section 22: All

- 2. El Paso Natural Gas Company hereby covenants and agrees to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit Area and to file all applications required or necessitated by the terms of such Agreement.
- 3. It is specifically understood that this Designation of Agent does not relieve El Paso Natural Gas Company of its responsibilities as Unit Operator of the Canyon Largo Unit.

4. It is further understood and agreed that El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to J. Gregory Merrion and Robert L. Bayless and the Supervisor, Oil and Gas Operations, the United States Geological Survey.

the United States Geological Survey.
IN WITNESS WHEREOF, this instrument is executed by the parties hereto as
of the date hereinabove set forth.
EL PASO NATURAL GAS COMPANY
Atterney-in-Fact  Atterney-in-Fact  J. GREGORY MERRION  ROBERT L. BAYLESS
STATE OF TEXAS )
The foregoing instrument was acknowledged before me this /3 day of Accompany, 1971, by T. W. Bittick, Attorney-in-Fact for EL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.  My commission expires:  Notary Public
ELDISE BUSSE  Notary Public in and For El Paso County, Texas  My Commission Expires June 1, 1973
STATE OF NEW MEXICO )
The foregoing instrument was acknowledged before me this day of day of My commission expires:  Notary Public  Notary Public
STATE OF NEW MEXICO )  COUNTY OF SAN JUAN )  The foregoing instrument was acknowledged before me this day of day of learning, 1971, by Robert L. Bayless.
My commission expires:  Notany Public
7-15-72

# El Paso Natural Gas Company

## El Paso, Texas 79994 ECEIVED

ner - 3 1971

November 30, 1971 CONSERVATION COMM

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, SUPPLEMENTAL 1971 DRILLING PROGRAM

#### Gentlemen:

By letter dated January 14, 1971, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1971. This program provided for the drilling of two Chacra wells and one Pictured Cliffs well during 1971.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Supplemental Drilling Program providing for the drilling of one (1) additional well during 1971. This well is as follows:

#### Location

#### Formation

Canyon Largo Unit #189 Well Mesaverde W/2 Sec. 22, T-24-N, R-6-W

This well will be drilled by J. Gregory Merrion and Robert L. Bayless pursuant to a Designation of Agent filed with the United States Geological Survey under cover of letter dated November 24, 1971.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

In addition to the wells now on the 1971 Drilling Program, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

If this Supplemental Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Supplemental Drilling Program are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

T. W. Bittic

Director

Lands and Administration
Energy Resource Development

TWB:DI:1j Attachment CLU 3.0

APPROVED:		DATE:	
	Regional Oil and Gas Supervisor		
	United States Geological Survey		
	Subject to like approval by the		
	Commissioner of Public Lands and		
	the Oil Conservation Commission		
APPROVED:		DATE:	
	Commissioner of Public Lands		
	Subject to like approval by the		
	United States Geological Survey and		

APPROVED:

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

the Oil Conservation Commission

DATE: January 10,11972

The foregoing approvals are for the Canyon Largo Unit Supplemental Drilling Program for the calendar year 1972.

## CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham

Mr. Oscar Abraham

American Petrofina Company of Texas

Amoco Production Company (3)

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Burton-Hawks, Inc.

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis and Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Petroleum Corporation of Texas

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William J. Webb

Mr. Loren Wilcox and Norma Wilcox

The Wiser Oil Company

#### OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 10, 1971

541

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Attention: Mr. Charles Higgins

Re: Extension of Time for Drilling, Canyon Largo Unit, Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the application for an extension of time until October 1, 1971, in which to commence drilling the W/2 of Section 10, and W/2 of Section 14, Township 25 North, Range 6 West, as intervening drilling blocks in the Canyon Largo Unit Area, Rio Arriba 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.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

cc: United States Geological Survey - Roswell Commissioner of Public Lands - Santa Fe



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Primer 1857 Reswell, Man Hexico 86201

Juna 8, 1971

El Pane Materrel Gas Gospany F.O. Bast 1492 El Pape, Tastas 79978

#### Coat lanes:

On June 8, 1971, your request of May 27, 1971, for a four month entennion of time beyond June 1, 1971, within which to commonce the drilling of two intervening drilling blocks within the Charm participating arms of the Canyon Large unit was approved. Brilling operations to the Charm frametion on intervening drilling blocks, the We of one. 10 and the We of one. 14, T. 25 H., R. 6 W., under the Canyon Large unit agreement, Rio Arriba County, Nor Mexico, No. 14-00-001-3059, is now due to be openanted before undnight October 1, 1971. Such approval is subject to like approval by the Counterioner of Public Lands and the Oil Conservation Counterion of Nor Mexico.

Copies of the approved extension have been distributed to the Federal effices concerned and one copy is returned becauth.

Sincerely yours,

GARL G. TRATEGE Acting 011 and Gas Supervisor

Washington (w/cy of request)

EM, Muta Pe (w/cy request)

Em, of Pub. Lands

HEGG, Sante Pe /

Farmington (w/cy of request)

June 3, 1971

El Pago Matural Gas Company

P. O. Box 1492

El Paso, Texas 79978

Ro: Canyon Largo Unit
Rio Arriba County, New Mexico
Extension of Time in which to
Drill Intervening Drilling Blocks
in the Chacra Formation

ATTENTION: Mr. Charles Higgins

Gentlemen:

The Commissioner of Public Lands has this date granted you an extension of time until October 1, 1971, in which to commence drilling upon the two intervening drilling blocks included in the Eleventh Expanded Chacra Participating Area, effective June 1, 1970, as per Section 11 of the Unit Agreement.

This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Sincerely yours,

RAY D. GRAHAM, Director Oil and Gas

AJA/RDG/s
encl.(lapproved copy)

OC: USGS-Roswell, New Mexico (ltr only)
OCC- Santa Pe, New Mexico (ltr only)

# El Paso Natural Gas Company

El Paso, Texas 79978

May 27, 1971

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
Extension of Time in Which to
Drill Intervening Drilling Blocks
in the Chacra Formation

#### Gentlemen:

The W/2 of Section 10 and the W/2 of Section 14, T-25-N, R-6-W, were included as intervening drilling blocks in the Eleventh Expanded Chacra Participating Area, effective June 1, 1970. The Canyon Largo Unit Agreement provides that a well must be commenced on an intervening drilling block within one (1) year from the time the drilling block is admitted to the participating area unless an extension is granted by the regulatory agencies. Both wells have been staked, and preparations are being made to have the locations built.

El Paso Natural Gas Company is drilling approximately 125 wells in the San Juan Basin during 1971, and we have tried to schedule these wells in a manner that will permit optimum use of personnel and drilling rigs at the lowest possible cost to El Paso and the other working Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

May 27, 1971

interest owners for whom El Paso acts as operator. We have a number of non-unit Chacra wells which will be drilled in the general area of the Canyon Largo Unit upon completion in September of our presently drilling 40-well Pictured Cliffs program. Since substantial savings can be realized by the unit working interest owners if these unit and non-unit wells can be contracted and drilled as a package, we respectfully request that we be given an extension of time until October 1, 1971, in which to commence drilling upon the two intervening drilling blocks.

If you approve this extension of time, please so indicate your approval on the attached sheet and return one approved copy for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman

Land Department

Energy Resource Development

CH:DI:nja Enclosures Canyon Largo Unit 4.5, 5.0, 3.0

APPROVED:		DATE:
	Regional Oil and Gas Supervisor	
	United States Geological Survey	
	Subject to like approval by the	
	Commissioner of Public Lands and	
	the Oil Conservation Commission	
APPROVED	:	DATE:
	Commissioner of Public Lands	
	Subject to like approval by the	
•	United States Geological Survey and	
	the Oil Conservation Commission	
APPROVED;	( faith	DATE: June 10, 1971
,	Oil Conservation Commission	
	Subject to like approval by the	$oldsymbol{\mathcal{Y}}$
	United States Geological Survey and	

The foregoing approvals are for the application for Extension of Time in Which to Drill Intervening Drilling Blocks in the Chacra Formation, dated May 27, 1971, Canyon Largo Unit #14-08-001-1059.

the Commissioner of Public Lands

#### CANYON LARGO UNIT Chacra Working Interest Owners

Mr. R. L. Bayless

Mr. J. Gregory Merrion

The Wiser Oil Company

# El Paso Natural Gas Company

El Paso, Texas 79999

March 19, 1971

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1971 DRILLING PROGRAM

#### Gentlemen:

The 1971 Drilling Program dated January 14, 1971 for the referenced Unit was approved by the Regulatory Bodies on the dates indicated below:

United States Geological Survey - March 16, 1971 Commissioner of Public Lands - January 20, 1971 Oil Conservation Commission - January 22, 1971

Copies of this letter are being sent to the working interest owners of the above-described Unit.

Yours very truly,

Dick Isaacks Senior Landman Land Department

DI:1j C.L.U. 3.0



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

I MAR

ش

Prever 1857
Roswell, New Mexico 88201

March 16, 1971

541

El Suco Matural Gas Company P.O. Non 1A92 El Puso, Texas 79999

Attention: Mr. T. W. Bittick

#### Quat lower:

Year 1971 plan of development for the Canyon Largo unit area, Rio Arriba Camaty, New Mexico, proposing the drilling of two Chacra wells and one Pictured Cliffs well, has been approved on this date subject to like approved by the appropriate State officials.

Due approved copies of the plan are enclosed.

Sincerely yours,

(ORIG SCD) CORE C. TRAYWICK

CARL C. TRAYFICK

Acting Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Durango (w/cy plan)
NHOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

#### OIL CONSERVATION COMMISSION

P. O. BOX 2088

#### SANTA FE, NEW MEXICO 87501

January 22, 1971

541

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1971 Drilling Program Canyon Largo Unit, Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1971 providing for the drilling of two Chacra wells and one Pictured Cliffs well in the Canyon Largo Unit Area, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

cc: United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

> Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico

January 20, 1971 El Pago Matural Gas Company P. O. Box 1492 El Paso, Texas 79999 Re: Canyon Largo Unit Rio Arriba County, New Mexico 1971 DRILLING PROGRAM ATTENTION: Mr. T. W. Bittick Gentlemen: The Commissioner of Public Lands has this date approved your 1971 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, which proposes the drilling of two Chacra wells and one Pictured Cliffs well during 1971. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission. One approved copy of the plan is enclosed. Please remit a Three (\$3.00) Dollar filing fee. Sincerely yours, GORDON G. MARCUM, II, Director Oil and Gas Department AJA/QCM/s encl. USGS-Reswell, New Mexico CC: OCC- Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas 79999

January 14, 1971

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1971 DRILLING PROGRAM

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit on March 13, 1970, for the calendar year 1970, providing for the drilling of five Chacra and three Pictured Cliffs wells during 1970. All of the proposed wells were timely drilled during 1970.

Wells #159, #160, and #163 were drilled within the Chacra Participating Area and completion of Wells #159 and #163 created Intervening Drilling Blocks in the W/2 of Section 10 and the W/2 of Section 14, T-25-N, R-6-W, thereby causing the Eleventh Expansion of the Chacra Participating Area effective June 1, 1970. Wells #158 and #162 were determined to be incapable of producing in paying quantities and Notices of Completion of Non-Commercial Well were filed with the regulatory agencies. Well #161 is incapable of producing from the Chacra Formation and El Paso is presently considering plugging the well back and attempting to complete it in the Pictured Cliffs Formation. If no attempt is made to recomplete Well #161 in the Pictured Cliffs Formation, it will be plugged and abandoned during 1971. Completion of Wells #156 and #157 caused the Thirtieth Expansion of the Pictured Cliffs Participating Area effective April 1, 1970.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	97
Non-Commercial	6
Plugged and Abandoned	12
Chacra	
Commercial	20
Plugged and Abandoned (includes #161)	2
Non-Commercial	1
Due la Distance la Claire Chance	
Dual, Pictured Cliffs-Chacra	,
Commercial	1
Non-Commercial, Chacra	1
Gallup	
Commercial	14
Non-Commercial	1
Dual, Gallup-Dakota	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota	
Commercial	7
Non-Commercial	4
MOIT-COMMETCIST	166
	100

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1971.

Well No.	Drilling Block	Formation
164	W/2 Sec. 10, T-25-N, R-6-W	Chacra
165	W/2 Sec. 14, T-25-N, R-6-W	Chacra
172	W/2 Sec. 27, T-25-N, R-7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

T. W. Bittick

Director

Lands and Administration
Energy Resource Development

TWB:DI:ec Enclosures Canyon Largo 3.0

APPROVED	·	DATE:
	Regional Oil and Gas Supervisor	
	United States Geological Survey	
	Subject to like approval by the	•
	Commissioner of Public Lands and	
	the Oil Conservation Commission	
APPROVED	:	DATE:
	Commissioner of Public Lands	
	Subject to like approval by the	
	United States Geological Survey and	
	the Oil Conservation Commission	
<b>APPROV</b> ED	: At Buch	DATE: ximury 22, 1971
	Oil Conservation Commission	
	Subject to like approval by the	
	United States Geological Survey and	

The foregoing approvals are for the 1971 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

the Commissioner of Public Lands

CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

The Wiser Oil Company

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059, NOTICE OF COMPLETION OF ADDITIONAL WELL, Chacra Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Chacra Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #160 Well is located 1140' from the North line and 800' from the West line of Section 13, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 13, 1970, and completed on May 8, 1970, at a total depth of 3795'. The Chacra Formation between 3584'-3600', 3684'-3693' was treated with a sandwater fracturing process on May 8, 1970. The well was shutin on May 16, 1970, and after being shut-in for gauge for nine (9) days, the well was tested on May 25, 1970, and following a three (3) hour blow-down period gauged 798 MCF/D through a 3/4" choke and 804 MCF/D by the calculated absolute

September 11, 1970

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

open-flow method, with an SIPC of 863 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 13, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres.

This drilling block was included in the Canyon Largo Unit Ninth Expanded Participating Area for the Chacra Formation, effective December 1, 1969 as an Intervening Drilling Block. Completion of the well has satisfied the provision of the Canyon Largo Unit Agreement requiring a well to be commenced within one year from the effective date of the Intervening Drilling Block's inclusion in the Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

Charles Higgins Supervising Landman

Land Department

talle &

CH:DI:sf Enclosure

## CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

El Paso Natural Gas Company

El Paso, Texas 79999

September 11, 1970

/ii SE?

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, Chacra Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Chacra Formation:

The Canyon Largo Unit #162 Well is located 1060' from the North line and 800' from the East line of Section 6, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 17, 1970, and completed on May 19, 1970, at a total depth of 3565'. The Chacra Formation between 3390'-3410', 3492'-3502' was treated with a sand-water fracturing process on May 19, 1970. The well was shut-in on July 8, 1970, and after being shut-in for gauge for eight (8) days, the well was tested on July 16, 1970, and gauged 52 MCF/PD through a pitot tube, with an SIPC of 399 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Chacra Formation was made on July 16, 1970.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of July 16, 1970, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins Supervising Landman

Land Department

CH:DI:ec Enclosure

cc: Mrs. Pepita O. Jeffus
 Executive Director, New Mexico Oil
& Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

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Mr. J. Gregory Merrion

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Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

# El Paso Natural Gas Company 2. El Paso, Texas 19999

July 7, 1970

541

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
ELEVENTH EXPANDED PARTICIPATING
AREA and NOTICE OF COMPLETION OF
ADDITIONAL WELLS
Chacra Formation

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the Canyon Largo Unit Chacra Participating Area should be expanded as follows:

#### ELEVENTH EXPANDED PARTICIPATING AREA - Effective June 1, 1970

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W, N.M.P.M.		
Section 14: W/2	320.00	No Well - Intervening Drilling Block
Section 10: W/2	320.00	No Well - Intervening Drilling Block

These Intervening Drilling Blocks were created by completion of the Canyon Largo Unit Wells Nos. 163 and 159 as wells capable of producing unitized substances in paying quantities from the Chacra Formation. Pertinent data on these wells is as follows:

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

> The Canyon Largo Unit #163 Well is located 1550' from the North line and 1650' from the East line of Section 10, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on April 7, 1970, and completed April 27, 1970, at a total depth of 3879' as a tubingless completion in the Chacra Formation. The Chacra Formation in the interval between 3716'-3732' was treated with a sand-water fracturing process on April 27, 1970. The well was shut-in on May 7, 1970, and after being shut-in for gauge for seven (7) days, the well was tested in the Chacra Formation on May 14, 1970. The well gauged 1561 MCF/D through a 3/4" choke and 1605 MCF/D by the calculated absolute open-flow method, with an SIPC of 896 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on May 14, 1970. The committed drilling block upon which this well is located is described as the E/2 of Section 10, T-25-N, R-6-W, consisting of 320.00 acres. This drilling block was included in the Canyon Largo Ninth Expanded Participating Area effective December 1, 1969, as an Intervening Drilling Block. Completion of the well has satisfied the provision of the Canyon Largo Unit Agreement requiring a well to be commenced within one (1) year from the effective date of the Intervening Drilling Block's inclusion in the Participating Area.

The Canyon Largo Unit #159 Well is located 990' from the North line and 1650' from the East line of Section 14,  $T\mbox{-}25\mbox{-N},\ R\mbox{-}6\mbox{-W},\ R\mbox{io Arriba County, New Mexico.}$  This well was spudded on April 9, 1970, and completed May 8, 1970, at a total depth of 3773' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3563'-3573', 3660'-3670' was treated with a sand-water fracturing process on May 8, 1970. The well was shut-in on May 16, 1970, and after being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on May 27, 1970. The well gauged 1153 MCF/D through a 3/4" choke and 1170 MCF/D by the calculated absolute open-flow method, with an SIPC of 897 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on May 27, 1970. The committed drilling block upon which this well is located is described as the E/2 of Section 14, T-25-N, R-6-W, and consists of 320.00 acres. This drilling block was included in the Canyon Largo Tenth Expanded Chacra Participating Area effective January 1, 1970, as an Intervening Drilling Block. Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

Completion of the well has satisfied the provision of the Canyon Largo Unit Agreement requiring a well to be commenced within one (1) year from the effective date of the Intervening Drilling Block's inclusion in the Participating Area.

Attached hereto is Schedule XII showing the Eleventh Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the wells and the outline of the Eleventh Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Eleventh Expanded Participating Area for the Chacra Formation will become effective as of June 1, 1970.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman
Land Department

CH:DI:ec Enclosures CLU 4.5

cc: Mrs. Pepita O. Jeffus
New Mexico Oil & Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil and Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts Nos. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

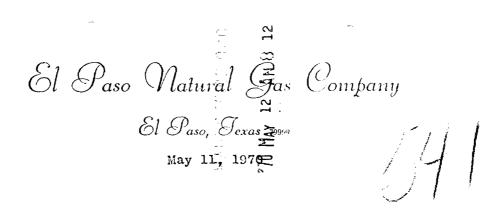
The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox



Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, THIRTIETH EXPANDED PARTICIPATING AREA, Effective April 1, 1970, Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this Unit, and that the Participating Area for the Pictured Cliffs Formation is expanded accordingly to include these wells, to wit:

#### THIRTIETH EXPANDED PARTICIPATING AREA - Effective April 1, 1970

Description of Lands				Acres
Township 25	North, Ra	nge 7 West,	N.M.P.M.	
Section 14:	W/2			320.00
Section 27:	E/2			320.00

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Two

> The Canyon Largo Unit #156 Well is located 920' from the South line and 1850' from the West line of Section 14, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on October 9, 1969, and completed on February 21, 1970, at a total depth of 2755'. The Pictured Cliffs Formation in the intervals between 2604'-2618', 2674'-2688' was treated with a sand-water fracturing process on February 21, 1970. After being shut-in for ten (10) days, the well was tested on March 13, 1970, and following a three (3) hour blow-down period gauged 1257 MCF/D through a 3/4" choke, and 1306 MCF/D by the calculated absolute openflow method, with an SIPC of 614 psia. The committed drilling block upon which this well is located is the W/2 of Section 14, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on March 13, 1970.

The Canyon Largo Unit #157 Well is located 810' from the South line and 1460' from the East line of Section 27, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on October 7, 1969, and completed on February 25, 1970, at a total depth of 2796'. The Pictured Cliffs Formation in the interval between 2713'-2733' was treated with a sand-water fracturing process on February 25, 1970. After being shut-in for eight (8) days, the well was tested on March 26, 1970, and following a three (3) hour blow-down period gauged 2328 MCF/D through a 3/4" choke, and 3142 MCF/D by the calculated absolute openflow method, with an SIPC of 442 psia. The committed drilling block upon which this well is located is the W/2 of Section 27, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Three

County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on March 26, 1970.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Thirtieth Expanded Participating Area for the Pictured Cliffs Formation will become effective as of April 1, 1970.

Attached hereto is Schedule XXXI showing the Thirtieth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts. Also attached hereto is a map designated Exhibit "A", showing the location of the wells and the outline of the Thirtieth Expanded Participating Area.

Copies of this letter and Schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman

Land Department

Talles

CH:DI:sf Enclosures

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation

American Petrofina Co. of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins and Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Kimbell, Inc.

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

# El Paso Watural Gas Company

El Paso, Texas 79999

April 10, 1970

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: 1970 DRILLING PROGRAM,

Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

#### Gentlemen:

The 1970 Drilling Program for the referenced Unit was approved by the Regulatory Bodies on the dates indicated:

United States Geological Survey Commissioner of Public Lands Oil Conservation Commission

April 8, 1970 March 17, 1970 April 1, 1970

Copies of this letter are being sent to the working interest owners of the above described Unit.

Charles Higgins Supervising Landman

Land Department

CH:DI:sf Canyon Largo Unit, 3.0

El Paso Malural Gas Company

El Paso, Texas 19999

April 7, 1970

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, NOTICE OF COMPLETION OF NON-COMMERCIAL WELL, Pictured Cliffs Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo Unit #158 Well is located 1650' from the South line and 1650' from the East line of Section 1, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 3, 1969 and completed on February 25, 1970, at a total depth of 2321'. The Pictured Cliffs Formation between 2232'-2242', 2262'-2272' was treated with a sand-water fracturing process on February 25, 1970. The well was shut-in on March 5, 1970, and after being shut-in for gauge for eight (8) days, the well was tested on March 13, 1970, and following a three (3) hour blow-down period gauged 599 MCFGPD through a 3/4" choke and 603 MCFGPD by the calculated absolute open-

flow method, with an SIPC of 663 psia. The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on March 13, 1970.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of March 13, 1970, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins Supervising Landman

Land Department

CH:DI:sf Enclosure

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

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Mr. A. G. Hill

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Hondo Oil & Gas Company

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Edna W. Merrion Trusts No. 1, 2, 3

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The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

#### OIL CONSERVATION COMMISSION

P. O. BOX 2088

#### SANTA FE, NEW MEXICO 87501

April 1, 1970

541

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1970 Drilling Program
Canyon Largo Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1970 providing for the drilling of three Pictured Cliffs wells and five Chacra wells for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell Commissioner of Public Lands - Santa Fe Drawer 1857 Z. S. Rossell, New Housies 88291

April 8, 1970

41

Hi Pass Matural Cas Company

P. O. New 1492

El Paso, Terma 79999

Attention: Mr. T. W. Bittick

Jout lemen :

Your 1970 plan of development for the Canyon Large unit area, Rio Arriba County, New Mexico, proposing the drilling of five Chacra wells and three Pictured Cliffs wells, has been approved on this date subject to like approved by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SCI.) C. L. C. LRAYWICK

CARL C. TRAYWICK Acting Oil and Cas Supervisor

ec:

Washington (w/cy plan)
Burango (w/cy plan)
HNDCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

TO MAR 19 PH 7

March 17, 1970

541

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit Rio Arriba County, New Mexico 1970 DRILLING PROGRAM

ATTENTION: Mr. T. W. Bittick

#### Gentlemen:

The Commissioner of Public Lands has this date approved your 1970 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, which proposes the drilling of three pictured Cliffs wells and five Chacra wells during the 1970 calendar year. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed please find one approved copy of the plan.

Very truly yours,

Ted Bilberry, Director Oil and Gas Department

TB/ML/s encls.

cc: USG8-Roswell, New Mexico OCC-Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas 79999

March 13, 1970

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1970 DRILLING PROGRAM

#### Gentlemen:

By letter dated March 10, 1969, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced Unit for the calendar year 1969 providing for the drilling of one Dakota and two Pictured Cliffs wells during 1969. By letter dated July 23, 1969, a Supplemental Drilling Program was filed which provided for the drilling of four additional Chacra wells during 1969. By letter dated September 4, 1969, a Supplemental Drilling Program was filed which provided for the drilling of five additional Chacra wells and three additional Pictured Cliffs wells during 1969. All of the proposed wells except the three Pictured Cliffs wells on the September 4, 1969 Supplemental Drilling Program were timely drilled.

The Canyon Largo Unit #144 Dakota Well caused the Sixth Expansion of the Dakota Participating Area. The Canyon Largo Unit #145 Pictured Cliffs Well was drilled within the boundaries of the existing Pictured Cliffs Participating Area and caused no expansion. The Canyon Largo Unit #146 Pictured Cliffs Well was determined to be incapable of producing unitized substances in paying quantities and caused no expansion. All nine Chacra wells were timely drilled and completion of these wells occasioned the Ninth and Tenth Expansions of the Chacra Participating Area.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	95
Non-Commercial	5
Plugged and Abandoned	12
Chacra	
Commercial	17
Plugged and Abandoned	1
Dual, Pictured Cliffs-Chacra	
Commercial	1
Non-Commercial, Chacra	1
Gallup	
Commercial	14
Non-Commercial	1
Dual, Gallup-Dakota	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota	
Commercial	7
Non-Commercial	2
	158

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page 3

Program providing for the drilling of the following described wells during the calendar year 1970.

Location	Formation
Canyon Largo Unit #156 Well W/2 Sec. 14, T-25-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #157 Well E/2 Sec. 27, T-25-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #158 Well E/2 Sec. 1, T-24-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #159 Well E/2 Sec. 14, T-25-N, R-6-W	Chacra
Canyon Largo Unit #160 Well W/2 Sec. 13, T-25-N, R-6-W	Chacra
Canyon Largo Unit #161 Well W/2 Sec. 5, T-25-N, R-6-W	Chacra
Canyon Largo Unit #162 Well E/2 Sec. 6, T-25-N, R-6-W	Chacra
Canyon Largo Unit #163 Well E/2 Sec. 10, T-25-N, R-6-W	Chacra

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page 4

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

T. W. Bittick

Manager

Land Department

TWB:DI:sf Enclosures Canyon Largo Unit, 3.0

APPROVED:		DATE:
_	nal Oil & Gas Supervisor d States Geological Survey	
Subje	ct to like approval by the priate State Officials.	
APPROVED:		DATE:
Commi	ssioner of Public Lands	
State	ect to like approval by the United s Geological Survey and the Oil rvation Commission.	
APPROVED: 4	1. 4. Porter. L	DATE: Classic 1,1973
Oil C	Conservation Commission	
Subje	ct to like approval by the finited	V
State	s Geological Survey and the	
Commi	ssioner of Public Lands.	

The foregoing approvals are for the 1970 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

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El Paso Products Company

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The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

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Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

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Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

### ROBERT L. BAYLESS

PETROLEUM CLUB PLAZA BUILDING

P. O. BOX 1541

FARMINGTON, NEW MEXICO 87401

"10 FEB 27 AH 8 2

February 26, 1970

New Mexico Oil Conservation Commission P. O. Box 871
Santa Fe, New Mexico 87501

Dear Sir:

Enclosed please find two executed copies of Designation of Agent covering Canyon Largo Unit, Gallup Formation.

Yours truly,

MERRION & BAYLESS

Robert L. Bayless

RLB/eah

ENC.

541

DESIGNATION OF AGENT

This indenture dated as of the Loss day of February, 1970, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79999 and J. GREGORY MERRION and ROBERT L. BAYLESS, whose address is Post Office Box 1541, Farmington, New Mexico 87401;

#### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior on the 18th day of September, 1953, approved a Unit Agreement for the Canyon Largo Unit area and the Commissioner of Public Lands of the State of New Mexico on June 3, 1953, consented to and approved said Unit Agreement by authority of Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on June 2, 1953, approved said Unit Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, The Superior Oil Company has resigned as such Operator and, in accordance with the terms of the Canyon Largo Unit Agreement, El Paso Natural Gas Company was appointed and has accepted and assumed the duties of the successor Unit Operator; and

WHEREAS, El Paso Natural Gas Company now desires to appoint J. Gregory Merrion and Robert L. Bayless as Agent, and J. Gregory Merrion and Robert L. Bayless desire to accept and assume the duties of Agent, as set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Agreement, hereby designates J. Gregory Merrion and Robert L. Bayless as Agent to drill, test, complete, operate and/or plug and abandon Gallup Formation wells in the following described portion of the Unit area:

> Township 24 North, Range 7 West, N.M.P.M. Section 1: All Township 24 North, Range 6 West, N.M.P.M. Section 3: All

Section Section A11

Section

Section 8: All
Section 9: All
Section 11: All
Section 15: W/2
Section 17: All
Section 20: All
Section 21: All
Section 28: All
Containing 8,000 acres, more or less,

with the exception of the Canyon Largo Unit #89 Well located in the SW/4 SW/4 of Section 17, T-24-N, R-6-W, and the Canyon Largo Unit #106 Well located in the NE/4 NW/4 of Section 20, T-24-N, R-6-W, which wells will continue to be operated by El Paso Natural Gas Company.

- 2. J. Gregory Merrion and Robert L. Bayless hereby covenant and agree to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit area and to file all applications required or necessitated by the terms of such Agreement.
- 3. It is specifically understood that this Designation of Agent does not relieve El Paso Natural Gas Company of its responsibilities as Unit Operator of the Canyon Largo Unit.
- 4. It is further understood and agreed that El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to J. Gregory Merrion and Robert L. Bayless and the Supervisor, Oil and Gas Operations, the United States Geological Survey.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto as of the date hereinabove set forth.

EL PASO NATURAL GAS COMPANY

Attorney-in-Fact

GREGORY MERRION

ROBERT L. BAYLESS

	STATE OF TEXAS	)			
	COUNTY OF EL PASO	<b>'</b>			
	day of	ut	, 1970, by SAM SM	d before me this	Fact fo
	My Commission Expires:		Notary Public	K. Keuns	<u>L</u>
<u> </u>	1,1971				
	COUNTY OF Jan Juan	)			
	the foregoing day of	instrument	was acknowledged, 1970, by J. GRI	d before me this	<u> 15 th</u>
-	My Commission Expires:		Motary Public	9. Busco	<del></del>
	October 5. 1972		·		
	STATE OF NEW MEXICO COUNTY OF San Juan	) )	:		
	day of <u>relucent</u>	instrument	was acknowledge, 1970, by ROBER	d before me this	25 th
	•	•	Down & Notary Public	1. Brisco	
, . , <u>.</u>	My Commission Expires:				
٠.	Octabier 5, 1972				

#### DESIGNATION OF AGENT

This indenture dated as of the \_\_\_\_\_\_\_ day of February, 1970, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79999 and J. GREGORY MERRION and ROBERT L. BAYLESS, whose address is Post Office Box 1541, Farmington, New Mexico 87401;

#### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior on the 18th day of September, 1953, approved a Unit Agreement for the Canyon Largo Unit area and the Commissioner of Public Lands of the State of New Mexico on June 3, 1953, consented to and approved said Unit Agreement by authority of Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on June 2, 1953, approved said Unit Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, The Superior Oil Company has resigned as such Operator and, in accordance with the terms of the Canyon Largo Unit Agreement, El Paso Natural Gas Company was appointed and has accepted and assumed the duties of the successor Unit Operator; and

WHEREAS, El Paso Natural Gas Company now desires to appoint J. Gregory
Merrion and Robert L. Bayless as Agent, and J. Gregory Merrion and Robert L.
Bayless desire to accept and assume the duties of Agent, as set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Agreement, hereby designates J. Gregory Merrion and Robert L. Bayless as Agent to drill, test, complete, operate and/or plug and abandon Gallup Formation wells in the following described portion of the Unit area:

Township 24 North, Range 7 West, N.M.P.M.

Section 1: All

Township 24 North, Range 6 West, N.M.P.M.

Section 3: All

Section 4: All

Section 5; All

Section 6: All

Section 8: All
Section 9: All
Section 11: All
Section 15: W/2
Section 17: All
Section 20: All
Section 21: All
Section 28: All
Containing 8,000 acres, more or less,

with the exception of the Canyon Largo Unit #89 Well located in the SW/4 SW/4 of Section 17, T-24-N, R-6-W, and the Canyon Largo Unit #106 Well located in the NR/4 NW/4 of Section 20, T-24-N, R-6-W, which wells will continue to be operated by El Paso Natural Gas Company.

- 2. J. Gregory Merrion and Robert L. Bayless hereby covenant and agree to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit area and to file all applications required or necessitated by the terms of such Agreement.
- 3. It is specifically understood that this Designation of Agent does not relieve El Paso Natural Gas Company of its responsibilities as Unit Operator of the Canyon Largo Unit.
- 4. It is further understood and agreed that El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to J. Gregory Merrion and Robert L. Bayless and the Supervisor, Oil and Gas Operations, the United States Geological Survey.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto as of the date hereinabove set forth.

EL PASO NATURAL GAS COMPANY

Attorney-in-Fact

CDECODA MEDDIOM

ROBERT L. BAYLESS

	STATE OF TEXAS	)	
	COUNTY OF EL PASO	<b>,</b>	
	The foregoing day of	instrument	was acknowledged before me this, 1970, by SAM SMITH, Attorney-in-Fact fo aware corporation, on behalf of said
			Notary Public
•	My Commission Expires:	,	
	STATE OF NEW MEXICO	)	·
	COUNTY OF Lan Juan	)	
	The foregoing	instrument	was acknowledged before me this 2542, 1970, by J. GREGORY MERRION.
	My Commission Expires:		Mora G. Brisco Notary Public
	October 5, 1972		
	STATE OF NEW MEXICO COUNTY OF Lan Juan	)	· :
	The foregoing day of Leliniany	instrument	was acknowledged before me this 15th, 1970, by ROBERT L. BAYLESS.
-	My Commission Expires:	·	Notary Public Busco
-	my tournassion Expires;		

41# :

El Paso Natural Gas Company
El Paso, Texas

February 12, 1970

24/

Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2038 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-601-1059
Rio Arriba County, New Mexico
NINTH and TENTH EXPANDED PARTICIPATING AREAS and NOTICE OF
COMPLETION OF ADDITIONAL WELLS
Chacra Formation

#### Gentlemen:

*:*\*

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Chacra Formation and that the Chacra Participating Area should be expanded:

#### NINTH EXPANDED PARTICIPATING AREA - Effective December 1, 1969

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W, N.M.P.M.		
Section 1: E/2	320.20	152
Section 1: W/2	320.60	151
Section 2: W/2	320.99	147
Section 3: E/2	321.15	149
Section 3: W/2	321.37	150
Section 10: E/2	320.00	No Well - Intervening Drilling
		Block
Section 11: E/2	320.00	No Well - Intervening Drilling
		Block
Section 11: W/2	320.00	148
Section 12: W/2	320.00	154
Section 12: E/2	320.00	No Well - Intervening Drilling
		Block
Section 13: W/2	320.00	No Well - Intervening Drilling
		Block

Pertinent data on these wells is as follows:

The Canyon Largo Unit #147 Well is located 1750' from the North line and 990' from the West line of Section 2, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 12, 1969, and completed October 15, 1969, at a total depth of 3869' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3714'-3726', 3788'-3796', 3808'-3820', was treated with a sand-water fracturing process on October 15, 1969. The well was shut-in on October 23, 1969, and after being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on November 3, 1969. The well gauged 878 MCF/D through a 3/4" choke, and 886 MCF/D by the calculated absolute open-flow method, with an SIPC of 939 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 3, 1969.

The Canyon Largo Unit #148 Well is located 1180' from the North line and 900' from the West line of Section 11, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 14, 1969, and completed October 17, 1969, at a total depth of 3895' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3738'-3750', 3834'-3842', was treated with a sand-water fracturing process on October 17, 1969. The well was shut-in on October 23, 1969, and after being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on November 3, 1969. The well gauged 1068 MCF/D through a 3/4" choke and 1083 MCF/D by the calculated absolute open-flow method, with an SIPC of 928 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 3, 1969.

The Canyon Largo Unit #149 Well is located 1650' from the South line and 1650' from the East line of Section 3, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 13, 1969, and completed October 30, 1969, at a total depth of 3922' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3768'-3780', 3864'-3876', was treated with a sand-water fracturing process on October 30, 1969. The well was shut-in on November 13, 1969, and after being shut-in for gauge for nine (9) days, the well was tested in the Chacra Formation on November 22, 1969. The well gauged 1367 MCF/D through a 3/4" choke and 1384 MCF/D by the calculated absolute open-flow method, with an SPIC of 937 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 22, 1969.

The Canyon Largo Unit #150 Well is located 800' from the North line and 1180' from the West line

of Section 3, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 11, 1969, and completed October 15, 1969, at a total depth of 3940' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3784'-3796', 3876'-3888', was treated with a sand-water fracturing process on October 15, 1969. The well was shut-in on October 20, 1969, and after being shut-in for gauge for fourteen (14) days, the well was tested in the Chacra Formation on November 3, 1969. The well gauged 2702 MCF/D through a 3/4" choke and 2997 MCF/D by the calculated absolute open-flow method, with an SIPC of 864 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 3, 1969.

The Canyon Largo Unit #151 Well is located 1750' from the North line and 800' from the West line of Section 1, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 24, 1969, and completed October 16, 1969, at a total depth of 3900' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3736'-3750', 3834'-3842' was treated with a sandwater fracturing process on October 16, 1969. The well was shut-in on October 23, 1969, and after being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on November 3, 1969. The well gauged 1191 MCF/D through a 3/4" choke and 1211 MCF/D by the calculated absolute open-flow method, with an SIPC of 924 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 3, 1969.

The Canyon Largo Unit #152 Well is located 800' from the South line and 1520' from the East line of Section 1, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 30, 1969, and completed November 11, 1969, at a total depth of 3914' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3758'-3768',

3818'-3826', 3850'-3860', was treated with a sandwater fracturing process on November 11, 1969. The well was shut-in on November 15, 1969, and after being shut-in for gauge for nine (9) days, the well was tested in the Chacra Formation on November 24, 1969. The well gauged 1425 MCF/D through a 3/4" choke and 1466 MCF/D by the calculated absolute open-flow method, with an SIPC of 869 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 24, 1969.

The Canyon Largo Unit #154 Well is located 1550' from the North line and 990' from the West line of Section 12, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 29, 1969, and completed November 11, 1969, at a total depth of 3941' as a tubingless completion in the Chacra Formation. The Chacra Formation in the interval between 3758'-3782' was treated with a sand-water fracturing process on November 11, 1969. The well was shut-in on November 15, 1969, and after being shut-in for gauge for nine (9) days, the well was tested in the Chacra Formation on November 24, 1969. The well gauged 1234 MCF/D through a 3/4" choke and 1260 MCF/D by the calculated absolute open-flow method, with an SIPC of 864 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on November 24, 1969.

#### TENTH EXPANDED PARTICIPATING AREA - Effective January 1, 1970

Drilling Block	Acres	Canyon Largo Unit Well No.
T-25-N, R-6-W, N.M.P.M. Section 14: E/2	320.00	No Well - Intervening Drilling
		Block

This intervening Drilling Block was created by completion of the Canyon Largo Unit #155 Well as a well capable of producing unitized substances in paying quantities from the Chacra Formation. Pertinent data on this well is as follows:

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Six

February 12, 1970

The Canyon Largo Unit #155 Well is located 990' from the North line and 1800' from the East line of Section 11, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on September 26, 1969, and completed October 30, 1969, at a total depth of 3899' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3728'-3738', 3827'-3838' was treated with a sand-water fracturing process on October 30, 1969. The well was shut-in on November 26, 1969, and after being shut-in for gauge for thirteen (13) days, the well was tested in the Chacra Formation on December 9, 1969. The well gauged 1099 MCF/D through a 3/4" choke and 1117 MCF/D by the calculated absolute open-flow method, with an SIPC of 837 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on December 9, 1969. The committed drilling block upon which this well is located is described as the E/2 of Section 11, T-25-N, R-6-W, consisting of 320.00 acres. This drilling block was included in the Canyon Largo Ninth Expanded Participating Area effective December 1, 1969, as an Intervening Drilling Block; therefore, the Participating Area is not enlarged by completion of this well. Completion of the well has satisfied the provision of the Canyon Largo Unit Agreement requiring a well to be commenced within one (1) year from the effective date of the Intervening Drilling Block's inclusion in the Participating Area.

El Paso Natural Gas Company, as Unit Operator, has determined that one (1) additional well capable of producing unitized substances in paying quantities from the Chacra Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #153 Well is located 1840' from the South line and 1650' from the East line of Section 12, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on October 2, 1969, and completed November 12, 1969, at a total depth of 3937' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals

between 3760'-3768', 3778'-3786', 3864'-3880', was treated with a sand-water fracturing process on November 12, 1969. The well was shut-in on November 19, 1969, and after being shut-in for gauge for twelve (12) days, the well was tested in the Chacra Formation on December 1, 1969. The well gauged 677 MCF/D through a 3/4" choke and 681 MCF/D by the calculated absolute open-flow method, with an SIPC of 798 psia. The determination that this well is capable of producing unitized substances in paying quantities was made on December 1, 1969. The committed drilling block upon which this well is located is described as the E/2 of Section 12, T-25-N, R-6-W, and consists of 320.00 acres. This drilling block was included in the Canyon Largo Ninth Expanded Chacra Participating Area effective December 1, 1969, as an Intervening Drilling Block; therefore, the Participating Area is not enlarged by completion of this well. Completion of the well has satisfied the provision of the Canyon Largo Unit Agreement requiring a well to be commenced within one (1) year from the effective date of the Intervening Drilling Block's inclusion in the Participating Area.

Attached hereto are Schedules X and XI showing the Ninth and Tenth Expanded Participating Areas for the Chacra Formation of the Canyon Largo Unit Area. These schedules describe the Participating Areas, show the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the wells and the outline of the Ninth and Tenth Expanded Participating Areas.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, these Ninth and Tenth Expanded Participating Areas for the Chacra Formation will become effective as of December 1, 1969, and January 1, 1970, respectively.

Regional Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page Eight

February 12, 1970

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman
Land Department

CH:DI:nja Enclosures C.L.U. 4.5

cc: Mrs. Pepita O. Jeffus
 New Mexico Oil & Gas Accounting
 Commission
 P. O. Box 2308
 Santa Fe, New Mexico 87501

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

# El Paso Natural Gas Company M

El Paso, Texas 79999

January 9, 1970

541

Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059, Rio Arriba County, New Mexico, SIXTH EXPANDED PARTICIPATING AREA, Effective December 1, 1969 Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit, and that the Participating Area for the Dakota Formation is expanded accordingly to include this well, to wit:

#### SIXTH EXPANDED PARTICIPATING AREA - Effective December 1, 1969

Description of Lands

Acres

Township 25 North, Range 6 West, N.M.P.M. Section 17: W/2

320.00

Regional Oil & Gas Supervisor Commissioner of Public Lands Oil Conservation Commission Page 2

> The Canyon Largo Unit #144 Well is located 850' from the North line and 990' from the West line of Section 17, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on October 21, 1969, and completed on November 10, 1969, at a total depth of 7460'. The Dakota Formation in the intervals between 7112' - 7118', 7212' - 7220', 7234' - 7240', 7250' - 7256', 7282' - 7290', 7336' -7354', 7372' - 7384' was treated with a sandwater fracturing process on November 8, 1969. After being shut-in for fourteen (14) days, the well was tested on November 24, 1969, and following a three (3) hour blow-down period gauged 3723 MCFGPD through a 3/4" choke, and 3773 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2348 psia and an SIPT of 2389 psia. The committed drilling block upon which this well is located is the W/2 of Section 17, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on November 24, 1969.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Sixth Expanded Participating Area for the Dakota Formation will become effective as of December 1, 1969.

Attached hereto is Schedule VII showing the Sixth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts. Also attached hereto is a map designated Exhibit "A", showing the location of the wells and the outline of the Sixth Expanded Participating Area.

Copies of this letter and Schedule are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins

Supervising Landman

Land Department

CH:DI:sf Enclosures

# El Paso Natural Gas Company

El Paso, Texas 79999

November 12, 1969

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: 1969 SUPPLEMENTAL DRILLING PROGRAMS
San Juan 29-4 Unit #14-08-001-1055
Canyon Largo Unit #14-08-001-1059
Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico

#### Gentlemen:

The following 1969 Supplemental Drilling Programs were approved by the Regulatory Bodies on the dates indicated:

 San Juan 29-4 Unit, First Supplemental Drilling Program dated August 1, 1969:

United States Geological Survey - August 19, 1969

Commissioner of Public Lands - No approval necessary
Oil Conservation Commission - November 3, 1969

- 2. Canyon Largo Unit:
  - a. First Supplemental Drilling Program dated July 23, 1969:

United States Geological Survey - August 6, 1969 Commissioner of Public Lands - July 24, 1969 Oil Conservation Commission - November 3, 1969

November 12, 1969

Oil Conservation Commission Page 2

> b. Second Supplemental Drilling Program dated September 4, 1969:

United States Geological Survey - September 19, 1969 Commissioner of Public Lands - September 9, 1969 Oil Conservation Commission - November 3, 1969

3. Rincon Unit, First Supplemental Drilling Program dated September 5, 1969:

> United States Geological Survey - September 19, 1969 Commissioner of Public Lands - September 12, 1969 Oil Conservation Commission - November 3, 1969

Copies of this letter are being sent to the working interest owners of the above-described Units.

Yours very truly,

Charles Higgins/ Supervising Landman

Land Department

CH;CTR:sf San Juan 29-4, 3.0 Canyon Largo, 3.0 Rincon Unit, 3.0

### OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Movember 3, 1969

541

**'** }

21 Paso Matural Gas Company

P. O. Beat 1492

21 Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: Supplemental Brilling Programs Canyon Largo Unit, Rio Arriba County, New Mexico

Contlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Supplemental 1969 Drilling Programs for the Manyon Largo Unit, Rio Arriba County, New Mexico, Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State

One approved copy of each supplemental program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og Engloweres

Cos United States Geological Survey Roswell, New Mexico

Commissioner of Public Lands Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas 79999

September 19, 1969

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Pictured Cliffs
Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by El Paso, as Unit Operator, is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo Unit #146 Well is located 930' from the South line and 845' from the West line of Section 9, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 22, 1969 and completed on July 17, 1969, at a total depth of 2281'. The Pictured Cliffs Formation between 2200' - 2210', 2222' - 2227', 2273' - 2278' was treated with a sand-water fracturing process on July 17, 1969. The well was shut-in on July 30, 1969, and after being shut-in for gauge for twenty-two (22) days, the well was tested on August 21, 1969, and following a three (3) hour blow-down period gauged 322 MCFGPD through a 3/4" choke and 323 MCFGPD by the calculated absolute open-flow method, with an SIPC of 600 psia.

Mr. John A. Anderson September 19, 1969 Commissioner of Public Lands Oil Conservation Commission Page 2 The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 21, 1969. Inasmuch as this needs no official approval, pursuant to Section 11 and in the absence of disapproval, this determination shall be

of the Canyon Largo Unit Agreement, no provision is made therefor, effective as of August 21, 1969, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins

Supervising Landman Land Department

CH:CTR:sf Enclosure

## CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

#### Braver 1857 Roswell, New Mexico 88201

241

**September** 19, 1969

El Paso Esteral Gas Company P. O. Box 1492 El Paso, Yenes 79999

Attention: Mr. T. W. Bittick

#### Contlemen:

Your supplemental plan of development for 1969, dated September 4, 1969, for the Camyon Large unit area, Rio Arribe County, New Mexico, proposing the drilling of five Cheera wells and three Pictured Cliffs wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the pism are enclosed.

Sincerely yours,

(ORIG. SCO.) JOHN A. ANDERSON

JOHN A. ANDERSON Regional Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Burengo (w/cy plan)
BUCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

September 9, 1969

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit Second Supplemental Drilling Program for 1969 Rio Arriba County, New Mexico

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your Second Supplemental 1969 Drilling Program which proposes the drilling of eight (8) additional wells during the 1969 calendar year. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

Ted Bilberry, Director Oil and Gas Department

TB/ML/s encl.

cc: USGS-Roswell, New Mexico OCC- Santa Pe, New Mexico

El Paso, Texas 79999

September 4, 1969

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SUPPLEMENTAL 1969 DRILLING PROGRAM

#### Gentlemen:

By letter dated March 10, 1969, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1969. This program provided for the drilling of a Dakota well and two Pictured Cliffs wells during 1969. By letter dated July 23, 1969, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1969 Drilling Program providing for the drilling of four Chacra wells during 1969.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Supplemental Drilling Program providing for the drilling of eight (8) additional wells during the 1969 calendar year. These wells are as follows:

Location	Formation
Canyon Largo Unit #151 Well W/2 Sec. 1, T-25-N, R-6-W	Chacra
Canyon Largo Unit #152 Well E/2 Sec. 1, T-25-N, R-6-W	Chacra
Canyon Largo Unit #153 Well E/2 Sec. 12, T-25-N, R-6-W	Chacra

Mr. John A. Anderson Commissioner of Public Lands Oil Conservation Commission Page Two

Location	Formation
Canyon Largo Unit #154 Well W/2 Sec. 12, T-25-N, R-6-W	Chacra
Canyon Largo Unit #155 Well E/2 Sec. 11, T-25-N, R-6-W	Chacra
Canyon Largo Unit #156 Well W/2 Sec. 14, T-25-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #157 Well E/2 Sec. 27, T-25-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #158 Well E/2 Sec. 1, T-24-N, R-7-W	Pictured Cliffs

In addition to the fifteen (15) wells now on the 1969 Drilling Program, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

If this Supplemental Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Supplemental Drilling Program are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

T. W. Bittick

Manager

Land Department

TWB:DI:ec Attachment CLU 3.0

APPROVED:		DATE:
	Regional Oil and Gas Supervisor	
	United States Geological Survey	
	Subject to like approval by the	
	appropriate State Regulatory Bodies	
APPROVED:		DATE:
	Commissioner of Public Lands	
	Subject to like approval by the	
	United States Geological Survey	
	and the Oil Conservation Commission	

APPROVED:

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public Lands

The foregoing approvals are for the Canyon Largo Unit Supplemental Drilling Program for the calendar year 1969.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

El Paso, Texas 79999

September 3, 1969

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059, NOTICE OF COMPLETION OF ADDITIONAL WELL - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit. This well is as follows:

The Canyon Largo Unit #145 Well is located 1050' from the South line and 990' from the West line of Section 2, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 24, 1969, and completed on July 22, 1969, at a total depth of 2601' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2481' - 2497' was treated with a sand-water fracturing process. After being shut-in for gauge for thirty (30) days, the well was tested in the Pictured Cliffs Formation on August 21, 1969, and following a three (3) hour blow-down period gauged 2511 MCFGPD through a 3/4" choke and 3621 MCFGPD by the calculated absolute open-flow method, with an SIPC of 431 psia. The well was completed

September 3, 1969

Mr. John A. Anderson Commissioner of Public Lands Oil Conservation Commission Page 2

without tubing. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.38 acres.

This drilling block was included in the Canyon Largo Twenty-First Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the Unit from drainage and is the second Pictured Cliffs well on the drilling block.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,

Charles Higgins

Supervising Landman Land Department

CH:DI:sf Enclosure

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Hess Corporation (3)

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Drawer 1857 E Roswell, New Maxico 88201

541

August 6, 1969

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Temas 79999

Attention: Mr. T. W. Bittick

#### Gentlemen:

Your Supplemental Plan of Development for 1969, dated July 23, 1969, for the Camyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of four Checra wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK Acting Oil and Gos Supervisor

cc:

Washington (w/cy plan)
Durango (w/cy plan)
MMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

MANN THE STATE OF 
July 24, 1969

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit SUPPLEMENTAL 1969 DRILLING PROGRAM Rio Arriba County, New Mexico

ATTEMTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your Supplemental 1969 Drilling Program which proposes the drilling of four additional wells during the 1969 calendar year. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

Ted Bilberry, Director Oil and Gas Department

TRAL/s encl. 1

oc: USGS-Roswell, New Mexico OCC-Santa Fe, New Mexico

El Paso, Texas 79999

July 23, 1969

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico SUPPLEMENTAL 1969 DRILLING PROGRAM

#### Gentlemen:

By letter dated March 10, 1969, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1969. This program provided for the drilling of a Dakota well and two Pictured Cliffs wells during 1969.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Supplemental Drilling Program providing for the drilling of four (4) additional wells during the 1969 calendar year. These wells are as follows:

Location	Formation
Canyon Largo Unit #147 Well NW/4 Section 2 T-25-N, R-6-W	Chacra
Canyon Largo Unit #148 Well NW/4 Section 11 T-25-N, R-6-W	Chacra

Mr. John A. Anderson Commissioner of Public Lands Oil Conservation Commission Page Two

July 23, 1969

Location

Formation

Canyon Largo Unit #149 Well

Chacra

SE/4 Section 3 T-25-N, R-6-W

Canyon Largo Unit #150 Well

Chacra

NW/4 Section 3 T-25-N, R-6-W

In addition to the seven (7) wells now on the 1969 Drilling Program, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

If this Supplemental Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Supplemental Drilling Program are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

T. W. Bittick

Manager

Land Department

TWB:JS:nja Attachment CLU 3.0

	77	$R \cap V$	7	-
Δ	PPI	KIJV	P.11	٠

DATE:

Regional Oil and Gas Supervisor United States Geological Survey Subject to like approval by the appropriate State Regulatory Bodies

APPROVED:

DATE:

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey
and the Oil Conservation Commission

APPROVED :

DATE

Nov. 3,1969

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public
Lands

The foregoing approvals are for the Canyon Largo Unit Supplemental Drilling Program for the calendar year 1969.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Petroleum Corporation

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Estate of Hugh McMillan

Edna W. Merrion Trusts No. 1,2,3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

El Paso, Texas

April 2, 1969

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: 1969 DRILLING PROGRAM

Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

#### Gentlemen:

The 1969 Drilling Program for the referenced Unit was approved by the Regulatory Bodies on the dates indicated:

United States Geological Survey March 26, 1969
Commissioner of Public Lands March 14, 1969
Oil Conservation Commission March 26, 1969

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins
Supervising Landman
Land Department

CH:JS:sf

Canyon Largo Unit 3.0



## UNITED STATES: DEPARTMENT OF THE LATERIOR

GEOLOGICAL SURVEY

Drawer 1857 = Roswell, New Mexico 88201

March 26, 1969

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

#### Gentlemen:

Your 1969 plan of development for the Canyon Largo unit area Rio Arriba County New Mexico, proposing the drilling of one Dakota and two Pictured Cliffs wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. 530) 10000 10 /4 000 104

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Farmington (w/cy plan)
NMOCC, Santa Fe (ltr. only):
Com. of Pub. Lands, Santa Fe (ltr. only)

#### OIL CONSERVATION COMMISSION

P. O. BOX 2088

#### SANTA FE, NEW MEXICO 87501

March 26, 1969

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1969 Drilling Program

Canyon Largo Unit, Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1969 for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

oc: United States Geological Survey - Roswell Commissioner of Public Lands - Santa Fe

#### March 14, 1969

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit Rio Arriba County, New Mexico 1969 Drilling Program

ATTENTION: Mr. T. W. Bittick

#### Gentlemen:

The Commissioner of Public Lands has this date approved your 1969 Drilling Program which proposes the drilling of one Dakota Well and two Pictured Cliff Wells. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY: Ted Bilberry, Director Oil and Gas Department

AJA/YB/ML/s encl. 1.

CC: USGS-Roswell, New Mexico OCC- Santa Fe, New Mexico

# El Paso Natural Gas Company El Paso, Texas 79999

March 10, 1969

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1969 DRILLING PROGRAM

#### Gentlemen:

By letter dated March 29, 1968, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for the referenced unit for the calendar year 1968. The program provided for the drilling of one Chacra well, and by letter dated August 2, 1968, a Supplemental Drilling Program was filed which provided for the drilling of one additional Chacra well during 1968.

Mr. J. Gregory Merrion and Mr. R. L. Bayless, as Sub-Operators of the Canyon Largo Unit, completed the Canyon Largo Unit #143 Well in the Chacra Formation in the NW/4 of Section 24, T-25-N, R-6-W. This well was determined to be commercial and caused the Seventh Expanded Participating Area effective August 1, 1968, which was submitted by our letter dated October 24, 1968. El Paso Natural Gas Company, as Unit Operator, completed the Canyon Largo Unit Com #142 Well in the Chacra Formation in the NE/4 of Section 23, T-25-N, R-6-W. This well was determined to be commercial and the Eighth Expanded Participating Area effective November 1, 1968, was submitted by our letter dated November 1, 1968.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	94
Non-Commercial	4
Plugged and Abandoned	12
Chacra	
Commercial	8
Plugged and Abandoned	1
Dual, Pictured Cliffs-Chacra	
Commercial	1
Non-Commercial, Chacra	1
Gallup	
Commercial	2
Non-Commercial	1
Dual, Gallup-Dakota	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota	
Commercial	6
Non-Commercial	2
	134

The above figures do not include wells drilled by or under the authority of El Paso Products Company, as Oil Agent for the Devils-Fork Gallup Gas Pool of the Canyon Largo Unit, which will be covered by separate transmittal from the said El Paso Products Company.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the calendar year 1969.

Location	Formation
Canyon Largo Unit #144 Well W/2 Sec. 17, T-25-N, R-6-W	Dakota
Canyon Largo Unit #145 Well W/2 Sec. 2, T-24-N, R-7-W	Pictured Cliffs
Canyon Largo Unit #146 Well S/2 Sec. 9, T-25-N, R-7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

T. W. Bittick

Manager

Land Department

TWB:JS:sf

APPROVED:	Oil & Gas Supervisor, United States Geological Survey Subject to like approval by the appropriate State Officials.	DATE:
APPROVED:	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission	DATE: March 26, 1969
APPROVED:	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands	DATE:

The foregoing approvals are for the 1969 Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham and Mr. Oscar Abraham

Amerada Petroleum Corporation

American Petrofina Company of Texas

Atlas Corporation

Mr. R. L. Bayless

Mr. Tom Bolack

Continental Oil Company

Coral Oil & Gas Company

Mr. J. B. Davis & Paulene D. Davis

Mr. Robert Donnell

Mr. Mark Elkins & Ina Elkins

El Paso Products Company

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss

The Fort Worth National Bank, Guardian of the Estate of Roy D. Golston

Mr. A. G. Hill

Margaret Hunt Hill

Hondo Oil & Gas Company

Mr. Kay Kimbell

Mr. Hugh McMillan. Agent

Edna W. Merrion Trusts No. 1, 2, 3

Mr. J. Gregory Merrion

Pan American Petroleum Corporation (3)

Rincon Oil & Gas Corporation

Mr. Frank A. Schultz, Jr.

Skelly Oil Company Denver, Colorado

Skelly Oil Company Tulsa, Oklahoma

Southern Petroleum Exploration, Inc.

The Superior Oil Company Cortez, Colorado

The Superior Oil Company (2) Houston, Texas

Tenneco Oil Company Denver, Colorado (C. W. Nance)

Tenneco Oil Company Denver, Colorado (J. P. Wasinger)

Mr. J. Glenn Turner

Mr. William G. Webb

Mr. Loren Wilcox and Norma Wilcox

El Paso, Texas 79999

November 1, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico EIGHTH EXPANDED PARTICIPATING AREA Effective November 1, 1968 Chacra Formation

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below-listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. This well is as follows:

The Canyon Largo Unit Com #142 Well is located 800' from the North line and 1,150' from the East line of Section 23, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on August 8, 1968, and completed September 10, 1968, at a total depth of 3,525' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3,372'-3,388', 3396'-3,400', 3,439'-3,443', 3,472'-3,478', was treated with a sand-water fracturing process on September 26, 1968. The well was shut-in on October 7, 1968, and after being shut-in for gauge for ten (10) days, the well was tested in the Chacra Formation on October 17, 1968. The well gauged 1,665 MCFGPD through a 3/4" choke and 1,714 MCFGPD by the calculated absolute open-flow method, with an SIPC of 914 PSIA. The committed drilling block

Mr. John A. Anderson Commissioner of Public Lands Oil Conservation Commission Page Two

upon which this well is located is described as the E/2 of Section 23, T-25-N, R-6-W, N.M.P.M. and consists of 320.00 acres, however, since the SW/4 NE/4 of the acreage constituting the spacing unit for this well is not committed to the Canyon Largo Unit, 75% of the production will be allocated to the committed acreage consisting of the N/2 NE/4, SE/4 NE/4 for distribution in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement. The determination that this well is capable of producing unitized substances in paying quantities was made on October 17, 1968.

Attached hereto is Schedule IX showing the Eighth Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the Eighth Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Eighth Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit Com #142 well, will become effective as of November 1, 1968.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman
Land Department

CH: JS:mb Enclosures

cc: Mrs. Pepita O. Jeffus
 New Mexico Oil & Gas Accounting Commission
 P. O. Box 2308
 Santa Fe, New Mexico 87501

El Paso, Texas 79999

October 24, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
SEVENTH EXPANDED PARTICIPATING AREA
Effective August 1, 1968
Chacra Formation

4 41

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below-listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. This well is as follows.

The Canyon Largo Unit #143 Well is located 790' from the North line and 1,840' from the West line of Section 24, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on June 11, 1968, by R. L. Bayless and J. Gregory Merrion, and completed July 12, 1968, at a total depth of 3,441' as a tubingless completion in the Chacra Formation. The Chacra Formation in the intervals between 3,297'-3,317', 3,340'-3,342', 3,367'-3,371', 3,402'-3,406', was treated with a sand-water fracturing process on July 12, 1968. The well was shut-in on July 14, 1968, and after being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on July 25, 1968. The well gauged 2,693 MCFGPD through a 3/4" choke and 2,919 MCFGPD by the

calculated absolute open-flow method, with an SIPC of 893 PSIA. The committed drilling block upon which this well is located is described as the W/2 of Section 24, T-25-N, R-6-W, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 25, 1968.

Attached hereto is Schedule VIII showing the Seventh Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the Seventh Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Seventh Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit #143 Well, will become effective as of August 1, 1968.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins
Supervising Landman

Land Department

CH: JS: nja Attachments

cc: Mrs. Pepita O. Jeffus
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

El Paso, Texas 79999

October 2, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

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Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Re: 1968 Supplemental Drilling
Program, Canyon Largo Unit
#14-08-001-1059
Rio Arriba County, New Mexico

#### Gentlemen:

The 1968 Supplemental Drilling Program for the referenced Unit was approved by the regulatory bodies on the dates indicated:

United States Geological Survey, August 16, 1968 Oil Conservation Commission, September 25, 1968 Commissioner of Public Lands, August 20, 1968

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins Supervising Landman Land Department

CH:JS:mb
Canyon Largo Unit 3.0

## OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 25, 1968

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: Supplemental 1968
Drilling Program,
Canyon Largo Unit,
Rio Arriba County,
New Mexico

(//

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Supplemental 1968 Drilling Program dated August 2, 1968, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the supplemental program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

#### ALP/JEK/og

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

#### State of New Mexico



### Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



August 20, 1968

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
Supplemental 1968 Drilling
Program

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1968 Supplemental Plan of Development which proposes the drilling of one Chacra well. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

GUYTON B. HAYS COMMISSIONER OF FUBLIC LANDS

BY:

Ted Bilberry, Director Oil and Gas Department

GEE/TB/s encl.

cc: USGS-Roswell, New Mexico OCC- Santa Fe, New Mexico

13 AJA 22



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico 83201

August 16, 1969

El Paso Netural Gas Company P. O. Box 1492 El Paso, Texas 79999

Attention: Nr. T. W. Bittick

Centlemen:

Your Supplemental Plan of Development for 1968, dated August 2, 1968, for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of one Chacra well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

AND THE PROPERTY OF THE PROPER

JOHN A. AMDIRSON Regional Gil and Gas Supervisor

cc:
Washington (w/cy plan)
Farmington (w/cy plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

of State of the American

El Paso, Texas 79999 August 2, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico Supplemental 1968 Drilling Program

#### Gentlemen:

By letter dated March 29, 1968, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1968. This program provided for the drilling of a Chacra well to be located in the NW/4 Section 24, T-25-N, R-6-W.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Supplemental drilling Program providing for the drilling of one (1) additional well during the 1968 calendar year. This well is as follows:

#### Location

Formation

Canyon Largo Unit #142 Well NE/4 Section 23, T-25-N, R-6-W Chacra

In addition to the two wells now on the 1968 Drilling Program, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

If this Supplemental Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Supplemental Drilling Program are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

T. W. Bittick

Manager

Land Department

TWB: JS: vjh

APPROVED:			DATE:
	United States Geological Survey		
	Subject to like approval by the ap	propriate	
	State Regulatory Bodies.		
APPROVED			DAME.
APPROVED:	Commissioner of Public Lands		DATE:
		vitod	
	Subject to like approval by the Un		
	States Geological Survey and the C	)11	
	Conservation Commission		
APPROVED:	Oil Conservation Commission Subject to like approval by the Un	nited	DATE: Dept. 25, 1968
	States Geological Survey and the	ircu	
	Commissioner of Public Lands		
	Commissioner of Public Lands		

The foregoing approvals are for the Canyon Largo Unit Supplemental Drilling Program for the calendar year 1968.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

Coral Oil & Gas Company 2127 San Mateo Blvd., N. E. Albuquerque, New Mexico 87110

Mr. J. B. Davis & Paulene D. Davis 4021 Barcelona Drive S. W. Space 5 Albuquerque, New Mexico 87105

Mr. Mark Elkins & Ina Elkins Post Office Box 293 Brooksville, Mississippi 39739

El Paso Products Company P. O. Box 3986 Odessa, Texas 79760

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss P. O. Box 2497 Hobbs, New Mexico 88240

Mr. R. D. Goldston P. O. Box 68 Tyler, Texas 75701

Mr. A. G. Hill First National Bank Building Dallas, Texas 75202 Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202

Hondo Oil & Gas Company c/o Atlantic Richfield Company P. O. Box 1978 Roswell, New Mexico 88201

Mr. Kay Kimbell
P. O. Box 1540
Fort Worth, Texas 76101

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

Edna W. Merrion Trusts No. 1, 2, 3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico 87401

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas 75201

Mr. Frank A. Schultz, Jr. 730 Fidelity Union Tower Dallas, Texas 75201

Skelly Oil Company
Attention: Mr. Wm. R. Kendall
District Exploration Manager
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

### CANYON LARGO UNIT Working Interest Owners - Page 2

Skelly Oil Company Attention: Mr. Barton W. Ratliff P. O. Box 2650 Tulsa, Oklahoma 74102

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. L. Hill P. O. Drawer "G" Cortez, Colorado 81321

The Superior Oil Company Attention: Mr. L. S. Robins P.O. Drawer "G" Cortez, Colorado 81321

Mr. J. Glenn Turner 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. William G. Webb 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

Continental Oil Company Attention: Mr. W. C. Blackburn 200 North Wolcott Casper, Wyoming 82601

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701 Mr. R. L. Bayless
P. O. Box 1541
Farmington, New Mexico 87401

Tenneco Oil Company Attention: Mr. D. B. Brown Lincoln Tower Building 1860 Lincoln Street Denver, Colorado 80203

Tenneco Oil Company Attention: Mr. J. P. Wasinger P. O. Box 2410 Denver, Colorado 80201

El Paso, Texas 79999

August 1, 1968

24i

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Roswell, New Mexico 88201

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Sixth Expanded Participating Area Re:

> Chacra Formation Canyon Largo Unit

Rio Arriba County, New Mexico

### Gentlemen:

The Sixth Expanded Participating Area of the Chacra Formation for the referenced Unit was approved or accepted for filing by the regulatory bodies on the dates indicated:

United States Geological Survey Oil Conservation Commission Commissioner of Public Lands

April 1, 1968

Accepted for filing

July 24, 1968 Approved July 16, 1968 Approved

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Heggin y Charles Higgins

Supervising Landman

Land Department

CH: JS: d1

Canyon Largo Unit 4.5

### OIL CONSERVATION COMMISSION

P. O. BOX 2088

### SANTA FE, NEW MEXICO 87501

July 24, 1968

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. Charles Higgins

Re: Sixth Expanded Participating

Area, Chacra Formation

Canyon Largo Unit

Rio Arriba County, New Mexico

### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Sixth Expanded Participating Area for the Chacra Formation, effective December 1, 1967, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe United States Geological Survey - Roswell

### State of New Mexico



. C.

## Commissioner of Public Lands

July 16, 19

P. O. BOX 1148 SANTA FE, NEW MEXICO

GUYTON B. HAYS COMMISSIONER

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
SIXTH EXPANDED PARTICIPATING AREA
Chacra Formation

ATTENTION: Mr. Charles Higgins

Gentlemen:

The Commissioner of Public Lands has approved as of this date the Sixth Expanded Participating Area for the Chacra Formation, effective December 1, 1967 for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy of this application.

Very truly yours,
GUYTON B. HAYS
COMMISSIONER OF FUBLIC LANDS
BY:

Ted Bilberry, Director Oil and Gas Department

GRE/TR/s

cc: USGS-Roswell, New Mexico OCC- Santa Fe, New Mexico 60 Jul 1 Print



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

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Drown 1857 Rosuall, New Hostico (82)

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June 12 Day

E) Paso Mature: Cas Company

P. O. Bos 1492

E! Paso Texas

### Gentleren:

We acknowledge receipt of two copies of a Besignation or bubOperator by which El Pasa Setural Ges Company, operator of the
Campon Largo sair. Rio Arribe County, New Nextco. designates
R. L. Beyless and J. Oregory Merrion as sub-operators for the
Grilling of a Chacka formation well in the Wi sec. 24 %. 25 %.
L. 6 W., M.H.P.M.

The designation of sub-operator is accepted as a healgration of Agent From El Peso Natural Cos Company. Such acceptance does not relieve El Paso Natural Cos Company of its responsibility so unit operator to assure operations for any well in the above-described land that is determined to qualify for maximaten in the chaeve participating area.

Standard y yours

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAINTER
Acting Oil and Cas barkerviner

ec:

R. L. Bayless and J. Gregory Merrico P. O. Box 1541 Farmington, New Mexico Washington (w/cy Desig. of Sub-Op.) BIM, Santa Fe (w/cy Desig. of Sub-op.) Farmington Com. of Pub. Lands, Santa Fe 1900CC, Santa Fe

El Paso, Texas 79999

May 28, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico 87501

Re: 1968 Drilling Program
Canyon Largo Unit
#14-08-001-1059

Rio Arriba County, New Mexico

### Gentlemen:

The 1968 Drilling Program for the referenced Unit was approved by the regulatory bodies on the dates indicated:

United States Geological Survey May 15, 1968
Oil Conservation Commission May 23, 1968
Commissioner of Public Lands May 17, 1968

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins
Supervising Landman

I and Department

Land Department

\*68 MAY 29 PH 1 0

CH:JS:jlv

Canyon Largo Unit 3.0

## OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

541

May 23, 1968

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1968 Drilling Program
Canyon Largo Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1968 Drilling Program for the calendar year 1968 providing for the drilling of one Chacra well for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/esr Enclosure

cc: Commissioner of Public Lands - Santa Fe United States Geological Survey - Roswell

### State of New Mexico



### Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Natural Gas Company P. O. Box 1492 El Paso. Texas 79999

Re: Canyon Largo Unit
Rio Arriba County,
New Mexico
1968 Plan of Development

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1968 Plan of development for the Canyon Largo Unit, Rio Arriba County, New Mexico, preposing the drilling of one Chacra well, this approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your files.

Very truly yours,

COMMISSIONER OF PUBLIC LANDS

BY:

Eddie Lopez, Supervisor
Unit Division

Of Play 20 Prints.

GRE/TR/EL/s encl.

CC: USGS-Roswell, New Mexico CCC-Santa Fe, New Mexico

### Drawer 1857 Roswell, New Mexico 88201

May 15, 1968

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

### Gentlemen:

Your 1968 plan of development for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of one Checra well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the 1968 plan are enclosed.

Sincerely yours,

(Sgd.) a

CARL C. TRAYWICK Acting Oil and Gas Supervisor

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Washington (w/cy plan)
Farmington (w/cy plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

260 MAY 16 AN U.S.

El Paso, Texas 79999

March 29, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

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Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
SIXTH EXPANDED PARTICIPATING AREA
Effective December 1, 1967
Chacra Formation

### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. This well is as follows:

The Canyon Largo Unit #140 Well is located 790' from the North line and 870' from the East line of Section 9, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on October 2, 1967, by R. L. Bayless and J. Gregory Merrion, and completed October 10, 1967, at a total depth of 3,662' as a Chacra well. The Chacra Formation between 3,453'-3,468', 3,555'-3,570' was perforated with a sand-water fracturing process on October 9, 1967. After the well was produced for 5 days to clean out frac water, the well tested at 1,105 MCF/D. The determination that this well is capable of producing unitized substances in paying quantities was made on November 10, 1967.

The committed drilling block upon which this well is located is described as the  $E_2^1$  of Section 9, T-25-N, R-6-W; however, the Hill #1 Well, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 9, T-25-N, R-6-W, has previously been drilled to the Chacra Formation and plugged and abandoned. Paragraph 4 of Section No. 11 of the Canyon Largo Unit Agreement provides as follows

"If the initial well on any Drilling Block is not capable of production in paying quantities and at a later date a well is drilled on such Drilling Block which is capable of production of unitized substances in paying quantities, then that portion of the Drilling Block considered to be capable of production in paying quantities by reasonable geologic inference shall be admitted to the participating area upon recommendation of the Unit Operator and approval of the Director, the Commissioner and the Commission. If geologic inference is not applicable, the forty-acre tract by government survey, existing or projected; on which the producible well is drilled and all other untested forty-acre tracts or lots approximating 40 acres lying within the Drilling Block shall be admitted to the participating area."

El Paso Natural Gas Company has determined that geological inference is not applicable and therefore, the enclosed expansion includes the forty acre tract on which the Canyon Largo #140 Well was drilled and all other untested forty acre tracts lying within the Drilling Block. The 280 acres included in the Sixth Expanded Participating Area is described as the  $NE_{4}^{1}$ ,  $W_{2}^{1}SE_{4}^{1}$  and the  $SE_{4}^{1}SE_{4}^{1}$  of Section 9.

Attached hereto is Schedule VII showing the Sixth Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the Sixth Expanded Participating Area.

Please evidence your approval to the enclosed Sixth Expanded Participating Area by signing in the space provided and returning one copy of this letter to El Paso Natural Gas Company.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Higgins Supervising Landman

Land Department

CH:AJM:ec Attachments

cc: Mrs. Pepita O. Jeffus, Executive Director New Mexico Oil & Gas Accounting Commission P. O. Box 2308 Santa Fe, New Mexico 87501

APPROVED ·	United States Geological Survey Subject to like approval by the appropriate State Regulatory Bodies.	DATE :	
APPROVED		DATE.	
	Commissioner of Public Lands		
	Subject to like approval by the		
	United States Geological Survey and		
	the Qil Conservation Commission.		
APPROVED	a flaten 1.	DATE	July 24, 1968
	Oil Conservation Commission		
	Subject to like approval by the		
	United States Geological Survey and		
	the Commissioner of Public Lands.		

The foregoing approvals are for the Sixth Expanded Participating Area of the Chacra Formation of the Canyon Largo Unit

El Paso, Texas 79999

March 29, 1968

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

268 APR 1 AH B 10

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1968 DRILLING PROGRAM

### Gentlemen:

By letter dated September 19, 1967, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for this Unit. This program provided for the drilling of the following well:

### Well and Location

### Formation

Canyon Largo Unit #137 NE/4 Sec. 5, T-25-N, R-6-W Dual Pictured Cliffs-Chacra

The Canyon Largo Unit #137 was completed as a dual Pictured Cliffs-Chacra Well on September 30, 1967. A Notice of Completion of Additional Well as to the Pictured Cliffs portion of the Canyon Largo Unit #137 Well was covered by our letter dated October 27, 1967. The Chacra Formation of this well was determined to be non-commercial as set out in our letter dated January 23, 1968.

Also, Mr. J. Gregory Merrion and Mr. R. L. Bayless, as Sub-Operators of the Canyon Largo Unit, completed the Canyon Largo Unit #141 Well in the Chacra Formation in the NE/4 of Section 24, T-25-N, R-6-W. This well was determined to be commercial and caused the

Fifth Expanded Participating Area effective November 1, 1967, which was submitted by our letter dated March 6, 1968. They also completed the Canyon Largo Unit #140 Well in the Chacra Formation in the  $NE_{4}^{1}$  of Section 9, T-25-N, R-6-W. This well has been determined to be commercial and the Sixth Expanded Participating Area effective December 1, 1967, will be submitted in the near future.

As of this date, the total number of wells located on lands or communitized with lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	94
Non-Commercial	4
Plugged and Abandoned	12
Chacra	
Commercial	6
Plugged and Abandoned	1
Dual, Pictured Cliffs-Chacra	
Commercial	1
Non-Commercial, Chacra	1
Gallup	
Commercial	2
Non-Commercial	1
Dual, Gallup-Dakota	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota	
Commercial	6
Non-Commercial	2
	132

However, the above figures do not include wells drilled by or under the authority of El Paso Products Company, as Oil Agent for the Devils-Fork Gallup Gas Pool of the Canyon Largo Unit, which will be covered by separate transmittal from the said El Paso Products Company.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this

Drilling Program providing for the drilling of the following described well during the calendar year 1968.

Location

Formation

 $NW_{\frac{1}{4}}$  Section 24 T-25-N, R-6-W

Chacra

In addition to the above well, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

T. W. Bittick

Manager

Land Department

TWB:AJM:ec

APPROVED:	DATE:
	Supervisor, United States Geological Survey
	Subject to like approval by the appropriate State Officials.
APPROVED:	DATE:
	Commissioner of Public Lands
	Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.
APPROVED:	A. Laster. L DATE: May 23:1468
	Oil Conservation Commission
	Subject to like approval by the United States Geological Survey and
	the Commissioner of Public Lands.

The foregoing approvals are for the 1968 Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

Coral Oil & Gas Company 2127 San Mateo Blvd., NE Albuquerque, New Mexico 87110

Mr. J. B. Davis & Paulene D. Davis 4021 Barcelona Dr., SW Space 5 Albuquerque, New Mexico 87105

Mr. Mark Elkins & Ina Elkins Post Office Box 293 Brooksville, Mississippi 39739

El Paso Products Company P. O. Box 3986 Odessa, Texas 79760

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss P. O. Box 2497 Hobbs, New Mexico 88240

Mr. R. D. Goldston P. O. Box 68 Tyler, Texas 75701

Mr. A. G. Hill First National Bank Building Dallas, Texas 75202 Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202

Hondo Oil & Gas Company c/o Atlantic Richfield Company P. O. Box 1978 Roswell, New Mexico 88201

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas 76101

Mr. High McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

Edna W. Merrion Trusts No. 1, 2, 3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico 87401

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas 75201

Mr. Frank A. Schultz, Jr. 730 Fidelity Union Tower Dallas, Texas 75201

Skelly Oil Company
Attention: Mr. Wm. R. Kendall
District Exploration Manager
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

Skelly Oil Company Attention: Mr. Barton W. Ratliff P. O. Box 1650 Tulsa, Oklahoma 74102

## CANYON LARGO UNIT Working Interest Owners - Page 2

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. L. Hill P. O. Drawer "G" Cortez, Colorado 81321

The Superior Oil Company Attention: Mr. L. S. Robins P. O. Drawer "G" Cortez, Colorado 81321

Mr. J. Glenn Turner 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

Continental Oil Company Attention: Mr. W. C. Blackburn 200 North Wolcott Casper, Wyoming 82601

Tenneco Oil Company Attention: Mr. R. E. Siverson P. O. Box 1714 Durango, Colorado 81302

Tenneco Oil Company Attention: Mr. J. P. Wasinger P. O. Box 2410 Denver, Colorado 80201

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701

Mr. R. L. Bayless P. O. Box 1541 Farmington, New Mexico 87401

### State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas

"68 MAR 15 AN 18 2

Re: Canyon Largo Unit Rio Arriba County, New Mexico Fifth Expanded Participating Area Chacra Formation

ATTENTION: Mr. Charles Higgins

Gentlemen:

The Commissioner of Public Lands has approved as of this date the Fifth Expanded Participating Area, Chacra Formation, effective November 1, 1967, for the Canyon Largo Unit Area, Rio Arriba County, New Mexico, approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are retaining two copies for our files and returning one to you.

Very truly yours,

GUYTON B. HAYS CONDUSSIONER OF PUBLIC LANDS

BY: Eddie Lopez, Supervisor Unit Division

CHI/TR/ML/s encl.

cc: USGS-Roswell, New Mexico OCC-Santa Fe, New Mexico El Paso, Texas 79999

March 6, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico

> Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico FIFTH EXPANDED PARTICIPATING AREA Effective November 1, 1967 Chacra Formation

Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. This well is as follows:

> The Canyon Largo Unit #141 Well is located 790' from the North line and 790' from the East line of Section 24, T-25-N, R-6-W, Rio Arriba County, New Mexico. This well was spudded on October 10, 1967, by R. L. Bayless and J. Gregory Merrion, and completed October 28, 1967, at a total depth of 3,560' as a Chacra well. The Chacra Formation between 3,366'-3,382' was perforated with a sandwater fracturing process on October 27, 1967. After blowing into atmosphere for 72 hours to clean out frac water, the well tested at 787 MCF/D. The committed drilling block upon which this well is located is described as the E/2 of Section 24, T-25-N, R-6-W, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 31, 1967.

Attached hereto is Schedule VI showing the Fifth Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the Fifth Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Fifth Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit #141 Well, will become effective as of November 1, 1967.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

Charles Granno Charles Higgins

Supervising Landman

Land Department

CH: AJM: vb

Attachments

El Paso, Texas 79999

541

January 23, 1968

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

360 JAH 24 AH 8 40

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERICIAL WELL, Chacra Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, is not capable of producing unitized substances in paying quantities from the Chacra Formation.

The Canyon Largo Unit #137 Well is located 1650' from the North line and 1550' from the East line of Section 5, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 22, 1967, and completed on September 30, 1967, at a total depth of 3570', as a dual Pictured Cliffs-Chacra Well. The Chacra Formation between 3406'-3424', 3511'-3520' was treated with a sand-water fracturing process on September 28, 1967. After being shut-in for gauge for eight (8) days, the well was tested on October 9, 1967, and following a three (3) hour blow-down period gauged 355 MCFGPD through a 3/4" choke, and 361 MCFGPD by the calculated absolute open-flow method, with an SIPT of 542 psia. The Chacra Formation of this well was retested on November 10, 1967, and gauged 716 MCFGPD through a 3/4" choke and 740 MCFGPD by the calculated absolute open-flow method with an SIPT of 753 psia. The drilling block upon which this well is located is described as Lots 1, 2, S/2 NE/4, SE/4(E/2) of Section 5, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.60 acres.

Inasmuch as Lot 1 (NE/4 NE/4) is not committed to the Canyon Largo Unit, the NE/4 of Section 5 is communitized to form a 161.60 acre spacing unit for this well and 74.814356% of all production from this well will be allocated to the committed lands in the drilling block in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement. The Pictured Cliffs Formation of this well was covered by Notice of Completion of Additional Well dated October 27, 1967.

No official approval is required pursuant to Section 11 of the Canyon Largo Unit Agreement, and in the absence of disapproval, this determination shall be effective as of October 9, 1967.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

Charles Higgins Supervising Landman

Charles Higgins

Land Department

CH: AJM: psr

Canyon Largo Unit - 4.3

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

Coral Oil & Gas Company 2127 San Mateo Blvd., NE Albuquerque, New Mexico 87110

Mr. J. B. Davis & Paulene D. Davis 4021 Barcelona Dr., SW Space 5 Albuquerque, New Mexico 87105

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Mr. A. G. Hill First National Bank Building Dallas, Texas 75202 Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202

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Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas 76101

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

Edna W. Merrion Trusts No. 1, 2, 3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico 87401

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas 75201

Mr. Frank A. Schultz, Jr. 730 Fidelity Union Tower Dallas, Texas 75201

Skelly Oil Company
Attention: Mr. Wm. R. Kendall
District Exploration Manager
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

Skelly 0il Company Attention: Mr. Barton W. Ratliff P. O. Box 1650 Tulsa, Oklahoma 74102

## CANYON LARGO UNIT Working Interest Owners - Page 2

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192
Sistersville, West Virginia 26175

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. L. Hill P. O. Drawer "G" Cortez, Colorado 81321

The Superior Oil Company Attention: Mr. L. S. Robins P. O. Drawer "G" Cortez, Colorado 81321

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Mr. William G. Webb 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

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Tenneco Oil Company Attention: Mr. R. E. Siverson P. O. Box 1714 Durango, Colorado 81302

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Tenneco Oil Company Attention: Mr. Weaver W. Ralls 900 Wilco Building Midland, Texas 79701 Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701

Mr. R. L. Bayless
P. O. Box 1541
Farmington, New Mexico 87401

El Paso, Texas 79999

November 13, 1967

541

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico 1967 Supplemental Drilling Program

### Gentlemen:

This is to advise that the 1967 Supplemental Drilling Program for the Canyon Largo Unit as shown in our letter dated October 13, 1967, has been approved as follows:

United States Geological Survey October 25, 1967

Commissioner of Public Lands October 18, 1967

State of New Mexico

Oil Conservation Commission November 7, 1967

State of New Mexico

Copies of this letter are being sent to all of the unit working interest owners.

Very truly yours,

Charles Higgins

Assistant Supervising Landman

Land Department

CH: AJM: psr

### OIL CONSERVATION COMMISSION

#### P. O. BOX 2088

### SANTA FE, NEW MEXICO 87501

44/

November 7, 1967

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1967 Supplemental Drilling

Program, Conyon Largo Unit, Rio Orriba County, New Mexico.

### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Supplemental Drilling Program dated October 13, 1967, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands Santa Fe, New Mexico

U. S. Geological Survey Farmington, New Mexico

El Paso, Texas 79999

October 27, 1967

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the unit. This well is as follows:

The Canyon Largo Unit #137 Well is located 1650' from the North line and 1550' from the East line of Section 5, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 22, 1967, and completed on September 30, 1967, at a total depth of 3570' as a dual Pictured Cliffs-Chacra Well. The Pictured Cliffs Formation between 2532'-2554' was treated with a sand-water fracturing process on September 28, 1967. After being shut-in for gauge for sixteen (16) days, the Pictured Cliffs Formation of this well was tested on October 16, 1967, and following a three (3) hour blow-down period gauged 3394 MCFGPD through a 3/4" choke and 9785 MCFGPD by the calculated absolute open-flow method, with an SIPC of 372 psia and an SIPT of 372 psia. The drilling block upon

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which this well is located is described as Lots 1, 2, S/2 NE/4, SE/4 (E/2) of Section 5, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.60 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 16, 1967. Inasmuch as Lot 1 (NW/4 NE/4) is not committed to the unit the NE/4 of Section 5 is communitized to form a 161.60 acre spacing unit for this well. 74.814356% of all production from this well will be allocated to Lot 2, S/2 NE/4 for distribution in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement. The Chacra Formation of this well will be covered by a separate letter.

The applicable drilling block was included in the initial Participating Area for the Pictured Cliffs Formation. Therefore, the Participating Area is not enlarged.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,

By Charles Higgins Charles Higgins

Assistant Supervising Landman

Land Department

CH:AJM:vjh Attachment

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

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P. O. Box 1540
Fort Worth, Texas 76101

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

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Mr. J. Gregory Merrion
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Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

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Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175 CANYON LARGO UNIT
Working Interest Owners - Page 2

The Superior Oil Company P. O. Box 1521
Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Drawer "G" Contez, Colorado 81321

The Superior Oil Company Actention: Mr. L. S. Robins P. O. Drawer "G" Cortez, Colorado 81321

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Mr. William G. Webb 1700 Mercartile Bank Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

Continental Oil Company Attention: Mr. H. D. Haley P. O. Box 1621 Durange, Colerade 81302

Tenneco Oil Company Attention: Mr. R. E. Siverson P. O. Box 1714 Durango, Colorado 81302

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Tenneco Oil Company Attention: Mr. Weaver W. Ralls 900 Wilco Building Midland, Texas 79701

Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701

Mr. R. L. Bayless P. O. Box 1541 Farmington, New Mexico 87401



## UNITED STATES DEPARTMENT OF THE INTERIOR

### GEOLOGICAL SURVEY Drawer 1857 Roswell, New Mexico 88201

October 25, 1967

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79999

Attention: Mr. T. W. Bittick

UCT 25 111

#### Gentlemen:

Your 1967 supplemental plan of development dated October 13, 1967, for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of two Chacra wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the supplement to the 1967 plan are enclosed.

Sincerely yours,

JORIG. SOU, JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Farmington (w/cy plan)
NMOCC - Santa Fe (ltr. only)
Comm. of Pub. Lands - Santa Fe (ltr. only)

### State of New Mexico



## Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



P. O. BOX 1148 SANTA FE, NEW MEXICO

UCT 20 A.

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Re: Supplement to Canyon Large Unit 1967 Drilling Program

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your supplement to the 1967 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico. This approval being subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

This supplement calls for the drilling of two additional Chacra wells to be drilled in the E/2 of Section 9, Township 25 Morth, Range 6 West and in the E/2 of Section 24, Township 25Morth, Range 6 West, also the drilling of any offset wells required to prevent drainage of unitised substances and other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

One approved copy of the supplement is enclosed herewith.

Very truly yours,
GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY:
Eddie Lopez, Supervisor
Unit Division

GME/TR/EL/s encl.

cc: USGS-Roswell, New Mexico OCC-Santa Pe, New Mexico

El Paso, Texas 79999 October 13, 1967

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

UST 17 ... .

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1967 Supplemental Drilling Program

#### Gentlemen:

By letter dated September 19, 1967, we submitted the 1967 Drilling Program for the Canyon Largo Unit. This program proposed the drilling of a Pictured Cliffs-Chacra Well for the NE/4 of Section 5, T-25-N, R-6-W. Mr. J. Gregory Merrion and Mr. R. L. Bayless as owners of the applicable Three Hundred and Twenty (320) acre drilling blocks have now requested that Chacra wells be drilled in the E/2 of Section 9, T-25-N, R-6-W, and in the E/2 of Section 24, T-25-N, R-6-W.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits this 1967 Supplemental Drilling Program adding these two wells to the proposed plan of development.

In addition to the three wells now on the 1967 Drilling Program, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Supplemental Drilling Program is acceptable, please signify your approval in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

T. W. Bittick

Manager,

Land Department

TWB:AJM:vjh Attachments

APPROVED:		DATE:
	Supervisor, United States Geological Survey	
	Subject to like approval by the appropriate	State Officials.
APPROVED:	:	DATE:
	Commissioner of Public Lands	
	Subject to like approval by the United State	es Geological Survey and
	the Oil Conservation Commission.	
APPROVED	Al Parter 1.	DATE: 11-7-67

Oil Conservation Commission
Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

The foregoing approvals are for the 1967 Supplemental Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

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E1 Paso Products Company P. O. Box 3986 Odessa, Texas 79760

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Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202 Hondo Oil & Gas Company c/o Atlantic Richfield Company P. O. Box 1978 Roswell, New Mexico 88201

Mr. Kay Kimbell
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Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

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Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175 CANYON LARGO UNIT
Working Interest Owners - Page 2

The Superior Off Company P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company
Attention: Mr. C. A. Van Derbur
F. O. Drawer "G"
Guntéz, Colorado 81321

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Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701

Mr. R. L. Bayless P. O. Box 1541 Farmington, New Mexico 87401

## El Paso Natural Gas Company

El Paso, Texas 79999

October 11, 1967

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

-67 Oct to Physic.

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico 1967 DRILLING PROGRAM

### Gentlemen:

The 1967 Drilling Program for the Canyon Largo Unit was approved by the regulatory bodies on the following dates:

- 1. United States Geological Survey September 29, 1967
- 2. Commissioner of Public Lands, October 4, 1967 State of New Mexico
- 3. Oil Conservation Commission, October 3, 1967 State of New Mexico

Copies of this letter are being sent to all working interest owners of the Canyon Largo Unit.

Very truly yours,

Charles Higgins Charles Higgins

Assistant Supervising Landman

Land Department

CH: AJM: psr



Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



P. O. BOX 1148 SANTA FE, NEW MEXICO

El Pase Materal Gas Company P. O. Box 1492 El Page, Texas 79999

> Re: Canyon Large Unit 1967 Drilling Program 57 Uct 6 111

ATTENTION: Mr. T. W. Bittick

Contlemen:

The Commissioner of Public Lands has this date approved your 1967 Drilling Program, which calls for the drilling of a Pictured Cliffs-Chacra dual well in the ME/4, Section 5, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, this approval being subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Comission.

One approved copy of the 1967 Drilling Program is enclosed herewith, also eight (8) copies of your 1966 Drilling program, which we have accepted by this office for record pusposes only.

> Very truly yours, GUYTON B. HAYS COMMISSIONER OF PUBLIC LANDS

BY: Eddie Lopes, Supervisor Unit Division

COM/TD/EL/s encis.

oc: 1986-Resvell, New Mexico OCC-Santa Fe, New Mexico

### OIL CONSERVATION COMMISSION

P. O. BOX 2088

### SANTA FE, NEW MEXICO 87501

October 3, 1967

El Pano Natural Gas Company

P. O. Box 1492

El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1967 Drilling Program

Canyon Largo Unit, Rio Arriba County, New Mexico

41

### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Drilling Program dated September 19, 1967, for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/JEK/og

oc: Commissioner of Public Lands Santa Fe, New Mexico

> United States Geological Survey P. O. Drewer 1857 Reswell, New Mexico 88201



## UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

### Brawer 1857 Roswell, New Hustles 88201

September 29, 1967

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Taxas 79999

Attention: Mr. T. W. Bittick

#### Centlemen:

Your 1967 plan of development dated September 19, 1967, for the Compon Large unit area, Rio Arribe County, New Mexico, proposing the drilling of a Pictured Cliffs - Cheeza dual well in the MRk sec. 5, T. 25 N., R. 6 W., H.M.P.M., has been approved on this date subject to like approval by the appropriate State officials. Your information copy of the 1966 plan of development has been accepted by this office for record purposes.

Two approved captes of the 1967 plan are enclosed.

Sincerely yours,

167 Oct 2 1111 1

(TRIG. SED) BILLY J. SHOGER

BILLY J. SHOOER Acting Gil and Ges Supervisor

ee :

Washington (w/cy. plan)
Farmington (w/cy. plan)
HMOCC, Santa Fe (ltr. only)

Com. of Pub. Lands, Santa Fe (itr. only)



# UNITED STATES DEPARTMENT OF THE INFERIOR

GEOLOGICAL SURVEY

541

### Brance 1857 Resuell, New Hexico 88201

September 27, 1967

manager and the

All Same

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El Pase Matural Gas Company

P. C. Best 1492

El Page, Temes

#### Contlame?

We asknowledge receipt of four copies each of the "Perignations of Sub-Operator" by which Ri Buso Matural Que Company, unit operator of the Compon Large unit, See Juan County, New Maxico, designates R. L. Baylone and J. Gragotty Marrion as a sub-operator for the drilling of a Chaera well in the Ey sec. 9, Y. 25 N., R. 6 N., N.E.P.E., and in the Ey sec. 24, Y. 25 N., R. 6 N., E.M.P.E.

The "Designations of Sub-Operator" are hereby accepted as designations of agent from Ri Peno Hetural Cas Company. Such acceptance does not relieve Ri Peno Hetural Cas Company of its responsibility as unit operator to accume operations for any well on the above described land that is determined to qualify for inclusion in the Cheera participating area.

#### Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

### CARL C. TRANSPEX Acting Oil and Gos Supervisor

Washington (w/cy. Besign. of Sub-Opr.)
Mill, Santa Fe (w/cy. Desig. of Sub-Opr.)
Farmington
Com. of Pub. Lands, Santa Fe
MMOCC, Santa Fe

R.L. Bayless and J. Gregory Merrion P. O. Box 1541 Farmington, W.K.

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## El Paso Natural Gas Company

El Paso, Texas 79999

September 19, 1967

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico 88201

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico 87501

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501 57 Sup 20 111 5

Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico 1967 DRILLING PROGRAM

#### Gentlemen:

By letter dated September 13, 1966, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, filed a Drilling Program for this Unit. This program provided for the drilling of the following wells:

Well and Location	Formation
Canyon Largo Unit #136 SW/4 Sec. 4, T-25-N, R-6-W	Dual Pictured Cliffs- Chacra
Canyon Largo Unit #138 SE/4 Sec. 4, T-25-N, R-6-W	Chacra
Canyon Largo Unit #139 SE/4 Sec. 2, T-25-N, R-6-W	Chacra
Hill #1 SE/4 Sec. 9, T-25-N, R-6-W	Chacra

The Canyon Largo Unit #136 was completed as a dual Pictured Cliffs-Chacra Well on July 5, 1966, and caused the Second Expanded Participating Area of the Chacra Formation. The Canyon Largo Unit #138 was completed on July 22, 1966, and caused the Third Expanded Participating Area of the Chacra Formation. The Second and Third Expansions were forwarded with our letter dated September 26, 1966. Also, a Notice of Completion of Additional Well as to the Pictured Cliffs portion of the Canyon Largo Unit #136 Well was covered by our letter dated August 29, 1966. The Canyon Largo Unit #139 Well was completed on November 3, 1966, and caused the Fourth Expanded Participating Area of the Chacra Formation. This Expansion was submitted with our letter dated January 5, 1967. The Hill #1 Well was commenced on October 7, 1966, by Mr. J. Gregory Merrion and Mr. R. L. Bayless, as Sub-Operators of the Canyon Largo Unit. The Chacra Formation of this well was treated with a sand-water fracturing process on two separate occasions; however, it will return only a very small amount of gas and will subsequently be plugged and abandoned.

As of this date, the total number of wells located on lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs		
Commercial	92	
Non-Commercial	4	
Plugged and Abandoned	15	
Chacra		
Commercial	4	
Temporarily abandoned	1	
(Hill #1 - SE/4 Sec. 9,		
T-25-N, R-6-W)		
Dual, Pictured Cliffs-Chacra		
Commercial	1	
0-11		
Gallup	•	
Commercial	2	
Non-Commercial	1	
Dual, Gallup-Dakota		
Non-Commercial, Gallup	1	
Non-Commercial, Dakota	1	
,		
Dakota		
Commercial	6	
Non-Commercial	2	
	130	

However, the above figures do not include wells drilled by or under the authority of El Paso Products Company, as Oil Agent for the Devils-Fork Gallup Gas Pool of the Canyon Largo Unit, which will be covered by separate transmittal from the said El Paso Products Company.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described well during the calendar year 1967.

Location

Formation

NE/4 Section 5 T-25-N, R-6-W

Dual, Pictured Cliffs-Chacra

In addition to the above well, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Manager

Land Department

TWB:AJM:psr Enclosures

APPROVED:	DATE:
	Supervisor, United States Geological Survey
	Subject to like approval by the appropriate State Officials.
APPROVED:	DATE:
	Commissioner of Public Lands
	Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.
APPROVED:	A. Caster - DATE: Oct 3 1967
	Oil Conservation Commission
	Subject to like approval by the United States Geological Survey and
	the Commissioner of Public Lands.

The foregoing approvals are for the 1967 Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 5517 Willow Lane Dallas, Texas 75230

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation A Division of Atlas Minerals Attention: Mr. F. T. Anderson 707 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

Coral Oil & Gas Company 2127 San Mateo Blvd., NE Albuquerque, New Mexico 87110

Mr. J. B. Davis & Paulene D. Davis 4021 Barcelona Dr., SW Space 5 Albuquerque, New Mexico 87105

Mr. Mark Elkins & Ina Elkins Post Office Box 293 Brooksville, Mississippi 39739

El Paso Products Company P. O. Box 3986 Odessa, Texas 79760

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss P. O. Box 2497 Hobbs, New Mexico 88240

Mr. R. D. Goldston P. O. Box 68 Tyler, Texas 75701

Mr. A. G. Hill First National Bank Building Dallas, Texas 75202

Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202 Hondo Oil & Gas Company c/o Atlantic Richfield Company P. O. Box 1978 Roswell, New Mexico 88201

Mr. Kay Kimbell
P. O. Box 1540
Fort Worth, Texas 76101

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

Edna W. Merrion Trusts No. 1, 2, 3 c/o J. Gregory Merrion P. 0. Box 507
Farmington, New Mexico 87401

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas 75201

Mr. Frank A. Schultz, Jr. 730 Fidelity Union Tower Dallas, Texas 75201

Skelly 0il Company
Attention: Mr. Wm. R. Kendall
District Exploration Manager
Lincoln Tower Building
1860 Lincoln Street
Denver, Colorado 80203

Skelly Oil Company Attention: Mr. Barton W. Ratliff P. O. Box 1650 Tulsa, Oklahoma 74102

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175 CANYON LARGO UNIT
Working Interest Owners - Page 2

The Superior Oil Company P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Drawer "G" Cortez, Colorado 81321

The Superior Oil Company Attention: Mr. L. S. Robins P. O. Drawer "G" Cortez, Colorado 81321

Mr. J. Glenn Turner 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. William G. Webb 1700 Mercantile Bank Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

Continental Oil Company Attention: Mr. H. D. Haley P. O. Box 1621 Durange, Colorado 81302

Tenneco Oil Company Attention: Mr. R. E. Siverson P. O. Box 1714 Durango, Colorado 81302

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Tenneco Oil Company Attention: Mr. Weaver W. Ralls 900 Wilco Building Midland, Texas 79701

Mr. Robert Donnell P. O. Box 4276 Midland, Texas 79701

Mr. R. L. Bayless
P. O. Box 1541
Farmington, New Mexico 87401



### Commissioner of Public Lands

CUYTON B. HAYS COMMISSIONER



February 20, 1967

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

ATTENTION: Mr. Charles Higgins

Gentlemen:

Pursuant to your letter of February 15, 1967, regarding the Second, Third and Fourth expanded participating areas for the Chacra Formation, Canyon Largo Unit, Rio Arriba, County, New Mexico.

It seems to me it would be vore difficult to apply Paragraph 2, of Section 11, to the Chacra Formation, however, we are only interested in knowing the date when the thirty day period expires both on the Second and Third and on the Fourth expanded participating areas.

Very truly yours,

GUYTON B. HAYS COMMISSIONER OF PUDLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor Unit Division

GBH/MMR/s

cc: USGS-Roswell, New Mexico OCC- Santa Fe, New Mexico



### Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER



February 9, 1967

P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas

Re: Canyon Largo Unit Rio Arriba County, New Mexico

ATTENTION: Mr. Harry Gevertz

Gentlemen:

The Commissioner of Public Lands has approved as of this date the Fourth Revision of the Chacra Participating Area, effective December 1, 1966, for the Canyon Large Unit Area, Rio Arriba County, New Mexico, approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission. Please notify us when approved by these agencies.

We are returning one approved copy.

Very truly yours,
GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: Ted Bilberry, Director Oil and Gas Department

GRH/MUR/s encl. 1.

oc: United States Geological Survey Roswell, New Mexico

New Mexico Oil Conservation Commission Santa Fe, New Mexico



## Commissioner of Public Lands

GUYTON B. HAYS COMMISSIONER P. O. BOX 1148 SANTA FE, NEW MEXICO

El Paso Matural Gas Company P. O. Box 1492

El Paso, Texas

Re: Canyon Largo Unit Rio Arriba County, New Mexico

ATTEMTION: Mr. Harry Geverts

Gentlemen:

The Commissioner of Public Lands has approved as of this date the Second and Third Expanded Participating Areas for the Chacra Participating Area, Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission. Please notify us when approval has been received by these agencies.

The Second Expansion becomes effective as of August 1, 1966 and the Third Expansion becomes effective as of September 1, 1966.

We are returning one copy.

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MGR/s encl. 1.

CC: UEGS-Roswell, New Mexico OCC-Santa Fe, New Mexico

## El Paso Natural Gas Company

El Paso, Texas 79999

January 5, 1967

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 541

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
FOURTH EXPANDED PARTICIPATING AREA
Effective December 1, 1966
Chacra Formation

### Gentlemen:

In accordance with Section II of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. This well is as follows:

The Canyon Largo Unit #139 Well is located 840' from the South line and 1130' from the East line of Section 2, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 22, 1966, by R. L. Bayless and J. Gregory Merrion, and completed on November 3, 1966, at a total depth of 3860' as a Chacra well. The Chacra Formation between 3694' - 3698' was treated with a sand-water fracturing process on October 7, 1966, and again on October 31, 1966. After being shut-in for gauge for eight (8) days, the well was tested in the Chacra Formation on November 11, 1966, and following a three (3) hour blow-down period gauged 1635 MCFGPD through a 3/4" choke and 1681 MCFGPD by the calculated absolute open-flow method, with a SIPC of 932 PSIA. This well was completed without tubing. The committed drilling block upon which this well is located is described as the E/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.85 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Chacra Formation was made on November 11, 1966.

Attached hereto is Schedule V showing the Fourth Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the Fourth Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Fourth Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit #139 Well, will become effective as of December 1, 1966.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By Harty Gevertz

Supervising Landman

Land Department

HG:AJM:jm Attachments

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El Paso Natural Gas Company P. O. Eow 1492

El Paso, Texas 79999

Re: Canyon Lauge Unit Rio Aurika County, New Memico SU/4 Section 2, Counthip 25-North, Range 6 Nort

ATTENTION: Nr. Harry Govertz

Centlemen:

We acknowledge your letter dated Outcher 3, 1936, also the Form C-101 and dedicated plat which were employed.

This well is being drilled on the Campen Louge Unit and the acreage is committed to the whit, therefore, this form should indicate the Operator of the Unit, place the Unit Agreement and should be a consecutive Unit Well Mamber.

Please note the forms which were sent to you and your Mr. Charles Higgins which cover this situation.

May we please have a correction on this well at your earliest convenience.

Very truly yours,

GIITON D. IDNI

COMMODICATION OF PURLIC MAINS

BY 2

Ted Dilberry, Director Oil and Gas Department

CBE/SUR/S

El Paso Matural Gas Company Catalor 10, 1966 - Paga 2.-

ATTENTION: Mr. Emery Arnold

Merrion & Enyless
Patroleum Club Building
Parmington, New Mexico

# UNHED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Drawet 1857 Roswell New Mexico 39201

September 27 66

El Paso Natural Gas Company P. O. Box 1492 El Paso Texas

#### Gentlemen:

We acknowledge receipt of three copies of a Designation of Sub-Operator by which \$1 Paso Matural Gas Company operator of the Campon Largo unit Rio Arriba County New Maxico designates R. L. Bayless and J. Gregory Marrion as sub-operators for the drilling of a Chaora formation well in the 84 sec. T. 25 M. R. 6 W. N.M.P.M.

The designation of sub-operator is occupted as a Designation of Agent from El Paso Natural Gas Company. Such acceptance loss not relieve El Paso Natural Gas Company of its responsibility as unit operator to assume operations for any well on the above less ibediand that is determined to qualify for inclusion in the C acceptant participating area.

Sincerely yours

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON Regional Oil and Gas Supervisor

cet

Weshington (w/cy Desig. of Sub-Op.)
BLM Santa Fe (w/cy Desig. of Sub-Op.)
Farmington
Com. of Pub. Lands, Santa Fe
BECC. Santa Fe

R. L. Bayless and J. Gregory Merrion P. O. Box 1541 Farmington, New Mexico

ILLEGIBLE

## El Paso Natural Gas Company

El Paso, Texas 79999 SEP 2 6 1966

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
SECOND EXPANDED PARTICIPATING AREA
Effective August 1, 1966, and
THIRD EXPANDED PARTICIPATING AREA
Effective September 1, 1966
Chacra Formation

### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed wells are capable of producing unitized substances in paying quantities from the Chacra Formation. The wells are as follows:

The Canyon Largo Unit #136 Well is located 790' from the South line and 1760' from the West line of Section 4,
Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 29, 1966, by R. L.
Bayless and J. Gregory Merrion, and completed on July 5,
1966 at a total depth of 3421' as a dual Pictured CliffsChacra well. The Chacra Formation between 3193' - 3211',
3294' - 3304' was treated with a sand-water fracturing
process on June 13, 1966. After being shut-in for gauge
for eleven (11) days, the well was tested in the Chacra
Formation on July 16, 1966, and following a three (3) hour
blow-down period gauged 1400 MCFGPD through a 3/4" choke
and 1705 MCFGPD by the calculated absolute open-flow method,
with a SIPC of 618 PSIA and a SIPT of 899 PSIA. The committed drilling block upon which this well is located is

described as the W/2 of Section 4, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.27 acres. The Pictured Cliffs Formation of this well will be covered by a separate letter entitled Notice of Completion of Additional Well. The determination that this well is capable of producing unitized substances in paying quantites from the Chacra Formation was made on July 16, 1966. Inasmuch as this well is located on acreage not committed to the Canyon Largo Unit, the SW/4 of Section 4, Township 25 North, Range 6 West will be communitized to form a 160 acre spacing unit for this well. Fifty percent (50%) of the production from this well will be allocated to the W/2 SW/4 for distribution in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement.

The Canyon Largo Unit #138 Well is located 1760' from the South line and 1820' from the East line of Section 4, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on June 9, 1966 by R. L. Bayless and J. Gregory Merrion, and completed on July 22, 1966, at a total depth of 3470' in the Chacra Formation. The Chacra Formation between 3210' - 3227', 3316' - 3323' was treated with a sandwater fracturing process on July 15, 1966. After being shut-in for gauge for eleven (11) days, the well was tested in the Chacra Formation on August 2, 1966, and following a three (3) hour blow-down period gauged 2199 MCFGPD through a 3/4" choke and 2308 MCFGPD by the calculated absolute open-flow method, with a SIPC of 930 PSIA. This well was completed without The committed drilling block upon which this well is located is described as the E/2 of Section 4, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.41 acres. The determination that this well is capable of producing unitized substances in paying quantites was made on August 2, 1966. Inasmuch as this well is located on acreage not committed to the Canyon Largo Unit, the SE/4 of Section 4, Township 25 North, Range 6 West will be communitized to form a 160 acre spacing unit for this well. Seventy-five percent (75%) of the production from this well will be allocated to the E/2 SE/4, SW/4 SE/4 for distribution in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement.

Attached hereto is Schedule III showing the Second Expanded Participating Area and Schedule IV showing the Third Expanded Participating Area for the Chacra Formation of the Canyon Largo Unit Area. These schedules describe the Participating Area, show the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the wells and the outline of the Second and Third Expanded Participating Areas.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor. In the absence of disapproval, this Second Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit #136 Well, will become effective as of August 1, 1966, and the Third Expanded Participating Area for the Chacra Formation based on the completion of the Canyon Largo Unit #138 Well, will become effective as of September 1, 1966.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Harry Gevertz

Supervising Landman

Land Department

HG:AJM:kw
Attachments



## UNITED STATES DEPARTMENT OF THE HATERIOR

GEOLOGICAL SURYZEY

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Sep auber 16 - 16

El Peso Netural Cas Company

P. O. Box 1492

El Pasc T sea

### Gentlement

We hereby admouledge receipt of three copies of a Pesignation of Sub-Operator by which Ri Peso Hatural Cas Company operator of the Campon Largo unit. Rio Arribe County, New Herico designates R. L. Bayless and J. Gregory Marrion as sub-operators for the drifting of a Chara for which we'll in the Signes. 2 T. 25 N. R. & W. H.M.P.M.

The designation of sub-operator is hereby accepted to a Designative of Agent from E). Paso Natural Gos Company. Such acceptance does not relieve El Paso Natural Gos Company of its responsibility as unit operator to assume operations for any well on the above described land that is determined to qualify for inclusion in the Custa participating area.

Sin every yours

(ORIG. SGD.) BILLY J. SHOGER

MILLY J. SHOER Acting Oil and Cas Supervisor

٠,٠

Washington (w/cy Desig. of Sub-Op.)

NEM, Santz Fe (w/cy Desig. of Sub-Op.)

Farmington

Com. of Pub. Lands, Santa Fe

MECC. Santa Fe

R. L. Beyless and J. Gregory Merrion P. O. Box 1541 Farmington, New Mexico

ILLEGIBLE

El Paso Natúral Gas Company
El Pasa Texas 79999

September 13, 1966

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Sants Fe, New Mexico

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico

1966 DRILLING PROGRAM

Dear Sir:

We are enclosing for your approval ten (10) copies of the 1966 Drilling Program covering the captioned Unit.

If this Drilling Program meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After this Drilling Program has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file, and seven (7) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for their approval and further handling. After this Brilling Program has been approved and signed by the United States Geological Survey, four (4) copies should be returned to El Paso for further handling.

Very truly yours,

Harry Gevertz

Supervising Landman

Land Department

HG:AJM:cah Enclosures

cc: Mr. John A. Anderson

Regional Oil & Gas Supervisor State of New Mexico

U.S.G.S.

Drawer 1857

Roswell, New Mexico

Oil Conservation Commission

State of New Mexico Post Office Box 2088 Santa Pe, New Mexico

741

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage within the boundaries of the unit. This well is as follows:

The Burns Com #1 Well is located 790' from the South line and 1760' from the West line of Section 4, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 29, 1966 by R. L. Bayless and J. Gregory Merrion and completed on July 5, 1966 at a total depth of 3421' as a dual Pictured Cliffs-Chacra Well. The Pictured Cliffs Formation between 2326' - 2344' was treated with a sand-water fracturing process. After being shutin for gauge for twenty-four (24) days, the Pictured Cliffs Formation of this well was tested on July 13, 1966, and following a three (3) hour blow-down period gauged 4466 MCFGPD through a 3/4" choke and 8235 MCFGPD by the calculated absolute open-flow method, with an SIPC of 623 psia and an SIPT of 622 psia. The drilling block upon which this well is located is described as the W/2 of Section 4, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.27 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 13, 1966. At such time as El Paso Natural Gas Company assumes operation of this well as Operator of the Canyon Largo Unit, the well will be designated as the Canyon Largo Unit #136 Well. Inasmuch as this well is located on acreage not committed to the Canyon Largo Unit, the SW/4 of Section 4, T-25-N, R-6-W will be communitized to form a 160 acre spacing unit for this well. Fifty percent (50%) of all production from this well will be allocated to the W/2 SW/4 for distribution in accordance with the terms of the Canyon Largo Unit Agreement and Unit Operating Agreement. The Chacra Formation of this well will be covered by a separate letter.

This drilling block was included in the Canyon Largo Eighth Expanded Participating Area for the Pictured Cliffs Formation, effective May 1, 1956. Therefore, the Participating Area is not enlarged.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,

Harry Geverta

Supervising Landman Land Department

HG:AJM:je

Attachment

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 3322 Silver Avenue, S.E. Albuquerque, New Mexico 87106

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas 75221

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa, Oklahoma 74103

Atlas Corporation A Division of Atlas Minerals 2000 National Bank of Tulsa Building Attention: Mr. F. T. Anderson Tulsa, Oklahoma 74103

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico 87401

Coral Oil & Gas Company 2127 San Mateo Blvd., NE Albuquerque, New Mexico 87110

Mr. J. B. Davis & Paulene D. Davis 1907 Buena Vista, SE Albuquerque, New Mexico 87106

Mr. Mark Elkins & Ina Elkins Post Office Box 293 Brooksville, Mississippi 39739

E1 Paso Products Company P. O. Box 3986 Odessa, Texas 79760

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss P. O. Box 2497 Hobbs, New Mexico 88240

Mr. R. D. Goldston P. O. Box 68 Tyler, Texas 75701 Mr. A. G. Hill First National Bank Building Dallas, Texas 75202

Margaret Hunt Hill 2900 First National Bank Building Dallas, Texas 75202

Hondo Oil & Gas Company c/o Atlantic Richfield Company P. O. Box 1978 Roswell, New Mexico 88201

Mr. Kay Kimbell
P. O. Box 1540
Fort Worth, Texas 76101

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas 79948

Edna W. Merrion Trusts No. 1, 2, 3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico 87401

Mr. J. Gregory Merrion
P. O. Box 507
Farmington, New Mexico 87401

Pan American Petroleum Corporation (3) Attention: Mr. T. M. Curtis Security Life Building Denver, Colorado 80202

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas 75201

Mr. Frank A. Schultz, Jr. 730 Fidelity Union Tower Dallas, Texas 75201

Skelly Oil Company
Attention: Mr. T. F. Thompson
Skelly Building
Tulsa, Oklahoma 74102

### CANYON LARGO UNIT Page 2

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia 26175

The Superior Oil Company P. O. Box 1521 Houston, Texas 77001

The Superior Oil Company Attention: Mr. C. A. Van Derbur P. O. Drawer "G" Cortez, Colorado 81321

The Superior Oil Company Attention: Mr. L. S. Robins P. O. Drawer. "G" Cortez, Colorado 81321

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas 75201

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas 75201

Mr. Loren Wilcox and Norma Wilcox 803 Laura Street Fruita, Colorado 81521

Continental Oil Company Attention: Mr. H. D. Haley P. O. Box 1621 Durango, Colorado 81302

Tenneco Oil Company Attention: Mr. R. E. Siverson P. O. Box 1714 Durango, Colorado 81302

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma 74101

Tenneco Oil Company 4th Floor, Wall Building Midland, Texas 79701 Attention: Mr. Weaver W. Ralls October 8, 1965

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

> Re: Canyon Largo Unit Rio Arriba County, New Mexico

Attention: Mr. T. W. Bittick

Gentlemen:

We acknowledge receipt of three copies of the Fifth Expanded Participating Area for the Dakota Formation, Canyon Largo Unit Area, Rio Arriba County, New Mexico.

This Expansion being predicated on well No. 135 which was drilled in Section 33, Township 25 North, Range 6 West and completed July 4, 1965. The Expansion to become effective as of August 1, 1965.

We are returning one copy of this Expandion stamped with our acceptance.

Very truly yours,

GUYTON B. HAYS COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Director Oil and Gas Department

MMR/e

United States Geological Survey Roswell, New Mexico

Hew Maxim Oil Concernation a

El Paso, Texas 79999

August 31, 1965

,65 SEP

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FIFTH EXPANDED PARTICIPATING AREA
Effective August 1, 1965
Dakota Formation

1 41

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantites from the Dakota Formation has been completed upon acreage committed to this unit, and that the participating area for the Dakota Formation is expanded accordingly to include this well, to wit:

### Fifth Revision - Effective August 1, 1965

Description of Lands Acreage

T=25=N, R=6=W, N.M.P.M. Section 33: E/2

The Canyon Largo Unit #135 Well is located 1585° from the North line and 810° from the East line of Section 33, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 16, 1965, and

320.00

completed on July 4, 1965, at a total depth of 6778'. The Dakota Formation between 6562' - 6566', 6604' - 6612', 6668' - 6677', 6696' - 6704' was treated with a sand-water fracturing process on July 4, 1965. After being shut-in for fourteen (14) days, the well was tested on July 21, 1965, and following a three (3) hour blow-down period gauged 2093 MCFGPD through a 3/4" choke, and 2224 MCFGPD by the calculated absolute open-flow method, with a SIPC of 2321 psia and a SIPT of 2326 psia. The committed drilling block upon which this well is located is the E/2 of Section 33, Town-ship 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on July 21, 1965.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fifth Expanded Participating Area for the Dakota Formation will become effective as of August 1, 1965.

Attached hereto is Schedule VI showing the Fifth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts. Also attached hereto is a map designated Exhibit "A", showing the location of the wells and the outline of the Fifth Expanded Participating Area.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Assistant Manager

Land Department

TWB: MB: tdl Attachments

# El Paso Natural Gas Company

El Paso, Texas

August 18, 1965

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

> Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico

> > 1965 DRILLING PROGRAM

### Gentlemen:

The 1965 Drilling Program for the Canyon Largo Unit was approved by the regulatory bodies on the following dates:

- 1. United States Geological Survey July 30, 1965
- 2. Commissioner of Public Lands, State of New Mexico - June 21, 1965
- 3. Oil Conservation Commission, State of New Mexico - August 11, 1965

Copies of this letter are being sent to all working interest owners of the Canyon Largo Unit.

Very truly yours,

Harry Gevertz

Regional Landman

Land Department

HG:MB:rr

Canyon Largo Unit, 3.0

## OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO

54

### August 11, 1965

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

Attention: Mr. Sam Smith'

Re: 1965 Drilling Program
Canyon Largo Unit, Rio
Arriba County, New Maxico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1965 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the Sate of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

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

ALP/JEK/og

cc: United States Geological Survey - Roswell Commissioner of Public Lands - Santa Pe



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

## Drawer 1857 Roswell, New Mexico 88201

July 30, 1965

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1965 plan of development dated June 14, 1965, for the Canyon Largo unit area, Rio Arriba County, New Mexico, proposing the drilling of one Dakota well in the Et sec. 33, T. 25 N., R. 6 W., N.M.P.M., has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ONG. Sgd.) DARL U. TRANSION

CARL C. TRAYWICK Acting Oil and Gas Supervisor

cc:

Washington (w/cy plan)
Farmington (w/cy plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

June 21, 1965

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

Attention: Mr. Sam Smith

Re: Canyon Largo Unit Rio Arriba County, New Mexico 1965 Drilling Program

## Gentlemen:

The Commissioner of Public Lands approves as of June 21, 1965, your 1965 Drilling Program for Canyon Largo Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and Oil Conservation Commission. This program provides for the drilling of a Dakota well in the East Half of Section 33, Township 25 North, Range 6 West, Rio Arriba County.

We are returning one approved copy of this drilling program.

Very truly yours,

GUYTOW B. HAYS COMMISSIONER OF PUBLIC LANDS

BY:

(Mr.) Ted Bilberry, Director Oil and Gas Department

# GMM/10tR/d Enclosures

661

United States Geological Survey
P. O. Drawer 1857, Roswell, New Mexico
Attention: Mr. John A. Anderson
Oil Conservation Commission
P. O. Box 2088, Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas

June 14, 1965

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico Post Office Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico 1965 DRILLING PROGRAM

# Gentlemen:

By letter dated March 13, 1964, El Paso Natural Gas Company, as Unit Operator of subject Unit, filed a Drilling Program covering the captioned Unit for the calendar year of 1964. Said program provided for the drilling of the following well:

## Well and Location

Formation

Canyon Largo Unit #133 E/2 Section 5, T-24-N, R-6-W, N.M.P.M.

Pictured Cliffs

The above-described well was drilled during 1964 by El Paso Natural Gas Company as an Intervening Drilling Block Well. This well was completed on July 2, 1964, but no expansion of the Pictured Cliffs Participating Area was occasioned because the acreage dedicated to the well was admitted to the Participating Area in the previous year, as is required for intervening-drilling-block acreage. This well had an initial potential of 264 MCFGPD through a 3/4" choke. Unit Operator plans to abandon this well, with the concurrence of the applicable working interest owners, but the acreage dedicated to the well will remain in the Participating Area in accordance with the provisions of the Canyon Largo Unit Agreement.

As of this date, the total number of wells located on lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs:	
Commercial	92
Non-Commercial	4
Plugged and Abandoned	15
Chacra:	2
Gallup:	
Commercial	2
Non-Commercial	1
Dual, Gallup-Dakota:	
Nom-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota:	
Commercial	5
Non-Commercial	2
	125

However, the above figures do not include wells drilled by or under the authority of El Paso Natural Gas Products Company, as Oil Agent for the Devils-Fork Gallup Gas Pool of the Canyon Largo Unit, which will be covered by separate transmittal from the said El Paso Natural Gas Products Company.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following-described well during the calendar year 1965.

Location	Formation
E/2 Section 33,	
T-25-N, R-6-W, N.M.P.M.	Dakota

The basis for drilling this well in 1965 is to offset the Kimbell Federal #3-34 Dakota Well located in the SW/4 of Section 34, T-25-N, R-6-W, N.M.P.M., which had an initial potential of 4.8  $\rm M^2CF$ , and a deliverability of 1,605 MCF/D.

El Paso Natural Gas Company intends to drill this well to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run, if necessary, through the Pictured Cliffs Formation to a depth of approximately 3,200', and then a production casing string will be run to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing when said casing is run, and the hole below the intermediate string of casing will be drilled with either mud or gas. Due care will be taken to protect all horizons.

In addition to the above well, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

All of the working interest owners have been contacted, and this Drilling Program reflects, insofar as possible, their desires for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager

Land Department

SS:MB:jm

APPROVED:	Supervisor, United States Geological Survey	DATE:
	Subject to like approval by the appropriate State Officials.	
APPROVED:	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.	DATE:
APPROVED:	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the	date: 8-11-65

The foregoing approvals are for the 1965 Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

Commissioner of Public Lands.

# CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Atlas Minerals, Div. of Atlas Corp. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, N.E. Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 1907 Buena Vista, S. E. Albuquerque, New Mexico 87106

Mr. Mark Elkins & Ina Elkins Post Office Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Post Office Box 3986 Odessa, Texas

Mr. Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Mr. R. D. Golston Post Office Box 68 Tyler, Texas

Mr. A. G. Hill First National Bank Building Dallas, Texas 75202 Margaret Hunt Hill Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company c/o The Atlantic Refining Company Post Office Box 1978 Roswell, New Mexico

Kern County Land Company Post Office Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell Post Office Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent Post Office Drawer 1612 El Paso, Texas

Edna W. Merrison Trusts No. 1,2,3 c/o J. Gregory Merrion Post Office Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion Post Office Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (7) Attention: Mr. T. M. Curtis Post Office Box 480 Farmington, New Mexico

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas

Mr. Frank A. Schultz, Jr. 706 Fidelity Union Tower Dallas, Texas

Skelly Oil Company Attention: Mr. T. F. Thompson Post Office Box 1650 Tulsa, Oklahoma

# CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

American Petrofina Company of Texas Post Office Box 2159 Dallas, Texas

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Atlas Minerals, Div. of Atlas Corp. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa 3. Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

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Mr. J. B. Davis & Paulene D. Davis 1907 Buena Vista, S. E. Albuquerque, New Mexico 87106

Mr. Mark Elkins & Ina Elkins Post Office Box 177 Grants, New Mexico

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Mr. Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Mr. R. D. Golston Post Office Box 68 Tyler, Texas

Mr. A. G. Hill First National Bank Building Dallas, Texas 75202 Margaret Hunt Hill Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company c/o The Atlantic Refining Company Post Office Box 1978 Roswell, New Mexico

Kern County Land Company Post Office Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell Post Office Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent Post Office Drawer 1612 El Paso, Texas

Edna W. Merrison Trusts No. 1,2,3 c/o J. Gregory Merrion Post Office Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion Post Office Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (7) Attention: Mr. T. M. Curtis Post Office Box 480 Farmington, New Mexico

Rincon Oil & Gas Corporation 1126 Mercantile Securities Building Dallas, Texas

Mr. Frank A. Schultz, Jr. 706 Fidelity Union Tower Dallas, Texas

Skelly Oil Company Attention: Mr. T. F. Thompson Post Office Box 1650 Tulsa, Oklahoma

# CANYON LARGO UNIT Working Interest Owners (Page 2)

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright Post Office Box 192 Sistersville, West Virginia

The Superior Oil Company Post Office Box 1521 Houston 1, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

Continental Oil Company Attention: Mr. H. D. Haley Post Office Box 3312 Durango, Colorado

Tenneco Oil Company Attention: Mr. R. E. Siverson Post Office Box 1714 Durango, Colorado

341

MAIN OFFICE OCC : .

1964 JUN 19 AM 7:48

Drawer 1857 Roswell, New Mexico 88201

June 18, 1964

El Paso Natural Gas Products Company P. O. Box 3986 Odesss, Texas

Attention: Mr. Roland Hamblin

## Gentlemen:

By notice of March 6, 1964, you advise that Canyon Largo unit well No. 132 in the NWkNEk sec. 15, T. 24 N., R. 6 W., Rio Arriba County, New Mexico, is determined incapable of producing unitized substances in paying quantities from the Gallup formation. Said well was completed on January 2, 1964, for an initial potential of 23 barrels of oil per day from the Gallup 5,566 - 5,753 feet. A protest to such determination was filed with this office by Mr. J. Gregory Marrion, which was transmitted to our Washington office.

By the attached letter of Msy 20, 1964, the Acting Director dismissed Mr. Merrion's protest and concurred with your determination that unit well No. 132 is incapable of producing unitized substances in paying quantities.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON Regional Oil and Gas Supervisor

cc:
Washington
Farmington
NMOCC, Santa Fe

# El Paso Natural Gas Company

El Paso, Texas

May 26, 1964

Mr. John A. Anderson United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico

1964 DRILLING PROGRAM

### Gentlemen:

The 1964 Drilling Program for the Canyon Largo Unit was approved by the Regulatory Bodies on the following dates:

- 1. United States Geological Survey May 11, 1964
- 2. Commissioner of Public Lands, State of New Mexico

- April 22, 1964

3. Oil Conservation Commission, State of New Mexico

- April 30, 1964

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Very truly yours

Regional Landman

Land Department

HG:KM:js

Canyon Largo 3.0

# MAIN OFFICE OCC .

1964 JUN 19 AM 7: MAY 2 0 1964



Mr. J. Gregory Marrion Post Office Box 507 Farmington, New Maxico

Dear Mr. Merrion:

Upon the basis of all available data now before us, your protest of March 26, 1964, must be dismissed because our analysis confirms the unit operator's determination that well No. 132, Canyon Largo unit, No. 14-08-001-1059, Rio Arriba County, New Mexico, is non-commercial.

Well No. 128 was not admitted to participation, as you contended, on the basis of its estimated secondary reserves nor is it proper to consider such reserves for well No. 132 in order to include it in the participating erea.

Sincerely yours,

Athur A Bakery

Acting Director

ce: Rosvell 2

MAY 2.0 1964
ANDERSON

OTEL.

27 2 1 3 5A

RAYVILLE



# **UNITED STATES** DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

1964 PAY 13

Drawer 1857 Recordli, New Maries 86201

May 11, 1964

El Page Metural Cos Coopeny

2. 0. Ben 1492

El Paso, Tunas

Attention: Mr. Son Smith

## Court Lanen:

Your 1964 plan of development dated March 13, 1964, for the Campun Large unit eres, Rio Arribe County, Her Mexico, proposing the drilling of one Pictured Cliffs well, has been approved on this date subject to like approval by the appropriate State officials.

Ino approved copies of the plan are enclosed.

Stacerely yours,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAINICK Action 911 and Gas Separvisor

CC:

Washington (w/cy of plan) Farmington (w/cy of plan) MMCCC, Santa Fe (ltr. only) Com. of Pub. Lands, Santa Fe (ltr. only)

# OIL CONSERVATION COMMISSION

P. O. BOX 871

## SANTA FE, NEW MEXICO

541

April 30, 1964

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas

Attention: Mr. Sam Smith

Re: 1964 Drilling Program, Canyon Largo Unit, Rio Arriba County, New Mexico

## Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Drilling Program for the Canyon Largo Unit, Rio Arriba 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.

One approved copy of the program is returned herewith.

Very truly yours,

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

# ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe U. S. Geological Survey - Roswell 电压电流 医生物

# EMATE () Mig go

April 22, 1964

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
1964 Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands approves as of April 22, 1964, your 1964 Drilling Program for the Canyon Largo Unit Area, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy of this Program.

Very truly yours,

E. S. JOHNNY WALKER COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor Unit Division

ESW/mmr/v

cc: United States Geological Survey Roswell, New Mexico

Oil Conservation Commission Santa Fe, New Mexico April 8, 1964

El Race Meteral Gas Fraducts Company E.O. Ross 2006 Gdassa, Tamas

Attention: Mr. Roland M. Machlin

Re: 1964 Drilling Program Callup Formation Canyon Largo Unit Rio Arriba County, New Hemigo

## Contlones

This is to advise that the New Mexico Oil Consequention Commission has this date approved the 1964 Drilling Program - Gallup Formation for the Commission Here Series, Rice Astribe County, New Mexico, subject to like approval by the United States Geological Survey and the Countesioner of Public Lands of the States of New Mexico.

One approved copy of the program is returned herewith.

. Very truly yours,

A. L. Porter, Jr. Secretary-Director

ALP LIKE OF

en: Commissioner of Public Lands - Sents Fo United States Geological Survey - Rosvell

1964 MAR - AM 2 43

# J. GREGORY MERRION PETROLEUM ENGINEER

141

Barch 26, 1964

Director, U. S. Geological Survey Department of Interior Washington, D. C.

U. S. Geological Survey
Branch of Oil & Gas Sperations
Roswell, New Mexico Attention: Mr. John Anderson

New Mexico Oil Conservation Commission Capital Annex Building Santa Fe, New Mexico

Commissioner of Public Lands Capital Annex Building Santa Fe, New Mexico

> Re: Canyon Large Unit #14-08-001-1059 Bio Arriba County, New Mexico

Sentlemen:

Feference is made to the letter from 81 Paso Matural Gas Products Company of March 6, 1964, wherein they advise of their determination that the Canyon Largo Unit #132 is non-commercial. Peference is also made to my telegram of March 19, 1964, wherein I have made objection to their determination. As per advice in that telegram, I am herewith submitting data supporting my objection.

On September 24, 1963, M1 Paso Natural Cas Products Company, as oil agent for the Canyon Largo Unit, Gallup Participating Area, did give notice of their determination that the Canyon Largo Unit #128, located 840' FSL and 840' FWL, Section 6. 7-24-N. R-6-W. Rio Arriba County, New Mexico, was completed as a well capable of producing in paying quantities. The 320-acre drilling block upon which this well is located was subsequently made a part of the Gallup Participating Area. With an initial potential of 43 BOPD this well initially produced at the rate of 21 BOPD on a sustained basis and as of February 1, 1964, the well had accumulated 3714 bbls and was producing 15.4 BOPD and 32 MCF per day. At an estimated cost of \$65,000.00 plus tank and compressor facilities, there is no way that this well can produce enough oil and gas to pay for the cost of drilling and operating and yield over and above those costs a reasonable profit without taking into consideration the benefits of a possible secondary recovery program. Since this determination was accepted without objection, it is my contention that secondary reserves must be considered in making any determination as to the commercial or non-commercial status of a well in the Callup Participating Area of the Canyon Largo Unit.

The Canyon Largo Unit #132, 990' FNL and 1850' FRL, Section 15, T-24-N, P-6-N, Rio Arriba County, New Mexico, was completed January 2, 1964, for an initial potential of 23 BOPD and averaged 15 BOPD during the first month's production. Presently with a cumulative recovery of 900 barrels it is producing approximately 11 BOPD and 45 MCF gas per day. In spite of a tubingless completion at a cost of approximately \$42,000.00, exclusive of tanks and compressor facilities, it is also impossible that

U. S. G. S., Vashington, A. C. Fage 2 U. S. G. S., Rosvell, New Mexico dev Mexico O. C. C., Santa Fe, N. M. Commissioner of Public Lands, Santa Pe, New Mexico

this well will, with primary production, pay the cost of drilling and operating and yield a reasonable profit. However, as shown hereafter this is a well that should have been drilled for secondary receivery and the secondary reserves will result in a reasonable profit.

As supported by the attached report, a field study of core analyses and logs has resulted in the following appraisal of the two wells in question:

#### Canyon Largo Unit #128 Canyon Largo Unit #132 Depth Porosity Water Caturation Depth Porcaity Rater Saturation 5820-22 10.0 30 5733-5 10.0 44 5822-24 13.3 20 5735-8 10.0 36 5824-X 28 11.1 5738-LO 12.4 33 5826-28 10.5 33 5740-42 11.6 24 41 6.8 5828-32 5742-46 11.4 24 5746-49 10.6 30 5749-51 10.3 25 B.4 3751-53 30 C.L.U. 1128 C.L.W. #132 Gross Pay Interval 12 feet 20 feet Probable Net Pay Interval 3.05 4.64 Grees Porosity Feet 2.18 1.17 Probable Wet Porosity Feet 0.3718 0.5234 Gross Hydrocarbon Porosity Poet 0.81 1.45 Probable Net Hydrocarbon Perceity 0.2874 9.38841 Original Cross Oil In Place 4488 BO/A 5034 BO/A Original Set Oil in Place 1595 BO/A 2150 30/8 Probable Recovery with Water Floor 400 30/A 540 BO/A 64.000 bbls. 86,400 bbls. Gross Future Oil Income after Royalty and Taxes \$134,400.00 \$181,440.00 Retimates Additional Future Sas h,000.00 Income 4,000.00 Drilling Cost (65,000.00) (48.000.90)(8,900.00) Tankage and Compressors (8.009.00)(35,000.00) Water Flood Investment (35,000,00) Total Operating Cost (30,000.00) (30,000.00) Falvage 10,000.00 5,000.00 30,044,078

It is respectfully requested that this determination of commerciality he approved instead of the March 6, 1964, determination of El Paso Natural Cas Products Company.

Pature Bet Profit

Yours very truly.

\$10,400.00

J. CHROOPY MEMBION & ASSOCIATED

By: Drugory Mercian

# El Paso Natural Gas Company MAIN OFFICE OCC El Paso, Texas 1964 MAR 19 PM 1 1 22

March 13, 1964

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico 1964 DRILLING PROGRAM

### Gentlemen:

By letter dated April 11, 1963, El Paso Natural Gas Company, as Unit Operator of subject Unit, filed a Drilling Program covering captioned Unit for the calendar year 1963. Said Program provided for the drilling of the following wells:

	Well and Location	<u>Formation</u>
1.	Canyon Largo Unit #119 W/2 Sec. 15, T-24-N, R-6-W, N.M.P.M.	Gallup
2.	Canyon Largo Unit #116 E/2 Sec. 12, T-24-N, R-6-W, N.M.P.M.	Dakota /
3.	Canyon Largo Unit #115 E/2 Sec. 8, T-24-N, R-6-W, N.M.P.M.	Pictured Cliffs 🗸
4.	Canyon Largo Unit #120 W/2 Sec. 5, T-24-N, R-6-W, N.M.P.M.	Pictured Cliffs /

The above described wells were drilled during 1963 by El Paso Natural Gas Company. The No. 116 Dakota Well occasioned the Fourth Expansion of the Dakota Participating Area, effective October 1, 1963, which has been approved. The #115 and #120 Pictured Cliffs Wells were admitted to the Pictured Cliffs Participating Area under the Twenty-Eighth Expansion thereof, effective

November 1, 1962, which has been approved. The #120 Well occasioned the Twenty-Ninth Pictured Cliffs Expansion, effective December 1, 1963, which has been submitted to the Regulatory Bodies for necessary approval. Additionally, El Paso Natural Gas Products Company, designated Oil Agent for the Gallup Formation of the Canyon Largo Unit, drilled eleven (11) wells in the Gallup Formation during 1963 and is submitting a 1964 Drilling Program for approval covering the Gallup Formation. The #119 Gallup Well was drilled by El Paso Natural Gas Company prior to the time El Paso Natural Gas Products Company was designated Gallup Formation Oil Agent and this well occasioned the Fifth Expansion of the Gallup Formation, effective July 1, 1963, and said Expansion was submitted by the Gallup Oil Agent and has been approved.

Mr. J. Gregory Merrion, under a Designation of Sub-Operator from El Paso Natural Gas Company and El Paso Natural Gas Products Company, also drilled the Canyon Largo Unit #132 Gallup Well in the NE/4 of Section 15, Township 24 North, Range 6 West, N.M.P.M. If this well is determined to be a commercial oil well, El Paso Natural Gas Products Company will prepare and distribute the necessary expansion covering the Gallup Formation Participating Area.

As of this date, the total number of wells located on lands committed to the Canyon Largo Unit, excluding the wells drilled by El Paso Natural Gas Products Company in the Gallup Formation (covered by separate transmittal) is as follows:

Pictured Cliffs:	
Commercial	92
Non-Commercial	4
Plugged and Abandoned	14
Chacra:	2
Gallup (drilled by El Paso Natural Gas Co.	<u>,</u>
Commercial	2
Non-Commercial	1
Dual, Gallup-Dakota:	
Non-Commercial, Gallup	1
Non-Commercial, Dakota	1
Dakota:	
Commercial	5
Non-Commercial	2
	124

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits a Drilling Program for the calendar year 1964 to provide for the drilling of the following described well:

Location	Formation

E/2 Sec. 5, T-24-N, R-6-W, N.M.P.M. Pictured Cliffs

This proposed location is an intervening drilling block and a well must be commenced thereon by December 1, 1964.

El Paso Natural Gas Company intends to drill to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

In addition to the above well, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

All of the working interest owners have been contacted and this Drilling Program reflects insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Land Department

SS:KM: js

APPROVED:		DATE:
•	Supervisor, United States Geological Survey Subject to like approval by the appropriate State Officials.	
APPROVED:	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.	DATE:
APPROVED:	Oil Conservation Commission Oil Conservation Commission Subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.	DATE: 4.30 6.6

The foregoing approvals are for the 1964 Drilling Program for the Canyon Largo Unit, #14-08-001-1059.

# CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Atlas Minerals, Div. of Atlas Corp. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company P. O. Box 1161 El Paso, Texas

Mr. Walter Famariss, Jr. & Thelms Jackson Famariss Hobbs, New Mexico

Mr. R. D. Golston P. O. Box 68 Tyler, Texas Mr. A. G. Hill & Margaret Hunt Hill c/o L. A. Gilles 101 Wagstaff Building Abilene, Texas

Hondo Oil & Gas Company P. O. Box 1000 Roswell, New Mexico

Kern County Land Company P. O. Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion Trusts No. 1,2,3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrica P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Mr. Frank A. Schultz, Jr. 706 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attention: Mr. T. F. Thompson
P. O. Box 1650
Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192
Sistersville, West Virginia

# CANYON LARGO UNIT Working Interest Owners - Page 2

The Superior Oil Company P. O. Box 1521 Houston 1, Texas

The Superior Oil Company P. O. Box 1469 Farmington, New Mexico

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

# The School Parks of the proper speaked.

# WESTERN UNION

# **TELEGRAM**

W. P. MARSHALL, PRESIDENT

1201 (4-60)

SYMBOLS

DL=Day Letter

NL=Night Letter

NL=Night Letter

LT=International
Letter Telegram

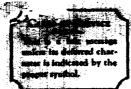
ing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

LA007 SSK049

OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO=

CANYON LARGO UNIT 14-08-001-1059 RIO ARRIBA COUNTY,
NEW MEXICO DID ON MARCH 6, 1964, ADVISE OF THEIR
DETERMINATION THAT THE J. GREGORY MERRION AND ASSOCIATES
CANTON LARGO UNIT NO. 132, GALLUP OIL WELL WAS
NON-COMMERCIUL. PURSUANT TO SECTION 11 OF UNIT
AGREEMENT, I AM HEREWITH OBJECTING TO THEIR DETERMINATION
ON THE GROUNDS THAT IT IS INCORRECT, INCONSISTENT WITH

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



# WESTERN UNION

TELEGRAM

1201 (4-60)

SYMBOLS
DL = Day Letter

NL=Night Letter

LT=International Letter Telegram

The Bing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

PAST DETERMINATIONS, AND MADE IN AN ARBITRARY MANNER.

BATA SUPPORTING MY OBJECTION WILL BE MAILED WITHIN

THE WEEK=

J GREGORY MERRION ==

14-08-001-1059 6 1964 132 11.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



MAIN OFFICE OCC

# EL PASO NATURAL GAS PRODUCTS COMPANY

March 6, 1964

ADDRESS REPLY TO: POST OFFICE BOX 3986 ODESSA, TEXAS

41

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

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
Non-Commercial Well ( Well #132 )
Gallup Formation
Determined on February 10, 1964

## Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, No. 14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Products Company, as Oil Agent, determined on February 10, 1964, that the following described well was not capable of producing unitized substances in paying quantities ( quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit ) from the Gallup Formation.

The Canyon Largo Unit #132 Well is located 990' from the North line and 1850' from the East line of Section 15, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on November 20, 1963, and reached a total depth of 5824'. This well was then completed on January 2, 1964, after being plugged back to a total depth

of 5793' in the Gallup Formation. After perforating the Gallup Formation between 5566' - 5753', the well was sand-water fractured with 20,000 gallons of water, 20,000 pounds of 20-40 mesh sand, and 20 tons of liquid carbon dioxide. The well, completed as a slim hole tubingless completion, was potentialed on January 3, 1964, for 22.75 BOPD and 91 MCFGPD on a 24-hour test by natural flow through 3/4" choke. Following an 18-day production test, the well appeared capable of producing 13.6 BOPD with approximately the same gas-oil ratio. The committed drilling block upon which this well is located is the East Half (E/2) of Section 15, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Inasmuch as this determination needs no official approval, no provision is made therefor, and in the absence of disapproval, this well will continue to be considered non-commercial.

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

Very truly yours,

EL PASO NATURAL GAS PRODUCTS COMPANY

Roland L. Hamblin

Manager, Land Department

RLH: wh

# CANYON LARGO UNIT Working Interest Owners

# MAIN OFFICE OCC

AM

Mr. Mike Abraham
Mr. Oscar Abraham
c/o Mr. Joe Abraham
814 Mercantile Bank Building
Dallas, Texas

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

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Atlas Minerals, Division of Atlas Corp. Attn: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Mr. Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Mr. R. D. Golston P. O. Box 68 Tyler, Texas

Mr. A. G. Hill & Margaret Hunt Hill c/o L. A. Gilles 101 Wagstaff Building Abilene, Texas Hondo Oil & Gas Company

P. O. Box 1000

Roswell, New Mexico

Kern County Land Company P. O. Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion Trusts No. 1,2,3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attn: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attn: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attn: Mr. T. F. Thompson P. O. Box 1650 Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attn: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company P. O. Box 1521 Houston 1, Texas

CANYON LARGO UNIT
Working Interest Owners
(Continued)

MAIN OFFICE OCC

The Superior Oil Company P. O. Box 1469 Farmington, New Mexico

1964 MAR 9 AM 5 31

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

# MAIN OFFICE OCC

# 1964 MAR 4 PM 3:23

Harch 4, 1964

El Paso Natural Gas Products Company P. O. Box 1161 El Paso, Texas

Re: Canyor Largo Unit
Rio Arriba County, New Mexico
1964 Obilling Program

Attention: Mr. Roland L. Hamblin

## Gentlemen:

The Commissioner of Public Lands approved as of March 4, 1964, the 1964 Plan of Development for the Canyon Largo Unit Area, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy of this Flan.

Very truly yours,

E. S. JOHNNY WALKER COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor Unit Division

ESW/mar/v

cc: Oil Conservation Commission Santa Fe, New Mexico

United States Geological Survey P. O. Drawer 1857 Roswell, New Mexico



MAIN OFFICE OCC

# 1964 MAR 5 AM 8: 1 Greenell, New Mexico 88201

March 2, 1964

El Paso Estural Gas Products Company P. O. Box 3966 Odeses, Taxas

Attention: Mr. Roland L. Remblin

Contlemen:

Your 1964 plan of development dated December 23, 1963, for the Gallup formation, Campon Largo unit agreement, Rio Arribe County, New Maxiso, proposing the drilling of me additional walls, has been approved on this date subject to like approval by the appropriate State of-ficials.

Two approved copies of the plan are enclosed.

Sincerely yours,

JOHN A. ANDERSON Regional Oil & Gas Supervisor

€C;

Washington (w/cy plan)
Farmington (w/cy plan)
MHOCC - Santa Fe (ltr. only)
Com. of Public Lands - Santa Fe (ltr. only)

## CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3. Oklahoma

Atlas Minerals, Division of Atlas Corp. Attn: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

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Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

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The Superior Oil Company P. O. Box 1521 Houston 1, Texas

CANYON IARGO UNIT
Working Interest Owners
(Continued)

The Superior Oil Company P. O. Box 1469 Farmington, New Mexico

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

Rincon Oil & Gas Company 1126 Mercantile Securities Building Dallas 1, Texas



## EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO, TEXAS, 7999974 1 27

December 23, 1963

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
1964 DRILLING PROGRAM - GALLUP
FORMATION

## Gentlemen:

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Products Company, as Oil Agent for El Paso Natural Gas Company, Unit Operator, hereby submits the proposed drilling program for the calendar year 1964 to provide for the drilling of no wells. By letter dated October 9, 1963, all working interest owners were contacted and requested to submit any desired Gallup wells to be included on the drilling program for 1964. No wells were requested from any of the owners of working interest.

As of this date there are thirteen (13) producing and participating wells in the Gallup Participating Area. Currently the Canyon Largo # 132 well, located 990 feet from the north line and 1850 feet from the east line of Section 15, Township 24 North, Range 26 West, is being drilled by J. Gregory Merrion and Associates. At such time as this well is completed, and if it is capable of producing unitized substances, the necessary unit expansions will be made. Based upon the results of the Canyon Largo # 132 well, the drilling program for the year 1964 may be amended.

APPROVED:		DATE:		
-	United States Geological Survey			
	Subject to like approval by the			
	appropriate state officials.			
APPROVED:		DATE:		
-	Commissioner of Public Lands			
	Subject to like approval by the			
	United States Geological Survey and			
	the Oil Conservation Commission.			
	A = A = A = A = A = A = A = A = A = A =			
APPROVED:	U. Leiter h	DATE: 4 2 6 V		
-	Oil Conservation Commission			
	Subject to like approval by the			
	United States Geological Survey and			
	the Commissioner of Public Lands.			

The foregoing approvals are for the 1964 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

### El Paso Natural Gas Company

El Paso, Texas

February 12, 1964

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe. New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-NINTH EXPANDED PARTICIPATING AREA
and NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Pictured Cliffs Formation
Effective December 1, 1963

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances from the Pictured Cliffs Formation have been completed on acreage committed to the unit. These wells are as follows:

1. The Canyon Largo Unit #115 Well is located 1090' from the North line and 1650' from the East line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on September 23, 1963, and completed on November 12, 1963, at a total depth of 2420' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2364' - 2380' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on November 21, 1963, and following a three (3) hour blow-down period gauged 1735 MCFGPD through a 3/4" choke and 1841 MCFGPD by the calculated absolute open-flow method, with an SIPC of 670 psia. The committed drilling block upon which this well is located is described as the E/2 of Section 8,

=41

Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances from the Pictured Cliffs Formation was made on November 21, 1963. This well was completed without tubing.

This drilling block was included in the Canyon Largo Unit Twenty-Eighth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1962. Therefore, the participating area is not enlarged as a result of this well completion.

2. The Canyon Largo Unit #120 Well is located 1100' from the South line and 1650' from the West line of Section 5, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on September 29, 1963, and completed on October 16, 1963, at a total depth of 2404' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2258' - 2274' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on November 5, 1963, and following a three (3) hour blow-down period gauged 2215 MCFGPD through a 3/4" choke and 2444 MCFGPD by the calculated absolute open-flow method, with an SIPC of 668 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 5, Township 24 North, Range 6 West, N.M.P.M., and consists of 337.85 acres. The determination that this well is capable of producing unitized substances from the Pictured Cliffs Formation was made on November 5, 1963. This well was completed without tubing.

This drilling block was included in the Canyon Largo Unit Twenty-Eighth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1962.

The completion of the Canyon Largo Unit #120 Well creates an intervening drilling block described as the E/2 of Section 5, Township 24 North, Range 6 West, N.M.P.M., consisting of 337.95 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of December 1, 1963, and the Pictured Cliffs Participating Area is expanded accordingly to include this drilling block. A well must be commenced on said intervening drilling block by December 1, 1964.

Attached is Schedule XXX showing the Revised Twenty-Ninth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Ninth Expanded Participating Area will become effective as of December 1, 1963.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T W Bittick

Assistant Manager Land Department

TWB: KM: js

# El Paso Natural Gas Company

El Paso, Texarios cot 13 M 27

October 16, 1963

in the 1

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FOURTH EXPANDED PARTICIPATING AREA
Effective October 1, 1963
Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this unit, and that the participating area for the Dakota Formation is expanded accordingly to include this well, to wit:

#### Fourth Revision - Effective October 1, 1963

Description of Lands Acreage

T-24-N, R-6-W, N.M.P.M. Section 12: E/2 320.00

The Canyon Largo Unit #116 Well is located 1490' from the South line and 990' from the East line of Section 12, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on August 9, 1963 and

completed on August 29, 1963, at a total depth of 6697'. The Dakota Formation between 6414' - 6422', 6510' - 6516', 6544' - 6556' was treated with a sand-water fracturing process on August 27, 1963. After being shut-in for gauge for twelve (12) days, the well was tested on September 10, 1963, and following a three (3) hour blow-down period gauged 3098 MCFGPD through a 3/4" choke, and 3479 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2424 psia and an SIPT of 2419 psia. The committed drilling block upon which this well is located is the E/2 of Section 12, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on September 10, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fourth Expanded Participating Area for the Dakota Formation will become effective as of October 1, 1963.

Attached hereto is Schedule V showing the Fourth Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit. This schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within the tracts. Also attached hereto is a map designated Exhibit "B", showing the location of the wells and the outline of the Fourth Expanded Participating Area.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

W. Bittick

Assistant Manager

Land Department

TWB: KM: is Attachments El Paso Natural Gas Company Fice occ El Paso, Texas

October 8, 1963

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit 1963 Drilling Program

#### Gentlemen:

The 1963 Drilling Program for the Canyon Largo Unit was approved by the regulatory bodies as follows:

- 1. United States Geological Survey June 11, 1963
- 2. Commissioner of Public Lands May 15, 1963
- 3. Oil Conservation Commission June 6, 1963

Copies of this letter are being sent to the working interest owners of the Canyon Largo Unit.

Very truly yours,

Charles T. Richardson

Area Coordinator Land Department

CTR:KM:fsc

Canyon Largo Unit - 3.0

# EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO. 1958 OCTS 7 AM B: 07

October 1, 1963

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico

#### Gentlemen:

By letter dated September 24, 1963, El Paso Natural Gas Products Company, as Oil Agent, announced the assumption of operation of the Gallup Participating Area, effective October 1, 1963. Certain wells involved in the takeover were described in said letter. This is to advise that El Paso Natural Gas Products Company will not assume operations of the Canyon Largo Unit #89 well. The Canyon Largo Unit #106 well, located in the W/2. Section 20, Township 24 North, Range 6 West, has been declared a non-commercial gas well in the Gallup Formation and operations of this well will remain in control of El Paso Natural Gas Company.

Also, please refer to our letter of September 24, 1963, entitled Notice of Completion of Additional Wells. Through error, the caption of this letter was incorrectly labeled and should have indicated that the contents of the letter described a supplementary 1963 drilling program and advised of the completion of the listed wells as part of the revised drilling program. Will you please change your copies to indicate that the letter covers a revision of the 1963 drilling program. In addition, the following corrections should be made: On Page 4 of said letter the effective date for the Fourth Expanded Participating Area should be corrected to read June 1, 1963, rather than August 1, 1963, and under Section 4 pertaining to the Canyon Largo Unit #128 well,

please change your copy to reflect that said well will be included in the Sixth Expanded Participating Area, the effective date of which will be August 1, 1963.

El Paso Natural Gas Products Company is preparing the Fourth, Fifth and Sixth Expansions of the Gallup Participating Area and said expansions will be forthcoming in the near future. At the same time a notification will be made as to completion of additional wells. Should you have any questions, please advise.

A copy of this letter is being sent to all working interest owners as shown on the attached sheet.

Yours very truly

John Bannister Land Department

JB:1bt



### EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO 99, TEXAS

September 30, 1963

4/

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FOURTH, FIFTH AND SIXTH EXPANDED
PARTICIPATING AREA AND NOTICE OF
COMPLETION OF ADDITIONAL WELLS,
Gallup Formation

Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement approved September 18, 1953, El Paso Natural Gas Products Company, as Oil Agent, has determined that four (4) wells capable of producing unitized substances in paying quantities from the Gallup Formation have been completed upon acreage committed to this unit, and that the participating area for the Gallup Formation is expanded accordingly to include these wells, to-wit:

#### FOURTH REVISION - EFFECTIVE JUNE 1, 1963

Description of Lands
T-24-N, R-6-W, N.M.P.M.
Section 9: All 640.00

The Canyon Largo Unit #125 Well is located 805' from the South line and 530' from the West line of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on April 14, 1963 and completed on May 13, 1963 at a

total depth of 5626' in the Gallup Formation. The Gallup Formation between 5568 - 5588' was treated with a sand-oil fracturing process. This well was first produced on May 25, 1963 and was tested in the Gallup Formation on May 26, 1963. Following a twenty-four (24) hour test period the well gauged 90 MCFGPD and 80 BOPD through an 18/64" choke. The flowing pressure was 90 psig on the tubing and 580 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

The Canyon Largo Unit #126 Well is located 790' from the South line and 1850' from the East line of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on April 27, 1963 and completed on May 18, 1963 at a total depth of 5665' in the Gallup Formation. The Gallup Formation between 5605 - 5623' was treated with a sand-oil fracturing process. This well was first produced on May 26, 1963 and was tested in the Gallup Formation on May 27, 1963. Following a twenty-four (24) hour test period the well gauged 139 MCFGPD and 102 BOPD through an 18/64" choke. The flowing pressure was 180 psig on the tubing and 540 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fourth Expanded Participating Area for the Gallup Formation will become effective as of June 1, 1963.

#### FIFTH REVISION - EFFECTIVE JULY 1, 1963

Description of Lands
T-24-N, R-6-W, N.M.P.M.
Section 15: W/2
320.00

The Canyon Largo Unit #119 Well is located 1790' from the North line and 890' from the West line of Section 15, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on May 7, 1963 and completed May 28, 1963 at a total depth of 5844' in the Gallup Formation. The Gallup Formation between 5750 - 5764' was treated with a sand-oil fracturing process. This well was first produced on June 12, 1963 and was tested in the Gallup Formation on

June 13, 1963. Following a twenty-four (24) hour test period the well gauged 203 MCFGPD and 187 BOPD through a 15/64" choke. The flowing pressure was 330 psig on the tubing and 850 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 15, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Fifth Expanded Participating Area for the Gallup Formation will become effective as of July 1, 1963.

#### SIXTH REVISION - EFFECTIVE AUGUST 1, 1963

Description of Lands
T-24-N, R-6-W, N.M.P.M.
Section 6: Lots 3, 4, 5, 6,
11, 12, 13, 14,
E/2 SW/4 (W/2)
335.74

The Canyon Largo Unit #128 Well is located 840' from the South line and 840' from the West line of Section 6, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on May 23, 1963 and completed June 8, 1963 at a total depth of 5885' in the Gallup Formation. The Gallup Formation between 5822 - 5836' was treated with a sand-oil fracturing process. This well was first produced on July 21, 1963 and was tested in the Gallup Formation July 22, 1963. Following a twenty-four (24) hour test period the well gauged 182 MCFGPD and 43 BOPD through a 15/64" choke. The flowing pressure was 90 psig on the tubing and 400 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 6, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 335.74 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Sixth Expanded Participating Area for the Gallup Formation will become effective as of August 1, 1963.

Attached hereto are Schedules V, VI and VII showing the Fourth, Fifth and Sixth Expanded Participating Area for the Gallup Formation of the Canyon Largo Unit Area. These schedules describe the Participating Area, and show the percentage

of unitized substances allocated to the unitized tracts. Also attached hereto is a map designated Exhibit "A", showing the location of the wells and the outline of the Fourth, Fifth and Sixth Expanded Participating Areas.

El Paso Natural Gas Products Company, as Oil Agent, also determined on the dates set out below that four (4) additional wells capable of producing unitized substances from the Gallup Formation have been completed on acreage committed to the Canyon Largo Unit. These wells are as follows:

1. The Canyon Largo Unit #127 Well is located 1750' from the North line and 890' from the West line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on May 8, 1963 and completed May 24, 1963, at a total depth of 5851' in the Gallup Formation. The Gallup Formation between 5790 - 5806' was treated with a sand-oil fracturing process. This well was first produced on June 11, 1963 and was tested in the Gallup Formation on June 12, 1963. Following a twenty-four (24) hour test period the well gauged 126 MCFGPD and 85 BOPD through a 15/64" choke. The flowing pressure was 160 psig on the tubing and 410 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

The drilling block upon which this well was completed was included in the First Expanded Participating Area for the Gallup Formation, effective August 1, 1962, therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

2. The Canyon Largo #129 Well is located 1750' from the North line and 1750' from the East line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 8, 1963 and completed on June 26, 1963 at a total depth of 5833' in the Gallup Formation. The Gallup Formation between 5769 - 5787' was treated with a sandoil fracturing process. The well was first produced on July 11, 1963 and was tested in the Gallup Formation on July 12, 1963. Following a twenty-four (24) hour test period the well gauged 145 MCFGPD and 118 BOPD through an 18/64" choke. The flowing pressure was 190 psig on the tubing and 490 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and contains 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

#### Page Five

The drilling block upon which this well was completed is included in the Third Expanded Participating Area for the Gallup Formation, effective May 1, 1963, therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

3. The Canyon Largo Unit #130 Well is located 1750' from the North line and 790' from the West line, Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 23, 1963 and completed on July 17, 1963 at a total depth of 5610' in the Gallup Formation. The Gallup Formation between 5547 - 5563' was treated with a sand-oil fracturing process. This well was first produced on July 30, 1963 and was tested in the Gallup Formation on July 31, 1963. Following a twenty-four (24) hour test period the well gauged 111 MCFGPD and 119 BOPD through a 17/64" choke. The flowing pressure was 190 psig on the tubing and 500 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

The drilling block upon which this well was completed was included in the Fourth Expanded Participating Area for the Gallup Formation, which is submitted herewith and which is effective June 1, 1963, therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

4. The Canyon Largo Unit #131 Well is located 1850' from the North line and 1850' from the East line, Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on July 13, 1963 and completed on August 10, 1963 at a total depth of 5850' in the Gallup Formation. The Gallup Formation between 5781 - 5796' was treated with a sand-oil fracturing process. The well was first produced on August 23, 1963 and was tested in the Gallup Formation on August 24, 1963. Following a twenty-four (24) hour test period the well gauged 66 MCFGPD and 88 BOPD through a 22/64" choke. The flowing pressure was 50 psig on the tubing and 560 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

The drilling block upon which this well was completed is included in the Fourth Expanded Participating Area for the Gallup Formation, which is submitted herewith and which is effective June 1, 1963, therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS PRODUCTS COMPANY

Roland L. Hamblin

Manager, Land Department

RLH: JB: 1bt Attachments



#### EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO 99, TEXAS

September 24, 1963

MAIN OFFICE OCC

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit # 14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL

MOTICE OF COMPLETION OF ADDIT

WELLS - Gallup Formation

Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Products Company, as Oil Agent, determined on the dates set out below that seven (7) additional wells capable of producing unitized substances in paying quantities from the Gallup Formation have been completed on acreage committed to the unit. These wells are as follows:

1. The Canyon Largo Unit #127 Well is located 1750' from the North line and 890' from the West line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on May 8, 1963 and completed May 24, 1963, at a total depth of 5851' in the Gallup Formation. The Gallup Formation between 5790 - 5806' was treated with a sand-oil fracturing process. This well was first produced on June 11, 1963 and was tested in the Gallup Formation on June 12, 1963. Following a twenty-four (24) hour test period the well gauged 126 MCFGPD and 85 BOPD through a 15/64" choke. The flowing pressure was 160 psig on the tubing and 410 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of

producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

This drilling block was included in the Canyon Largo First Expanded Participating Area for the Gallup Formation, effective August 1, 1962, therefore the Participating Area is not enlarged.

2. The Canyon Largo Unit #129 Well is located 1750' from the North line and 1750' from the East line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 8, 1963 and completed on June 26, 1963 at a total depth of 5833' in the Gallup Formation. The Gallup Formation between 5769 - 5787' was treated with a sand-oil fracturing process. The well was first produced on July 11, 1963 and was tested in the Gallup Formation on July 12, 1963. Following a twenty-four (24) hour test period the well gauged 145 MCFGPD and 118 BOPD through an 18'64" choke. The flowing pressure was 190 psig on the tubing and 490 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and contains 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

This drilling block was included in the Canyon Largo Third Expanded Participating Area for the Gallup Formation, effective May 1, 1963, therefore the Participating Area was not enlarged.

3. The Canyon Largo Unit #125 Well is located 805' from the South line and 530' from the West line of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on April 14, 1963 and completed on May 13, 1963 at a total depth of 5626' in the Gallup Formation. The Gallup Formation between 5568 - 5588' was treated with a sand-oil fracturing process. This well was first produced on May 25, 1963 and was tested in the Gallup Formation on May 26, 1963. Following a twenty-four (24) hour test period the well gauged 90 MCFGPD and 80 BOPD through an 18/64" choke. The flowing pressure was 90 psig on the tubing and 580 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

The Canyon Largo Unit #126 Well is located 790' from the South line and 1850' from the East line of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on April 27, 1963 and completed on May 18, 1963 at a

total depth of 5665' in the Gallup Formation. The Gallup Formation between 5605 - 5623' was treated with a sand-oil fracturing process. This well was first produced on May 26, 1963 and was tested in the Gallup Formation on May 27, 1963. Following a twenty-four (24) hour test period the well gauged 139 MCFGPD and 102 BOPD through an 18/64" choke. The flowing pressure was 180 psig on the tubing and 540 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 5, 1963.

The Canyon Largo Unit #130 Well is located 1750' from the North line and 790' from the West line, Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 23, 1963 and completed on July 17, 1963 at a total depth of 5610' in the Gallup Formation. The Gallup Formation between 5547 - 5563' was treated with a sand-oil fracturing process. This well was first produced on July 30, 1963 and was tested in the Gallup Formation on July 31, 1963. Following a twenty-four (24) hour test period the well gauged 111 MCFGPD and 119 BOPD through a 17/64" choke. The flowing pressure was 190 psig on the tubing and 500 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

The Canyon Largo Unit #131 Well is located 1850' from the North line and 1850' from the East line, Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on July 13, 1963 and completed on August 10, 1963 at a total depth of 5850' in the Gallup Formation. The Gallup Formation between 5781 in 5796' was treated with a sand-oil fracturing process. The well was first produced on August 23, 1963 and was tested in the Gallup Formation on August 24, 1963. Following a twenty-four (24) hour test period the well gauged 66 MCFGPD and 88 BOPD through a 22/64" choke. The flowing pressure was 50 psig on the tubing and 560 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

The drilling blocks for the Canyon Largo Unit #125, 126, 130, and 131 wells will be included in the Fourth Expanded Participating Area for the Gallup Formation, effective August 1, 1963.

June

4. The Canyon Largo Unit #128 Well is located 840' from the South line and 840' from the West line of Section 6, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on May 23, 1963 and completed June 8, 1963 at a total depth of 5885' in the Gallup Formation. The Gallup Formation between 5822 - 5836' was treated with a sand-oil fracturing process. This well was first produced on July 21, 1963 and was tested in the Gallup Formation on July 22, 1963. Following a twenty-four (24) hour test period the well gauged 182 MCFGPD and 43 BOPD through a 15/64" choke. The flowing pressure was 90 psig on the tubing and 400 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 6, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 335.74 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on August 30, 1963.

This drilling block will be included in the Fifth Expanded Participating Area for the Gallup Formation, effective September 1, 1963.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS PRODUCTS COMPANY

John Bannister Land Department

JB:1bt Attachment

341

#### EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO, TEXAS

September 24, 1963

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico 163 SEP 30 M 8:10

Re: Canyon Largo Unit #14-08-001-1059 Gallup Participating Area

Rio Arriba County, New Mexico

#### Gentlemen:

El Paso Natural Gas Products Company, as Oil Agent for El Paso Natural Gas Company (Unit Operator) will assume operations of the Gallup Participating Area as of October 1, 1963. Involved in this takeover will be Canyon Largo Unit wells #89, 118, 119, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130 and 131.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list. Should you have any questions, will you please advise.

Very truly yours,

John Bannister Land Department

JB: 1bt Attachment

541

#### EL PASO NATURAL GAS PRODUCTS COMPANY

POST OFFICE BOX 1161, EL PASO 99, TEXAS

September 18, 1963

MAIN OFFICE OCC

Commissioner of Public Lands of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico DESIGNATION OF OIL AGENT

#### Gentlemen:

Enclosed for your files please find one (1) copy of Designation of Agent dated July 15, 1963, wherein El Paso Natural Gas Company does appoint El Paso Natural Gas Products Company as Oil Agent for a portion of the captioned unit. Also enclosed please find copy of a letter dated September 11, 1963, wherein the United States Geological Survey acknowledges receipt of this Designation of Agent.

Should you have any questions, please advise.

Yours very truly,

EL PASO NATURAL GAS PRODUCTS COMPANY

John Bannister, Land Department

John Bunnister

JB: 1bt Enclosures

Note: A copy of this letter with attachments are being sent to the working interest owners, as shown on the attached sheet.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Atlas Minerals, Division of Atlas Corp. Attn: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Mr. Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Mr. R. D. Golston P. O. Box 68 Tyler, Texas

Mr. A. G. Hill & Margaret Hunt Hill c/o L. A. Gilles 101 Wagstaff Building Abilene, Texas Hondo Oil & Gas Company P. O. Box 1000 Roswell, New Mexico

Kern County Land Company P. O. Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion Trusts No. 1,2,3 c/o J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attn: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attn: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attn: Mr. T. F. Thompson P. O. Box 1650 Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attn: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company P. O. Box 1521 Houston 1, Texas

CANYON IARGO UNIT
Working Interest Owners
(Continued)

The Superior Oil Company P. O. Box 1469 Farmington, New Mexico

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado



# UNITED STATES DEPARTMENT OF THE INTERIOR

#### GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico 88201

September 11, 1963

El Paso Natural Gas Products Company

P. O. Box 1161

El Paso, Texas

Attention: Mr. Roland L. Hamblin

#### Gentlemen:

Your letter of August 6 transmits three copies of a Designation of Agent by which El Paso Natural Gas Company, unit operator of the Canyon Largo unit, No. 14-08-001-1059, designates El Paso Natural Gas Products Company as its agent to operate the Gallup oil wells located in the portion of the Canyon Largo unit area described on page 2 of the designation.

The Designation of Agent is being distributed to the appropriate Federal offices.

Sincerely yours,

JOHN A. ANDERSON

Regional Oil and Gas Supervisor

1,0

MAIN OFFICE OCC

DESIGNATION OF AGENT Devils Fork-Gallup Gas Pool, Canyon Largo Unit

1963 SEP 19 PM 1:24

This indenture dated as of the 15th day of July, 1963, by and between FL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, Fl Paso, Texas (hereinafter called "Gas Company"), and FL PASO NATURAL GAS PRODUCTS COMPANY, a Texas corporation, whose address is Post Office Box 1161, Fl Paso, Texas (hereinafter called "Products Company");

#### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C., Secs. 181, et seq., as amended by the act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior on the 18th day of September, 1953, approved a unit agreement for the Canyon Largo Unit Area, and the Commissioner of Public Lands of the State of New Mexico on June 3, 1953, consented to and approved said unit agreement by authority of Chapter 88 of the laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on June 2, 1953, approved said unit agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein The Superior Oil Company was designated as Unit Operator; and

WHEREAS, said The Superior Oil Company has resigned as such operator and, in accordance with the terms of the Canyon Largo Unit Agreement, Gas Company was appointed and has accepted and assumed the duties of the successor unit operator, and

WHEREAS, said Gas Company now desires to appoint Products Company as sgent and Products Company desires to accept and assume the duties of Agent, as below set forth.

NOW THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter contained, it is mutually agreed as follows:

1. That Gas Company, as Unit Operator of the Canyon Largo Unit, hereby designates Products Company Oil Agent in the following described lands in or adjacent to the Devils Fork-Gallup Gas Pool in Rio Arriba County, New Mexico (hereinafter referred to as "said lands"), as to each and every well presently or subsequently classified an oil well in accordance with New Mexico Oil Conservation Commission Orders.

Township 24 North, Range 6 West, N.M.P.M. All of Sections 3, 4, 5, 6, 8, 9, 11, 15, 17, 20, 21, 22, 26, 27 & 28.

Township 24 North, Range 7 West, N.M.P.M. All of Sections 1, 2, 3, & 10.

- 2. Products Company hereby covenants and agrees to fulfill and assume the obligations of Oil Agent under and pursuant to all the terms of the said Unit Agreement.
- 3. Gas Company covenants and agrees that Products Company is granted the exclusive right and privilege of exercising any and all rights and privileges as Oil Agent, pursuant to the terms and conditions of the said Unit Agreement, said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though the said Unit Agreement were expressly set forth in this instrument.

Gas Company understands and agrees that acceptance of Oil Agent by Products Company, as provided herein, does not relieve Gas Company of its responsibility as Unit Operator of the Canyon Largo Unit.

It is further understood and agreed that the Gas Company, as Unit Operator of the Canyon Largo Unit, may at its option revoke the Oil Agency granted herein by giving Products Company written notice of such revocation, and thirty (30) days after the date of receipt of such notice by Products Company this agreement shall automatically terminate and be of no further force and effect.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto as of the date hereinabove set forth.

FL PASO NATURAL GAS COMPANY

Attorney in Fact

FL PASO NATURAL GAS PRODUCTS COMPANY

By Polane L Demulin

STATE OF TEXAS

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 3/day of July, 1963, by SAM SMITH, Attorney in Fact for FL PASO NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.

ATALIE TAYLUR Notary Public

My Commission Fxpires Stary Public in and for El Pasq County, Texas

STATE OF TEXAS

COUNTY OF FL PASO !

The foregoing instrument was acknowledged before me this 6 day of July, 1963, by HOLAND L. HAMBLIN, Attorney in Fact for FL PASO MATURAL GAS PRODUCTS COMPANY, a Texas corporation, on behalf of said corporation.

My Commission Expires: MARY 1. SHAUM

Notary Public in and for El Paso County, Texas My Commission Expires June 1, 1965

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### El Paso Natural Gas Company OFFICE OCC

El Paso, Texas

1963 SEP 173 M 9 05

August 28, 1963

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
SECOND AND THIRD EXPANDED PARTICIPATING
AREAS AND NOTICE OF COMPLETION OF
ADDITIONAL WELLS, Gallup Formation

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that two (2) wells capable of producing unitized substances in paying quantities from the Gallup Formation have been completed upon acreage committed to this unit, and that the participating area for the Gallup Formation is expanded accordingly to include these wells to wit:

#### SECOND REVISION - EFFECTIVE APRIL 1, 1963

Description of Lands
T-24-N, R-6-W, N.M.P.M.
Section 17: E/2
320.00

The Canyon Largo Unit #121 Well is located 990' from the North line and 990' from the East line of Section 17, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on March 2, 1963 and completed on March 17, 1963, at a total depth of 5613' in the Gallup Formation. The Gallup Formation between 5546' - 5561' was treated with a sand-oil fracturing process. This well was first produced on March 22, 1963, and was tested in the Gallup Formation on March 23, 1963. Following a twenty-four (24) hour test period the well gauged 225 MCFGPD and 193 BOPD through a 17/64" choke. The flowing pressure was 440 psig on the tubing and 940 psig

on the casing. The committed drilling block upon which this well is located is the E/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on March 23, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Second Expanded Participating Area for the Gallup Formation will become effective as of April 1, 1963.

#### THIRD REVISION - EFFECTIVE MAY 1, 1963

Description of Lands Acreage

T-24-N, R-6-W, N.M.P.M. Section 8: E/2

320.00

The Canyon Largo Unit #122 Well is located 790' from the North line and 1650° from the East line of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on March 14, 1963 and completed on March 27, 1963 at a total depth of 5575' in the Gallup Formation. The Gallup Formation between 5515' - 5532' was treated with a sand-oil fracturing process. This well was first produced on April 1, 1963 and tested in the Gallup Formation on April 3, 1963. Following a twenty-four (24) hour test period the well gauged 86 MCFGPD and 187 BOPD through a 18/64" choke. The flowing pressure was 350 psig on the tubing and 1140 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on April 3, 1963.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, the Third Expanded Participating Area for the Gallup Formation will become effective as of May 1, 1963.

Attached hereto are Schedules III and IV showing the Second and Third Expanded Participating Areas for the Gallup Formation of the Canyon Largo Unit Area. These schedules describe the Participating Area, show the percentage of of unitized substances allocated to the unitized tracts and the exact breakdown of percentage allocated to the tracts according to the ownership within

the tracts. Also attached hereto is a map designated Exhibit "A", showing the location of the wells and the outline of the Second and Third Expanded Participating Areas.

El Paso Natural Gas Company, Unit Operator, also determined on the dates set out below that two (2) additional wells capable of producing unitized substances from the Gallup Formation have been completed on acreage committed to the Canyon Largo Unit. These wells are as follows:

1. The Canyon Largo Unit #123 Well is located 790' from the North line and 790' from the West line of Section 17, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on March 25, 1963 and completed on April 6, 1963, at a total depth of 5575' in the Gallup Formation. The Gallup Formation between 5508' - 5522' was treated with a sand-oil fracturing process. This well was first produced on May 22, 1963 and was tested in the Gallup Formation on May 24, 1963. Following a twenty-four (24) hour test period the well gauged 150 MCFGPD and 155 BOPD through a 14/64" choke. The flowing pressure was 410 psig on the tubing and 1300 psig on the casing. The committed drilling block upon which this well is located is the W/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M. and consists of 320.00 acres.

The drilling block upon which this well was completed was included in the Initial Participating Area for the Gallup Formation, effective July 14, 1960, therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

2. The Canyon Largo Unit #124 Well is located 1650' from the South line and 835' from the East line of Section 17, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on April 3, 1963, and completed on April 17, 1963 at a total depth of 5620' in the Gallup Formation. The Gallup Formation between 5556' - 5574' was treated with a sand-oil fracturing process. The well was first produced on April 20, 1963 and was tested in the Gallup Formation on April 24, 1963. Following a twenty-four (24) hour test period the well gauged 204 MCFGPD and 191 BOPD through an 11/64" choke. The flowing pressure was 560 psig on the tubing and 1300 psig on the casing. The committed drilling block upon which this well is located is the E/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M. and contains 320.00 acres.

The drilling block upon which this well was completed is included in the Second Expanded Participating Area for the Gallup Formation, which is submitted herewith and which is effective April 1, 1963; therefore the Gallup Formation Participating Area is not enlarged as a result of this well completion.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T W Dittiol

Assistant Manager Land Department

TWB: KM: ag

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## TOTAL TELL AND THE PROPERTY 1857 Redwell, New Hexico

June 11, 1963

El Paso Matural Gas Company

P. 0. Noz 1492

El Peso, Texas

Attention: Mr. Sam Smith

#### Goot lemen:

Your 1963 plan of development dated April 11, 1963, for the Compon Large unit area, Rio Arriba County, New Mexico, proposing the drilling of two Pictured Cliffs wells, one Gallup well and one Behots well by El Pase Hetural Gas Company as unit operator and four Gallup wells by El Paso Matural Gas Products Company as working interest owner pursuant to sec. 13 of the unit agreement, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed,

Sincerely yours,

(Orlg. Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK Acting Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)

Farmington (w/cy of plan)

1940CC-Santa Fe (ltr. enly)

Com. of Pub. Land-Santa Fe (1tr. only)

# OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

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June 6, 1963

El Paso Matural Gas Company P. O. Box 1492 El Paso, Texas

Attention: Mr. Sam Smith

Re: 1963 Drilling Program
Canyon Largo Unit, Rio
Arriba County, New Mexico

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1963 Brilling Program for the Canyon Large Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Cummissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours

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

ALP/JEK/ig

cc: Commissioner of Public Lands Santa Fe, New Mexico

United States Geological Survey Boswell, New Mexico

May 15, 1963

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Re: Canyon Largo Unit
Rio Acriba County, New Mexico
1963 Drilling Program

Attention: Sam Smith

Gentlemen:

The Commissioner of Public Lands has approved as of May 15, 1963 the 1963 Plan of Development for the Canyon Largo Unit Area, Rio Arriba County, New Mexico.

This Program proposes the cilling of one Gallup, one Dakota and two Pictured Cliffs wells during 1963. It salso states that El Paso Natural Gas Products Company as Sub-Operator proposes to drill four additional Gallup wells during this same period.

We are returning one approved copy of this Plan.

Very truly yours,

E. S. JOHNSY WALKER COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Thea, Supervisor Unit Styleson

ESW/mmr/v encl:

cc: Oil Conservation Commission

U. S. Department of Interior Geological Survey Roswell, New Mexico



El Paso Natural Gas Company El Paso, Texas

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County. New Mexico 1963 DRILLING PROGRAM

#### Gentlemen:

By letter dated June 11, 1962, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1962. Said Program provided for the drilling of one (1) Pictured Cliffs well in the SW/4 of Section 8, Township 24 North, Range 6 West; two (2) Dakota wells to be located in the NE/4 of Section 3, Township 24 North, Range 6 West, and the E/2 of Section 12, Township 24 North, Range 6 West, respectively; and one (1) Gallup well to be located in the SW/4 of Section 8, Township 24 North, Range 6 West. All of the proposed wells were drilled with the exception of the Dakota well in the B/2 of Section 12, which has now been scheduled for drilling during 1963. The Canyon Largo Unit #113 Well in the SW/4 of Section 8 was included within the Twenty-Eighth Expansion of the Pictured Cliffs Formation Participating Area. The Canyon Largo Unit #117 Well in the NE/4 of Section 3 was included within the Third Expansion of the Dakota Formation Participating Area. The Canyon Largo Unit #118 Well in the SW/4 of Section 8 was included within the First Expansion of the Gallup Formation Participating Area.

As of this date the total number of wells located on lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	90
Non-commercial	4
Plugged and abandoned	14
Chacra	2
Gallup	
Commercial	1
Non-commercial	1
Dual, Gallup-Dakota	
Non-commercial, Gallup	1
Non-commercial, Dakota	1
Dakota	
Commercial	3
Non-commercial	2
•	119

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby submits a proposed Drilling Program for the calendar year 1963 to provide for the drilling of the following described wells:

DRILLING BLOCK				FORMATION	FORMATION	
W/2	Section	15,	T-24-N,	R-6-W	Gallup	
<b>E</b> /2	Section	12,	T-24-N,	R-6-W	Dakota	
<b>E</b> /2	Section	8,	T-24-N,	R-6-W	Pictured Cl:	iffs
W/2	Section	5,	T-24-N,	R-6-W	Pictured Cl:	iffs

The Gallup test proposed for the W/2 of Section 15 will be drilled as a unit development well. The Dakota test proposed for the E/2 of Section 12 will be drilled at the request of the United States Geological Survey as a unit offset to the Gulf #14 Dakota well located in the NW/4 of Section 18, Township 24 North, Range 5 West. The E/2 of Section 8 and the W/2 of Section 5 are intervening drilling blocks and both Pictured Cliffs wells to be located thereon must be commenced by November 1, 1963.

El Paso Natural Gas Company, as Unit Operator, has also designated El Paso Natural Gas Products Company Sub-Operator for the purpose of developing certain other acreage within this Unit as to the Gallup Formation during 1963. Said Sub-Operator presently proposes to drill the following additional wells:

DRILLING BLOCK	FORMATION	
NE/4 Section 17, T-24-N, R-6-W	Gallup	
SE/4 Section 17, T-24-N, R-6-W	Gallup	
SE/4 Section 8, T-24-N, R-6-W	Gallup	
NW/4 Section 17, T-24-N, R-6-W	Gallup	

Sub-Operator may drill other wells under this designation during 1963 and in such event all necessary parties will be notified by supplemental letter of any and all future well locations.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells requested by the working interest owners.

El Paso Natural Gas Company intends to drill the Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company and El Paso Natural Gas Products Company intend to drill the Gallup wells to the base of the Gallup Formation using rotary tools. Surface casing will be set to approximately 150' below the surface. Production casing will be set through the Gallup Formation, and the casing of the Gallup Formation will then be selectively perforated and the Gallup Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the Dakota well to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run, if necessary, through the Pictured Cliffs Formation to a depth of approximately 3200', and then a production casing string will be run to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing when said casing is run and the hole below the intermediate string of casing will be drilled with either mud or gas. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager

Land Department

SS: JBB: ag

APPROVED:	DATE:
United States Geological Survey	
Subject to like approval by the	
appropriate state officials.	
A DDDOUBD.	DA TOP .
APPROVED:  Commissioner of Public Lands	DATE:
Subject to like approval by the United States Geological Survey and	
the Oil Conservation Commission.	
APPROVED ( Laster)	DATE: May 6 - 1965
Oil Conservation Commission	
Subject to like approval by the	
United States Geological Survey and	
the Commissioner of Public Lands.	

The foregoing approvals are for the 1963 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. V. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company P. O. Box 1161 El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

R. D. Golston P. O. Box 68 Tyler, Texas

Mr. A. G. Hill & Margaret Hunt Hill c/o L. A. Gilles 101 Wagstaff Building Abilene, Texas

Hondo Oil & Gas Company P. O. Box 1000 Roswell, New Mexico Kern County Land Company P. O. Box 1784 Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion Trusts No. 1,2,3 c/o Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Atlas Minerals, Division of Atlas Corporation 2000 National Bank of Tulsa Bldg. Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company Oil and Gas Building P. O. Box 1521 Houston 1, Texas CANYON LARGO UNIT
Working interest Owners
(Continued)

The Superior Oil Company Attn: R. E. Rosebrough P. O. Box 1469 Farmington, New Mexico

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

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POST OFFICE BOX 1 Mil , EL PASO, TEXAS

April 5, 1963

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

Gentlemen:

We enclose herewith for your files one (1) copy of Designation of Sub-Operator dated March 1, 1963, from El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit Area, to El Paso Natural Gas Products Company.

Should you need anything further for your files, will you please advise.

Yours very truly,

John Bannister Land Department

JB: 1bt Enclosure

cc: Mr. Charles Richardson

#### 1963 APR B AH 8: 09

#### DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 1963, by and between BL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and EL PASO NATURAL GAS PRODUCTS COMPANY, a Texas corporation, whose address is Post Office Box 1161, El Paso, Texas, hereinafter sometimes referred to as "Sub-Operator".

. WHEREAS, Operator is Unit Operator for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico; and

WHEREAS, Operator is the holder of oil and gas operating rights as to the Gallup Formation under the following described tracts of land:

Rio Arriba County, New Mexico

Township 24 North, Range 7 West, N.M.P.M.

Section 1: All

Township 24 North, Range 6 West, N.M.P.M.

Section 4: All

Section 5: All

Section 6: All

Section 8: All

Section 9: All Section 17: All

Containing 4616.79 acres, more or less; and

WHEREAS, the above described tracts of land are committed to the terms and conditions of the Canyon Largo Unit Agreement and Canyon Largo Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to develop the Gallup Formation underlying the above described tracts of land pursuant to the provisions of Section thirteen (13) of the Canyon Largo Unit Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the Gallup wells as Unit Operator under the terms of the Canyon Largo Unit Agreement; and

WHEREAS, the necessary concurrence has been obtained from the working interest owners in the above tracts; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Gallup wells may be drilled by Sub-Operator.

" Ceronhargo 1.0

NOW, THEREFORE, in order to permit El Paso Natural Gas Products Company to drill the said Gallup wells, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, hereby designates El Paso Natural Gas Products Company as Sub-Operator for the sole and only purpose of developing the foregoing lands in the Gallup Formation pursuant to Section thirteen (13) of the Canyon Largo Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon all Gallup wells as a reasonable and prudent operator in accordance with the terms and conditions of the Canyon Largo Unit Agreement and the Canyon Largo Unit Operating Agreement and also agrees to the following conditions.

- 1. Notify Operator when drilling operations are commenced.
- 2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
- 3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 4. Allow representatives of Operator access to the derrick floor at all times.
- 5. Notify Operator of intention to core, drill stem test, run well surveys or other test in sufficient time to enable Operator's representative to be present. Additionally, it is specifically understood that El Paso Natural Gas Company will be notified in sufficient time to enable El Paso's representative to be present for the official test of any well drilled in the Gallup Formation.
- 6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
- 7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of each analysis report to Operator.
- 8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of each well.
- 9. Permit Operator, at its cost and for its sole use, including full rig time to make any additional surveys, including a geophysical velocity survey as it may desire.

- 10. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of each well.
- 11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of each well.
- 12. Notify Operator of any intentions to plug and abandon any well and allow Operator forty-eight (48) hours in which to concur.
- 13. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following described insurance:
  - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
  - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
  - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.
- 14. Furnish the United States Geological Survey all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey, with a copy to El Paso Natural Gas Company at the addresses hereafter specified.
- 15. Provide the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission copies of all reports and other well data submitted to the United States Geological Survey.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company Post Office Box 1492 El Paso, Texas Attention: Land Department

With a copy to: El Paso Natural Gas Company Post Office Box 990 Farmington, New Mexico Attention: Area Exploration Manager Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Gallup wells pursuant to the provisions of the Canyon Largo Unit Operating Agreement.

The drilling of any Gallup well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective until December 31, 1963, subject to the condition that Operator may terminate said Designation at any time by filing notice of termination with the Supervisor of the United States Geological Survey.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

OPERATOR

BL PASO NATURAL GAS COMPANY

34 ///// 3 ///

SUB-OPERATOR

EL PASO NATURAL GAS PRODUCTS COMPANY

Attorney in Fact

STATE OF TEXAS )	
COUNTY OF EL PASO )	
the foregoing day of Mary for EL PASO NATURAL GROUP COrporation.	ng instrument was acknowledged before me this
	Matalue Taylor
My commission expires	notary Fublic
WATALIE TAYLOR  Wetary Public in and for El Paso County  My Commission Expires June 1, 19	
STATE OF TEXAS )	
COUNTY OF EL PASO )	
The foregoing day of March Fact for BL PASO NATUO	ng instrument was acknowledged before me this 4th, 1963, by Relead L. Hamblin , Attorney in RAL GAS PRODUCTS COMPANY, a Texas corporation, on behalf
	Mary T. Japon
My commission expires	: Notary Public U

MARY T. SAXON

Notary Public in and for El Paso County, Texas My Commission Expires June 1, 1963

541

### El Paso Natural Gas Company

El Paso, Texas

November 30, 1962

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-EIGHTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective November 1, 1962

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. This well is as follows:

The Canyon Largo Unit #113 Well is located 990' from the South line and 1100' from the West line of Section 8, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on August 22, 1962, and completed on September 4, 1962, at a total depth of 2222'. The Pictured Cliffs Formation between 2094' - 2098', 2112' - 2118', 2148' - 2154' was treated with a sandwater fracturing process. After being shut-in for gauge for twenty-three (23) days, the well was tested on October 10, 1962, and following a three (3) hour blow-down period gauged 3166 MCFGPD through a 3/4" choke and 3866 MCFGPD by the calculated absolute open-flow method, with an SIPC of 682 PSIA. The committed drilling block upon which this well is located is described as the W/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that

this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 10, 1962.

The Pictured Cliffs Participating Area is expanded to include the fellowing described intervening drilling blocks:

> The completion of the Canyon Largo Unit #113 Well creates two (2) intervening drilling blocks described as the W/2 of Section 5, Township 24 North, Range 6 West, N.M.P.M., consisting of 337.85 acres, and the E/2 of Section 8, Township 24 North, Range 6 West, N.M.P.M., consisting of 320.00 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of November 1, 1962. A well must be commenced on each intervening drilling block by November 1, 1963.

Attached is Schedule XXIX showing the Revised Twenty-Eighth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Eighth Expanded Participating Area will become effective as of November 1, 1962.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

W. Bittick

Assistant Manager

Land Department

TWB: JBB: js

### El Paso Natural Gas Company

El Paso, Texas

November 29, 1962

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
REQUEST FOR APPROVAL OF FIRST EXPANDED
PARTICIPATING AREA, Gallup Formation
Effective August 1, 1962

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that one (1) well capable of producing unitized substances in paying quantities from the Gallup Formation has been completed upon acreage committed to this unit, and that the participating area for the Gallup Formation is expanded accordingly to include this well as follows:

The Canyon Largo Unit #118 Well is located 1090° from the South line and 800° from the West line of Section 8, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on July 3, 1962 and completed on July 18, 1962 at a total depth of 5667' in the Gallup Formation. The Gallup Formation between 5444' - 5448', 5460' - 5464', 5574' - 5580' was treated with a sand-water fracturing process. The well was tested in the Gallup Formation on July 27, 1962, and following a twenty-four (24) hour test period gauged 285 MCF and 174 barrels of oil. The flowing pressure was 155 psig on the tubing and 430 psig on the casing. The committed drilling block upon which this well is located is described as the W/2 of Section 8, Township 24 North,

Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on July 27, 1962.

Attached hereto is Schedule II showing the First Expansed Participating Area for the Gallup Formation of the Canyon Largo Unit Area. This describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tract. Also attached hereto is a map, Exhibit "A", showing the location of the well and the outline of the Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this First Expanded Participating Area for the Gallup Formation will become effective as of August 1, 1962.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: AJM: js

Attachments

#### CANYON LARGO UNIT · orking Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. V. Davis & Paulene D. Davis Mr. R. D. Golston 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins(winter add:
P. O. Box 177
P. O. Box 96
Grants, New Mexico
Crystal City,
Texas)

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P. O. Box 1000 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

J. Gregory Merrion, Trusts No. 1,2,3 P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (12) Attention: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (3) Attention: Pruchasing Department P. O. Box 3015, Terminal Annex Los Angeles 54, California

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

# SCHEDULE II FIRST EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION CANYON LARGO UNIT AREA

	SERIAI NIMBER	
	DESCRIPTION	
OF ACRES	NUMBER	
OWNERSHIP	DRILL	
PERCENTAGE	DRILLING BLOCK	
COMMITTED PAR	PERCENTAGE	
PARTICIPATION	PRESENT ACTU	

yon Largo	SF 078886	Unit #118 Well Sec.	SF 078877		SERIAL NUMBER
yon Largo buit #89 Well Sec. 17: W/2	T-24-N, R-6-W Sec. 17: W/2	1 Sec. 8: W/2	T-24-N R-6-W Sec. 8: W/2		DESCRIPTION
320,00	320.00	320,00	320.00	OF ACRES	NUMBER
	Royalty; Working Interest: El Paso Natural Gas Company; ORRI;	TRACT 28	Royalty; Working Interest: El Paso Natural Gas Company; ORRI;	OWNERSHIP TRACT 19	DRILLING BLOCK
	12.50% 78.75% 8.75% 100.00%		12.50% 78.75% 8.75% 100.00%	PERCENTAGE	
100,00%	12.50% 78.75% 8.75% 100.00%	100.00%	12.50% 78.75% 8.75% 100.00%	COMMITTED	PERCENTAGE
50.00%	50,00%	50.00%	50,00%	PARTICIPATIO	PRESENT ACTU

## SCHEDULE II

	STO ALL MORD
OF ACRES	NUMBER
OWNERSHIP	DF
PERCENT AGE	BLOCK
COMMITTED	PERCENTAGE
PARTICIPATION	PRESENT ACTU.

# RECAPITULATION

Township 24 North, Range 6 West, N.M.P.M. Section 8: W/2
Section 17: W/2

Percent of Basic Royalty Committed: Percent of Working Interest Committed: Percent of ORRI committed:	Total number of acres in Participating Area: Total number of acres committed to Participating Area:
100.00% 100.00% 100.00%	640.00 640.00

## El Paso Natural Gas Company

El Paso, Texas

November 16, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELLS - Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the unit. These wells are as follows:

The Canyon Largo Unit #108 Well is located 1650' from the South line and 990' from the West line of Section 15, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on August 27, 1961, and completed on October 4, 1961, at a total depth of 2378' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2272' - 2276', 2280' - 2284', 2314' - 2322' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested in the Pictured Cliffs Formation on October 20, 1961, and following a three (3) hour blow-down period gauged 1073 MCFGPD through a 3/4" choke and 1132 MCFGPD by the calculated absolute openflow method, with an SIPC of 452 PSIA. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres.

The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 20, 1961. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twelfth Expanded Participating Area for the Pictured Cliffs Formation, effective February 1, 1957. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

The Canyon Largo Unit #109 Well is located 1750' from the North line and 1650' from the West line of Section 2, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 8, 1961, and completed on October 4, 1961, at a total depth of 2901' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2834' - 2848', was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested in the Pictured Cliffs Formation on October 20, 1961, and following a three (3) hour blow-down period gauged 3884 MCFGPD through a 3/4" choke, and 4858 MCFGPD by the calculated absolute open-flow method, with an SIPC of 829 PSIA. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.99 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 20, 1961. This well was completed without tubing.

This drilling block was included in the Canyon Largo Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By Charles J. Michanica

Area Coordinator

Land Department

CTR: AJM: js

Attachments

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, J. R. Abraham, & Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower 1507 Pacific Avenue Dallas 1, Texas

Mr. Mark Elkins & (winter address:
Ina Elkins P. O. Box 96
P. O. Box 177 Crystal City, Texas)
Grants, New Mexico

El Paso Natural Gas Products Company Attention: Mr. Roland Hamblin Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 111 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia CANYON LARGO UNIT Working Interest Owners Page 2

The Superior Oil Company (5)
Attention: Mr. G. Bannantine
P. O. Drawer "G"
Cortez, Colorado

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

## El Paso Natural Gas Company

El Paso, Texas

October 26, 1962

1741

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
THIRD EXPANDED PARTICIPATING AREA
Effective August 1, 1962
Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this unit, and the participating area for the Dakota Formation is expanded accordingly to include this well as follows:

The Canyon Largo Unit #117 Well is located 1650' from the North line and 1090' from the East line of Section 3, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on June 13, 1962 and completed on July 1, 1962 at a total depth of 6711'. The Dakota Formation between 6480' - 6484', 6514' - 6522', 6538' - 6542' was treated with a sand-water

fracturing process on June 29, 1962. After being shut-in for gauge for ten (10) days, the well was tested on July 11, 1962, and following a three (3) hour blow-down period gauged 2615 MCFGPD through a 3/4" choke, and 2902 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2300 psia and an SIPT of 2293 psia. The drilling block upon which this well is located is described as the E/2 (Lots 1, 2, 7, 8, 9, 10, SE/4) of Section 3, Township 24 North, Range 6 West, N.M.P.M., and consists of 340.85 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on July 11, 1962.

Attached is Schedule IV showing the Third Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Third Expanded Participating Area will become effective as of August 1, 1962.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: AJM: ag

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. V. Davis & Paulene D. Davis Mr. R. D. Golston 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins Winter Address:
P. O. Box 177
P. O. Box 96
Grants, New Mexico
Crystal City, Texas

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P. O. Box 1000 Roswell, New Mexico Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. C. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum
Corporation (12)
Attention: Mr. T. M. Curtis
P. O. Box 480
Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company
Attention: Mr. T. F. Thompson
P. O. Box 1650
Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. John C. Wright P. O. Box 192 Sistersville, West Virginia CANYON LARGO UNIT Working Interest Owners (Continued)

The Superior Oil Company (5)
Attention: Mr. G. Bannantine
P. O. Drawer "G"
Cortez, Colorado

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

# SCHEDULE IV THIRD EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

	65.625% 21.875% 100.000%	65.625% 21.875% 100.000%	Kay Kimbell & Coral Oil & Gas Co.; ORRI; TOTAL	(NW/4)	
17.778315	12.500%	12.500%	Royalty; Working Interest:	T-24-N, R-6-W 182.45 Sec. 1: Lots 3,4, 5,6,11,12	SF 000594 T-
33,213155 <b>%</b>	100,000%		TRACT 46	Init Sec. 3: E/2 340.85	Canyon Largo Unit #117 Well Sec
2.031669%	12.500% 78.750% 8.750% 100.000%	12.500% 78.750% -8.750% 100.000%	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	T-24-N, R-6-W 20.85 Sec. 3: Lots 1,2	SF 078957 T-
			TRACT 32		
	78.750% 8.750% 100.000%	78.750% 8.750% 100.000%	working interest: El Paso Natural Cas Co.; ORRI; TOTAL	10, SE/4	
31,181486%	12.500%	12.500%	Royalty;	T-24-N, R-6-W 320.00 Sec. 3: Lots 7,8,9,	SF 078874 T-
			TRACT 16		
PARTICIPATION	COMMITTED	PERCENT AGE	OWNERSHIP	DESCRIPTION NUMBER OF ACRES	SERIAL NUMBER
				1	

# SCHEDULE IV

Canyon Largo Unit	SF · <del>98059</del> 4-A <u>T</u> -			SF 060594 T-		Canyon Largo Unit		SF 080594-B T		SERIAL NUMBER	
Unit Sec. 1: E/2	T-24-N, R-6-W Sec. 1: SE/4		(H, 7av)	T-24-N, R-6-W 1 Sec. 1: Lots 1, 2 7,8,9,10		Jnit Sec. 1: W/2		T-24-N, R-6-W Sec. 1: SW/4		DESCRIPTION	
342,95	160.00			182.95 , 2, 10		342.45		160.00		OF ACRES	7
	Royalty; Working Interest: Kay Kimbell & Coral Oil & Gas Co.; ORRI; TOTAL	TRACT 46-A	Coral Oil & Gas Co.; ORRI; TOTAL	Royalty; Working Interest:	TRACT 46		Kay Kimbell & Coral Oll & Gas Co.; ORRI;	Royalty; Working Interest:	TRACT 46-B	OWNERSHIP	
	12.500% 65.625% 21.875% 100.000%		65.625% 21.875% 100.000%	12.560%			65.625% 21.875% 100.000%	12.500%		CX PERCENTAGE	
53,35%	,000 ,000 ,000 ,000		65.625% 21.875% 100.000%	12,500%		53. 28%	.007	.007		COMMITTED	
17.827040%	0.000007			17.827040%		17.778319%		0.000000%		PARTICIPATION	

## SCHEDULE IV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENT AGE	COMMITTED	PRESENT ACTUAL PARTICIPATION
			TRACT 55-A			
E- <b>291-</b> 3	T-25-N, R-6-W Sec. 36: NE/4	160.00	Royalty; Working Interest:	12.50%	12.50%	15,590743%
			Southern Petroleum Exploration, Inc.; ORRI; TOTAL	87.50% .00% 100.60%	87.50% 00% 100.00%	
			TRACT 56			
E-291-5	T-25-N, R-6-W Sec. 36: S/2 SE/4	80.00 /4	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	12.50% 75.00% 12.50%	12.50% 75.00% 12.50% 100.00%	7.795371%
			TRACT 57-A			
E-291-7	T-25-N, R-6-W Sec. 36: N/2 SE/4	80.00 /4	Royalty; Working Interest:	12.50%	12,50%	7.795372%
			Kern County Land Co.; ORRI; TOTAL	87.50% 100.00%	87.50% 00% 100.00%	
Canyon Largo Unit	Unit Sec. 36: E/2	320,00			100,00%	31,181486%

## SCHEDULE IV

SHOLVI NIMBER		NUMBER	ILLING	LOCK	PERCENTAGE	PRESENT ACTUAL
	0000	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATION

# RECAPITULATION

Township 24 North, Section 1: All Section 3: E/2 Range 6 West, N.M.F.M.

Township 25 North, Section 36: E/2 Range 6 West, N.M.P.M.

Total number of acres in Participating Area: Total number of acres committed to Participating Area:

1,346.25 1,026.25

541



## UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

GEOLOGICAL SURV

Roswell, New Maxico

July 10, 1962

El Paso Matural Gas Company

enting property of the city

P. O. Box 1492

El Paso, Temas

Attention: Mr. Sem Smith

#### Gestlemen:

Your 1962 plan of development dated Juma 11, 1962, for the Canyon Large unit area, Rie Arriba County, New Mexico, proposing the drilling of two Bahsta wells, one Callup well, and one Pictured Cliffs well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

(Orig.Sgd.) CARL C. TRAYWICK

for JOHN A. ANDERSON

Copy to: Washington (w/cy of plan)

Farmington (w/cy of plan)
NMOCC-Sents Fe (ltr. only)

Com. of Pub. Lands-Santa Fe (ltr. only)

## El Paso Natural Gas Company El Paso, Texas

June 11, 1952

Mr. John A. Amderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P. O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico

1962 DRILLING PROGRAM

#### Gentlemen:

By letter dated January 19, 1961, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1961. Said Program provided for the drilling of four (4) Pictured Cliffs wells, one (1) Chacra well, and one (1) Gallup well. All of the proposed wells were drilled. The Pictured Cliffs and the Chacra wells are in participating areas and the Gallup well was non-commercial. In addition to the foregoing wells one (1) Dakota well started in 1960 was completed by Kay Kimbell and one (1) Dakota well was drilled by Kay Kimbell during 1961. These wells are in the Dakota Participating Area.

As of this date the total number of wells located on lands committed to the Camyon Largo Unit is as follows:

Pictured Cliffs	
Commercial	89
Non-commercial	4
Plugged and abandoned	14
Chacra	2
Gallup, Non-commercial	1
Dual, Gallup Dakota	
Non-commercial, Gallup	1
Non-commercial, Dakota	1
Dakota	
Commercial	2
Non-commercial	2
	$\overline{116}$

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is herewith submitting this Drilling Program providing for the drilling of the following described locations during the period from January 1, 1962, to December 31, 1962:

## DRILLING BLOCK E/2 Section 12, T-24-N, R-6-W E/2 Section 3, T-24-N, R-6-W SW/4 Section 8, T-24-N, R-6-W SW/4 Section 8, T-24-N, R-6-W Gallup FORMATION Dakota Pictured Cliffs SW/4 Section 8, T-24-N, R-6-W Gallup

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill the Pictured Cliffs well to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the Gallup well to the base of the Gallup Formation using rotary tools. Surface casing will be set to approximately 150' below the surface. A production liner will be set through the Gallup Formation, and the casing of the Gallup Formation will then be selectively perforated and the Gallup Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the Dakota wells to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run, if necessary, through the Pictured Cliffs Formation to a depth of approximately 3200', and then a production casing string will be run to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing when said casing is run and the hole below the intermediate string of casing will be drilled with either mud or gas. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this drilling program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager

Land Department

SS: SHM: cah

	DATE:	
United States Geological Survey	<del></del>	
appropriate state officials.		
Control of Pality Islands	DATE:	
Subject to like approval by the		
United States Geological Survey and		
the Oil Conservation Commission.		
	DATE:	
Oil Conservation Commission		
Subject to like approval by the		
· · · · · · · · · · · · · · · · · · ·		
——————————————————————————————————————		
	Subject to like approval by the appropriate state officials.  Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.	United States Geological Survey Subject to like approval by the appropriate state officials.  DATE:  Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.  DATE:  Oil Conservation Commission Subject to like approval by the United States Geological Survey and

The foregoing approvals are for the 1962 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. Joe Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. V. Davis & Paulene D. Davis Mr. R. D. Golston 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 2630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins Winter Address: Mr. Frank A. Schultz, Jr. P.O. Box 96 P.O. Box 177 Grants, New Mexico Crystal City, Texas

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P.O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Raso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (12) Attention: Mr. T. M. Curtis P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company Attention: Mr. Harvey B. Hunt, Jr. P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P.O. Box 1650 Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5) Attention: Mr. G. Bannantine P.O. Drawer "G" Cortez, Colorado

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

CANYON LARGO UNIT
Working Interest Owners
Page 2

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

## El Paso Natural Gas Company

El Paso, Texas

January 5, 1962

241

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
FIRST EXPANDED PARTICIPATING AREA
Chacra Formation
Effective December 1, 1961

### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the below listed well is capable of producing unitized substances in paying quantities from the Chacra Formation. The well is as follows:

The Canyon Largo Unit #107 Well is located 990' from the North line and 1000' from the East line of Section 13, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 2, 1961, and completed on October 19, 1961 at a total depth of 3826' in the Chacra Formation. The Chacra Formation between 3640' - 3646', 3654' - 3660', 3692' - 3698' was treated with a sand-water fracturing process on October 10, 1961. After being shut-in for gauge for fourteen (14) days, the well was tested in the Chacra Formation on November 2, 1961, and following a three (3) hour blow-down period gauged 2341 MCFGPD through a 3/4" choke and 2496 MCFGPD by the calculated absolute open-flow method, with an SIPC of 885 PSIA. This well was completed without tubing. The committed drilling block upon which this well is located is described as the E/2 of Section 13, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The

determination that this well is capable of producing unitized substances in paying quantities was made on November 2, 1961.

Attached hereto is Schedule II showing the First Expanded Participating Area for the Chacra Fermation of the Canyon Large Unit Area. This describes the Participating Area, shows the percentage of unitized substances allegated to the unitized tracts, and the exact breakdown of percentage allocated to the tracts according to the ownership in the tracts. Also attached is a map, Exhibit "A", showing the location of the well and the outline of the First Expanded Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this First Expanded Participating Area for the Chacra Formation will become effective as of December 1, 1961.

Cepies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Assistant Manager

Land Department

TWB; AJM: js

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, J. R. Abraham and Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

American Petrefina Company of Texas P. O. Bex 2159 Dallas 21, Texas

Mr. Tem Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Matee, ME Albuquerque, New Mexice

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation `630 Fidelity Union Tower Dallas, Texas

Mr. Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

El Pase Natural Gas Products Company Attention: Mr. Reland Hamblin Luther Building El Pase, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splender Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hendo Oil & Gas Company P. O. Bex 660 Roswell, New Mexico

Kern County Land Company Kerber Building Albuquerque, New Mexico Mr. Kay Kimbell P. O. Bex 1540 Fort Worth, Texas

Mr. High McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/e Mr. George E. Bregan 111 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Bex 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. T. M. Curtis P. O. Bex 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahema

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company Attention: Mr. G. Bannantine P. O. Drawer "G" Cortez, Colorado

# El Paso Natural Gas Company

El Paso, Texas

December 18, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Gallup Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, was not capable of producing unitized substances in paying quantities from the Gallup Formation:

> The Canyon Largo Unit #106 Well is located 990' from the North line and 1500' from the West line of Section 20, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 2, 1961 and completed on September 29, 1961, at a total depth of 5553'. The Gallup Formation between 5456' - 5468' was treated with a sand-water fracturing process on September 27, 1961. After being shut-in for gauge for twenty (20) days, the well was tested on October 20, 1961, and following a three (3) hour blow-down period gauged 1190 MCFGPD through a 3/4" choke and 1258 MCFGPD by the calculated absolute open-flow method, with a SIPC of 1401 psia and a SIPT of 1401 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 20, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities from the Gallup Formation was made on October 20, 1961.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of October 20, 1961, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB:AJM: js Attachment CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, J. R. Abraham, and Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Delhi-Taylor Oil Corporation 1507 Pacific Avenue Dallas 1, Texas

Mr. Mark Elkins & (winter address:
Ina Elkins P. O. Box 96
P. O. Box 177 Crystal City, Texas)
Grants, New Mexico

El Paso Natural Gas Products Company Attention: Roland Hamblin Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Co. 2000 National Bank of Tulsa Bldg. Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Bldg. Dallas, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 111 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. T. M. Curtis P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Bldg. Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company
Attention: Mr. Harvey B. Hunt, Jr.
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5)
Attention: Mr. G. Bannantine
P. O. Drawer "G"
Cortez, Colorado

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Mr. John A. Anderson Commissioner of Public Lands Oil Conservation Commission

### CANYON LARGO UNIT NO. 106 WELL - GALLUP FORMATION - NON-COMMERCIAL

Our Non-Commercial determination on the Canyon Largo Unit #106 Well is based on an average well completion cost of \$62,000.00 and the following detailed well data:

Net pay, ft. (Core analysis)	10
Average porosity, % (Sonic Log)	9.3
Interstitial gas saturation, % (Core analysis	
C.L. No. 89)	51.5%
Gas specific gravity	0.750
Bottom-hole temperature, or.	122
Calculated original EHP, psia	1683
Gas compressibility, original	0.750
Cal. orig. gas-in-place, M <sup>2</sup> cf @ 15.025 psia	890
Est. stabilized deliverability, Mcf/D	380
Est. gross (8/8) 20 yr. gas recovery, M2cf	690
Est. avg. condensate recovery (Bbls./M2cf)	7.0
Est. gross (8/8) 20 yr. condensate recovery, Bbls.	4520
Net interest (excluding overriding royalty and	
production payments), %	87.5
Est. New Mexico production taxes, %	5.6
Est. average gas value per Mcf for 20 year	
period, cents	14.33
Est. condensate value (net after trucking expense),	
\$/Bbl.	2.30
Est. annual operating expense, \$	600
Combined average present worth factor for 20 years	0.650
Est. present worth of future income (discounted	
at 6% interest), \$	51,000
Est. avg. cost of Gallup completion, \$	62,000

## El Paso Natural Gas Company

El Paso, Texas August 31, 1961

Mr. John A. Anderson Regional Oil & Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico P. O. Box 791 Santa Fe, New Mexico

Oil Conservation Commission Of the State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FIRST EXPANDED PARTICIPATING AREA
Effective March 1, 1961
SECOND EXPANDED PARTICIPATING AREA
Effective July 1, 1961
Dakota Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that two (2) additional wells capable of producing unitized substances in paying quantities from the Dakota Formation have been completed upon acreage committed to this unit, and the participating area for the Dakota Formation is expanded accordingly to include these wells as follows:

The Canyon Largo Unit #110 Well is located 1190' from the North line and 990' from the West line of Section 1, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on November 26, 1960 and completed on February 6, 1961 at a total depth of 7031'. The Dakota Formation between 6764' - 6772', 6852' - 6862', 6878' - 6882', 6888' - 6898', 6910' - 6916', 6966' - 7004' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on February 15, 1961, and following a three (3) hour blow-down period gauged 3357 MCFGPD through a 3/4" choke, and

3737 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2212 psia and an SIPT of 2212 psia. The drilling block upon which this well is located is described as the W/2 (Lots 3,4,5,6,11,12, SW/4) of Section 1, Township 24 North, Range 6 West, N.M.P.M., and consists of 342.45 acres. However, only the NW/4 (Lots 3,4,5,6,11,12) is committed to the unit. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on February 15, 1961.

El Paso Natural Gas Company, as Unit Operator, and along with Mr. Tom Bolack, as lessees of record, granted authority to Kay Kimbell to drill this well which was formerly known as the Kay Kimbell Bolack Federal #1 Well. El Paso Natural Gas Company has become Operator of this well effective as of March 1, 1961. The W/2 of Section 1 will be admitted to the Participating Area, however, production from the Dakota Participating Area will only be allocated to the NW/4 (Lots 3,4,5,6,11,12) of said section.

Attached is Schedule II showing the First Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this First Expanded Participating Area will become effective as of March 1, 1961.

The Canyon Largo Unit #111 Well is located 2175' from the North line and 1850' from the East line of Section 1, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 13, 1961, and completed on May 31, 1961, at a total depth of 6915'. The Dakota Formation between 6732' - 6742', 6772' - 6792', 6858' - 6878', 6884' -6900', 6904' - 6910' was treated with a sand-water fracturing process. After being shut-in for gauge for fifteen (15) days, the well was tested on June 15, 1961 and following a three (3) hour blow-down period gauged 5328 MCFGPD through choke and 6159 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2377 psia and an SIPT of 2377 psia. The drilling block upon which this well is located is described as the E/2 (Lots 1,2,7,8,9,10, SE/4) of Section 1, Township 24 North, Range 6 West, N.M.P.M. and consists of 342.95 acres. However, only the NE/4 (Lots 1, 2,7,8,9,10) is committed to the unit. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on June 15, 1961.

El Paso Natural Gas Company, as Unit Operator, and along with Mr. Tom Bolack, as Lessees of Record, granted authority to Kay Kimbell to drill this well which was formerly known as the Kay Kimbell Bolack Federal #2 Well. El Paso Natural Gas Company has become Operator of this well effective as of July 1, 1961. The E/2 of Section 1 will be admitted to the Participating Area, however, production from the Dakota Participating Area will only be allocated to the NE/4 (Lots 1,2,7,8,9,10) of said section.

Attached is Schedule III showing the Second Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Second Expanded Participating Area will become effective as of July 1, 1961.

Copies of this letter and schedules are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Ву

T. W. Bittick
Assistant Manager
Land Department

TWB: AJM: js

## El Paso Natural Gas Company

El Paso, Texas

July 26, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P.O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF
NON-COMMERCIAL WELL
Dakota Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, is not capable of producing unitized substances in paying quantities from the Dakota Formation.

The Kay Kimbell Coral Unit #2-27 Well is located 790' from the South line and 790' from the West line of Section 27, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on August 25, 1960, and completed on October 26, 1960, at a total depth of 6691'. The Dakota Formation between 6447' - 6467', 6544' - 6567', 6576'-6599', 6627' - 6636', 6649' - 6671' was treated with a sandwater fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on November 2, 1960, and following a three (3) hour blow-down period gauged 2450 MCFGPD through a 3/4" choke, and 2800 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2140# and an SIPT of 2140#. The drilling block upon which this well is located is

described as the W/2 of Section 27, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres; however, only the N/2 NW/4 and the SW/4 NW/4 of Section 27 is committed to the Canyon Largo Unit.

El Paso Natural Gas Company had previously determined that this well was capable of producing unitized substances in paying quantities, however, this determination was based on the estimated cost of this well. After conducting a thorough study in conjunction with the actual costs of this well, El Paso Natural Gas Company, as Unit Operator, has now determined that there are insufficient reserves attributable to this well to attain payout. Therefore, we are withdrawing the First Expanded Participating Area for the Dakota Formation which was submitted with our letter of April 4, 1961.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of November 2, 1960.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T.W. Bittick

Assistant Manager Land Department

TWB: AJM: cah

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham Mr. J. R. Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins & Ina Elkins P.O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P.O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts Nos. 1,2,3 c/o Mr. George E. Brogan 111 West Washington St. Chicago 2, Illinois

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard and Pacific Sts. Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P.O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5)
Attention: Mr. Robert E. Rosebrough
309 Simms Building
Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas CANYON LARGO UNIT
Working Interest Owners
Page 2

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

## El Paso Natural Gas Company

El Paso, Texas

July 25, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P.O. Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well has been completed in the Pictured Cliffs Formation on acreage committed to the unit. This well is as follows:

The Canyon Largo Unit #105 Well is located 990° from the North line and 1650° from the West line of Section 25, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 24, 1961, and completed on June 14, 1961, at a total depth of 2835' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2672' - 2678', 2697' - 2707', 2712' - 2716', 2754'-2762' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-two (22) days, the well was tested in the Pictured Cliffs Formation on July 6, 1961, and following a three (3) hour blow-down period gauged 494 MCFGPD through a  $3/4^{\prime\prime}$  choke, and 498 MCFGPD by the calculated absolute open-flow method, with an SIPC of 568#. The committed drilling block upon which this well is located is described as the W/2 of Section 25, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-Sixth Expanded Participating Area for the Pictured Cliffs Formation. Therefore, the Participating Area is not enlarged.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Charles Higgins

Area Coordinator Land Department

CH: AJM: cah

### CANYON LARGO UNIT WORKING INTEREST OWNERS

Mr. J. R. Abraham Mr. Mike Abraham Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins & Ina Elkins P.O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas. Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P.O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent Drawer 1612 El Paso, Texas

Edna W Merrion, Trusts Nos. 1,2,3 c/o Mr. George E. Brogan 111 West Washington St. Chicago 2, Illinois

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (12) Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard and Pacific Sts. Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company
Attention: Mr. T. F. Thompson
P.O. Box 1650
Tulsa, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5)
Attention: Mr. Robert Rosebrough
209 Simms Building
Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas CANYON LARGO UNIT WORKING INTEREST OWNERS PAGE 2

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

## El Paso Natural Gas Company

El Paso, Texas

July 7, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

> Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the unit. This well is as follows:

The Canyon Largo Unit #104 Well is located 1650' from the South line and 1650' from the West line of Section 3, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 29, 1961 and completed on May 25, 1961 at a total depth of 2625' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 25371 -2545', 2549' - 2561' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty (20) days, the well was tested in the Pictured Cliffs Formation on June 14, 1961, and following a three (3) hour blow-down period gauged 2518 MCFGPD through a 3/4" choke and 2923 MCFGPD by the calculated absolute open-flow method, with an SIPC of 636#. The committed drilling block upon which this well is located is described as the W/2 of Section 3, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.50 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 14, 1961. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-Seventh Expanded Participating Area for the Pictured Cliffs Formation, effective May 1, 1960. Therefore, the Participating Area is not enlarged.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

y Marles Higgins

Area Coordinator Land Department

CH:AJM:js Attachment

## CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, J. R. Abraham, & Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P. O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5)
Attention: Mr. Robert E. Rosebrough
P. O. Drawer "G"
Cortez, Colorado

Three States Natural Gas Company, 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 711 West Washington Street Chicago 2, Illinois El Paso Natural Gas Company
El Paso, Texas

June 28, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Drawer 1837 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL & TWENTY-SEVENTH EXPANDED
PARTICIPATING Area, Pictured Cliffs
Formation, Effective June 1, 1960

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. This well is as follows:

The Canyon Largo Unit #96 Well is located 1650' from the North line and 1650' from the East line of Section 3, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 26, 1960, and completed on May 11, 1960 at a total depth of 2608'. The Pictured Cliffs Formation between 2506' - 2514', 2518' - 2522' was treated with a sand-water fracturing process. After being shut-in for gauge for fourteen (14) days, the well was tested on May 25, 1960, and following a three (3) hour blow-down period gauged 835 MCFGPD through a 3/4" choke and 849 MCFGPD by the calculated absolute open-flow method, with an SIPC of 613#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.46 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 25, 1960. This drilling block was included in the Canyon Largo Twenty-Third Expanded Participating Area, effective June 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged. This well was completed without tubing.

The Pictured Cliffs Participating Area is expanded to include the following described intervening drilling block:

The completion of the Canyon Largo Unit #96 Well creates one (1) intervening drilling block described as the W/2 of Section 3, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.50 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of June 1, 1960. A well must be commenced on this intervening drilling block by June 1, 1961.

Attached is Schedule XXVIII showing the Revised Twenty-Seventh Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Seventh Expanded Participating Area will become effective as of June 1, 1960.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: WVC: js

cc: Attached List

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, Mr. J. R. Abraham and Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. D. Davis and Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins and Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill and Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil and Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 711 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P. O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5) Attention: Mr. W. H. Fraser P. O. Drawer "G" Cortez, Colorado

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas CANYON LARGO UNIT
Working Interest Owners
Page 2

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

## El Paso Watural Gas Company

El Paso, Texas

June 28, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Drawer 1837 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL & TWENTY-SIXTH EXPANDED
PARTICIPATING AREA, Pictured Cliffs
Formation, Effective May 1, 1960

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. This well is as follows:

The Canyon Largo Unit #99 Well is located 890' from the South line and 1140' from the West line of Section 36, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 19, 1960, and completed on March 29, 1960 at a total depth of 2386'. The Pictured Cliffs Formation between 2312' - 2320', 2326' - 2332' was treated with a sandwater fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on April 7, 1960, and following a three (3) hour blow-down period gauged 2482 MCFGPD through a 3/4" choke and 2862 MCFGPD by the calculated absolute open-flow method, with an SIPC of 619#. The committed drilling block upon which this well is located is described as the W/2 of Section 36, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on April 7, 1960. This drilling block was included in

and the second

the Canyon Largo Twenty-First Expanded Participating Area, effective April 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged. This well was completed without tubing.

The Participating Area for the Pictured Cliffs Formation is expanded to include the following described intervening drilling block:

The completion of the Canyon Largo Unit #99 Well creates one (1) intervening drilling block described as the W/2 of Section 25, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of May 1, 1960. A well must be commenced on this intervening drilling block by May 1, 1961.

Attached is Schedule XXVII showing the Twenty-Sixth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Sixth Expanded Participating Area will become effective as of May 1, 1960.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T W Dittick

Assistant Manager Land Department

TWB: WVC: js

cc: Attached List

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, Mr. J. R. Abraham and Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. D. Davis and Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins and Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill and Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil and Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 711 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P. O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5) Attention: Mr. W. H. Fraser P. O. Drawer "G" Cortez, Colorado

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas CANYON LARGO UNIT Working Interest Owners Page 2

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox lll North Peach Fruita, Colorado Peck Vune 29, 1961

El Paso Natural Gas Company

El Paso, Texas

June 28, 1961

Mr. John A Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Drawer 1837 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-FIFTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective January 1, 1960

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit, and the Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The Canyon Largo Unit #87 Well is located 1600' from the North line and 1550' from the East line of Section 1, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 21, 1959, and completed on November 25, 1959, at a total depth of 2509' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2434' - 2444', 2454' - 2464' was treated with a sandwater fracturing process. After being shut-in for gauge for six (6) days, the well was tested on December 1, 1959, and following a three (3) hour blow-down period gauged 1661 MCFGPD through a 3/4" choke and 1737 MCFGPD by the calculated absolute open-flow method, with an SIPC of 632# and an SIPT of 637#. The drilling block upon which this well is located is described as the E/2 of Section 1, Township 24 North, Range 6 West, N.M.P.M., and consists of 342.95 acres. Since only the NE/4 is committed to the unit, production from the Pictured Cliffs Formation will only be allocated to the NE/4 of said section. The determination that this well is capable of producing unitized substances in paying quantities was made on December 1, 1959.

Attached is Schedule XXVI showing the Twenty-Fifth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fifth Expanded Participating Area will become effective as of January 1, 1960.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: WVC: js

cc: Attached List

### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, Mr. J. R. Abraham and Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

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Kern County Land Company Korber Building Albuquerque, New Mexico

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Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P. O. Box 480 Farmington, New Mexico

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Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

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The Superior Oil Company (5) Attention: Mr. W. H. Fraser P. O. Drawer "G" Cortez, Colorado

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas CANYON LARGO UNIT
Working Interest Owners
Page 2

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Rec'd June 29, 1961 El Paso Natural Gas Company

> El Paso, Texas June 28, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Drawer 1837 Roswell, New Mexico

Commissioner of Public Lands Of the State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

> Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico TWENTY-FOURTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation Effective October 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

> The Canyon Largo Unit #76 Well is located 1750' from the North line and 990' from the East line of Section 17, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 26, 1959 and completed on September 1, 1959 at a total depth of 2178' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2062' - 2090', 2110' - 2118', 2130' - 2140' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on September 9, 1959, and following a three (3) hour blow-down period gauged 1090 MCFGPD through a 3/4" choke and 1114 MCFGPD by the calculated absolute open-flow method, with an SIPC of 629# and an SIPT of 599#. The committed drilling block upon which this well is located is described as the E/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 9, 1959.

Attached is Schedule XXV showing the Twenty-Fourth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fourth Expanded Participating Area will become effective as of October 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

y / w

Assistant Manager Land Department

TWB: WVC: js

cc: Attached List

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham, Mr. J. R. Abraham and Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. D. Davis and Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins and Ina Elkins P. O. Box 177 Grants, New Mexico

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Mr. Walter Famariss, Jr. and Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. A. G. Hill and Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil and Gas Company P. O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. Kay Kimbell P. O. Box 1540 Fort Worth, Texas Mr. Hugh McMillan, Agent P. O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts No. 1,2,3 c/o Mr. George E. Brogan 711 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P. O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P. O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P. O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P. O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5) Attention: Mr. W. H. Fraser P. O. Drawer "G" Cortez, Colorado

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas CANYON LARGO UNIT
Working Interest Owners
Page 2

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado



#### UNITED STATES DEPARTMENT OF THE INTERIOR

#### GEOLOGICAL SURVEY Drawer 1857 Roswell, New Maxico

June 20, 1961

3.11

El Paso Natural Gas Company P.O. Box 1492 El Paso, Texas

Attention: Mr. T. W. Bittick

#### Gentlemen:

Your notice of April 6, 1961, advises that El Paso Natural Gas Company, as unit operator of the Canyon Largo unit has determined well No. 1-28 in the SW2 sec. 28, T. 25 N., R. 6 W., N.M.P.M., as incapable of producing unitized substances in paying quantities from the Dakota formation.

The well was completed on February 23, 1961, for an initial potential of 1525 MCF of gas per day, absolute open flow, from the Dakota formation, 6902-7110 feet.

This office concurs with your determination that the above described well is incapable of producing unitized substances in paying quantities from the Dakota formation under existing conditions.

Very truly yours,

[Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of Notice)
Farmington (w/cy of Notice)

NMOCC, Santa Fe (ltr. only)



#### UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

#### Drawer 1857 Roswell, New Mexico

May 15, 1961

El Paso Natural Gas Company P.O. Box 1492 El Paso, Texas

Attention: Mr. T. W. Bittick

#### Gentlemen:

Your notice of January 6, 1961, supplemented with your letter of April 3, 1961, advises that El Paso Natural Gas Company, as unit operator of the Canyon Largo unit area, Rio Arriba County, New Mexico, has determined unit well No. 78 in the SWENWE sec. 15, T. 25 N., R. 7 W., N.M.P.M., to be incapable of producing unitized substances in paying quantities from the Pictured Cliffs formation 2,618 - 2,696 feet, as the estimated gas reserves attributed to the well are insufficient to payout the well cost.

This office concurs with your determination that unit well No. 78 is incapable of producing unitized substances in paying quantities under existing conditions.

Very truly yours.

EDWIN M. THOMASSON Acting Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of Notice)
Farmington (w/cy of Notice)

NMOCC, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

April 6, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 1837 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico Post Office Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF
NON-COMMERCIAL WELL
Dakota Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, was not capable of producing unitized substances in paying quantities from the Dakota Formation.

The Kay Kimbell Coral Unit #1-28 Well is located 1105' from the South line and 790' from the West line of Section 28, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on January 4, 1961 and completed on February 15, 1961 at a total depth of 7116'. The Dakota Formation between 6902' -6910', 7000' - 7015', 7030' - 7036', 7044' - 7054', 7104' - 7110' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on February 23, 1961, and following a three (3) hour blow-down period gauged 1494 MCFGPD through a 3/4" choke and 1525 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2350# and an SIPT of 2350#. The committed drilling block upon which this well is located is described as the W/2 of Section 28, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres.

This well was drilled by Kay Kimbell under authority of a Designation of Sub-Operator dated November 30, 1960, granted to him by El Paso Natural Gas Company, as Unit Operator, pursuant to Section 13 of the Canyon Largo Unit Agreement.

After conducting a thorough study, El Paso Natural Gas Company, as Unit Operator, has determined that there are insufficient reserves attributable to this well to attain payout, therefore, the drilling block upon which the well is located will not be admitted to the Canyon Largo Unit Dakota Participating Area, and Kay Kimbell will remain as Operator of said well.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Large Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of February 23, 1961.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By / 100, 1

Assistant Manager Land Department

TWB: JNN: cah

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. J. R. Abraham 814 Mercantile Bank Building Dallas 1, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

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Mr. A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico Mr. Kay Kimbell P.O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts Nos. 1,2,3 c/o Mr. George E. Brogan 111 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P.O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company Attention: Mr. W. H. Fraser P. O. Drawer 'G" Cortez, Colorado CANYON LARGO UNIT Working Interest Owners Page 2

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

#### El Paso Natural Gas Company

El Paso, Texas 100

April 4, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 1837 Roswell, New Mexico

Commissioner of Public Lands State of New Mexico P.O. Box 791 Santa Fe, New Mexico

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
FIRST EXPANDED PARTICIPATING AREA
Dakota Formation
Effective December 1, 1960

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage within this unit. The Participating Area for the Dakota Formation is expanded accordingly to include this well as follows:

The Kay Kimbell #2-27 Coral Unit Well is located 790' from the South line and 790' from the West line of Section 27, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on August 25, 1960, and completed on October 26, 1960 at a total depth of 6691'. The Dakota Formation between 6447' - 6467', 6544' - 6567', 6576'-6599', 6627' - 6636', 6649' - 6671' was treated with a sandwater fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on November 2, 1960, and following a three (3) hour blow-down period gauged 2400 MCFGPD through a 3/4" choke and 2800 MCFGPD by the calculated absolute open-flow method, with an SIPC of 2140# and an SIPT of 2140#. The drilling block upon which this well is located is described

as the W/2 of Section 27, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. However, only the N/2 NW/4 and the SW/4 NW/4 are committed to the unit. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on November 2, 1960.

This well was drilled by Kay Kimbell on non-committed lands, therefore, Mr. Kimbell will remain as Operator of the well. The W/2 of Section 27 will be admitted to the Participating Area, however, production from the Dakota Participating Area will only be allocated to the N/2 NW/4 and the SW/4 NW/4 of said section.

Attached is Schedule II showing the First Expanded Participating Area for the Dakota Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this First Expanded Participating Area will become effective as of December 1, 1960.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T W Bittick

Assistant Manager Land Department

TWB: JNN: cah

#### CANYON LARGO UNIT Working Interest Owners

Mr. Mike Abraham Mr. Oscar Abraham c/o Mr. J. R. Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Drive Farmington, New Mexico

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Grants, New Mexico

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Mr. Hugh McMillan P.O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts Nos. 1,2,3 c/o Mr. George E. Brogan 111 West Washington Street Chicago 2, Illinois

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P.O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company (5) Attention: Mr. W. H. Fraser P.O. Drawer "G" Cortez, Colorado CANYON LARGO UNIT Working Interest Owners Page 2

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

# SCHEDULE II FIRST EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA

Kay Kimbell #2-27 Coral Unit Well	יל	SF 080136	SF 079071-A	SERIAL NUMBER
Sec. 27: W/2	T-25-N, R-6-W Sec. 27: W/2 SW/4	T-25-N, R-6-W 120. Sec. 27: SE/4 NW/4, E/2 SW/4	T-27-N, R-6-W 12 Sec. 27: N/2 NW/4, SW/4 NW/4	DESCRIPTION
320.00	80.00	120.00 7/4, '4	120.00 4, 74	NUMBER OF ACRES
	Royalty;  Working Interest:  Kay Kimbell & Coral  Oil & Gas Company;  ORRI;  TOTAL	Royalty;  Working Interest:  Kay Kimbell & Coral  Oil & Gas Company;  ORRI;	Royalty; Working Interest: Kay Kimbell & Coral Oil & Gas Company; ORRI; TOTAL	DRILLING BLOCK
	12.50% 80.00% 7.50%	12.50% 82.50% 5.00%	12.50% 69.00% 18.50%	PERCENTAGE
37.50%	00.00%	00.00% 00.00% 00.00%	12.50% 69.00% 18.50%	PERCENTAGE
27.27272%	0.000000%	0.000000%	27,27272%	PRESENT ACTU PARTICIPATIO

# SCHEDULE II

Canyon Largo Unit #95 Well	E-291-7	E-291-5	E-291-3	SERIAL NUMBER
Sec. 36: E/2	T-25-N, R-6-W Sec. 36: N/2 SE/4	T-25-N, R-6-W Sec. 36: S/2 SE	T-25-N, R-6-W Sec, 36: NE/4	DESCRIPTION
320.00	80.00 3/4	80.00 SE/4	160.00	NUMBER OF ACRES
	Royalty; Working Interest: Kern County Land Company; ORRI;	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI;	Royalty; Working Interest: Southern Petroleum Exploration, Inc. ORRI; TOTAL	DRILLING BLOCK
	12.50% 87.50% .00%	12.50% 75.00% 12.50%	12.50% 87.50% .00%	PERCENTAGE
100.00%	12.50% 87.50% .00% 100.00%	12.50% 75.00% 12.50% 100.00%	12.50% 87.50% .00% 100.00%	PERCENTAGE
72.72728%	18.18182%	18.18182%	36.36364%	PARTICIPATIO

PAGE 2

## SCHEDULE II

# RECAPITULATION

Township 25 North, Range 6 West, N.M.P.M. Section 27: W/2
Section 36: E/2

Total number of acres in Participating Area:
Total number of acres committed to Participating Area: 640.00 440.00

PAGE 3

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April 3, 1961

El Paso Natural Gas Company

P. O. Box 1492 E. Paso, Texas

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

Initial Participating Area

Dakots Formation

Effective October 28, 1960

Attention: Mr. T. W. Bittick

Gentlemen:

This is to advise you that we have received your notice of Discovery and Initial Participating Area for the Dakota Formation Effective October 28, 1960.

The above mentioned has been filed with the Commissioner of Public Lands in accordance with Section 11 of the Canyon Largo Unit Agreement

Very truly yours, E. S. JOHRNY WALKER COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Supervisor Oil and Gas Division

ESW/mar/s

cc:

US Geological Survey Roswell, New Mexico

Oil Conservation Commission Santa Fe, New Mexico 1 man 1 m 1 m 3 4/

#### April 3, 1961

El Pago Hatural Gas Company 7. O. Box 1492 El Pago, Texas

> Re: Canyon Large Unit Rio Arriba County, New Hexico

Attention: Mr. Sam Smith

#### Gentlemen:

We wrote you on March 9, 1961, requesting drilling reports on certain wells. Under your letter of March 13, 1961 we received one well report and an up-to-date map. May we have these well reports or information concerning these well locations.

Page two of your 1961 Drilling Program states the well in the W/2 of Section 27 is considered commercial, although the W/2MW/4 and the ME/4MW/4 is the only acreage in the W/2 committed to the unit. We would like to be informed if this W/2 has been communitized, since the unit is entitled to a provated share on this 2-27 well.

It would seem that all wells, drilled on committed acreage, which are not included on the 1960 Plan of Development, should be approved by an amendment to the Plan of Development.

May we hear from you at your earliest convenience. We would like these matters clarified before approving the 1961 Plan of Development.

El Pase Matural Gas Company P. O. Ben 1492

El Pase, Texas

We are enclosing a copy of a letter we sent to the Roswell Office of the United States Geological Survey in January. We have received no reply, therefore, we ask El Paso Natural to furnish us this information.

Very truly yours, E. S. JOHNNY WALKER CONCISSIONER OF PUBLIC LANDS

BY: Ted Bilberry, Supervisor Oil and Gas Division

ESW/mmr/s GG1

US Geological Survey Reswell, New Munico

Oil Conservation Commission Santa Fe, New Mexico



#### UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P.O. Fox 6721 Roswell, New Mexico

March 24, 1961

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

attention. Mr. Sam Smith

#### Gentlemen:

Your plan of development for 1961, dated January 19, 1961, for the Canyon Largo unit area, Rio Arriba County, New Mexico, which proposes the drilling of lour Pictured Cliffs formation wells, one Gallup formation well and one Chacra formation well, has feen approved on this date subject to like approval by the appropriate State of Ficials.

Two approved copies of the plan are enclosed.

EDWIN M. THOMASSON
Acting Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)

MMOCC, Santa Fe (ltr. only)

#### El Paso Natural Gas Company

El Paso, Texas

March 16, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Pictured Cliffs
Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, which was drilled by Mike Abraham under authority of a Designation of Agent dated September 19, 1960, granted to him by El Paso, as Unit Operator, was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The Delta #2 Well is located 990' from the South line and 1850' from the West line of Section 21, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on September 19, 1960 and completed on September 24, 1960 at a total depth of 2420'. The Pictured Cliffs Formation between 2304' - 2315', 2330' - 2337', 2342' - 2346', 2356' - 2366' was treated with a sandwater fracturing process. The well was shut-in on October 11, 1960 and after being shut-in for gauge for fourteen (14) days, the well was tested on October 25, 1960, and following a three (3) hour blow-down period gauged 456 MCFGPD through a 3/4" choke and 458 MCFGPD by the calculated absolute open-flow method, with an SIPC of 683# and an SIPT of 683#. By clear sand calculations on the SP curve of electric logs, the well shows only 15' of productive sand as opposed to 31' for the Canyon Largo Unit #39 Well in the NW/4 of Section 20, and 36' for the Canyon Largo Unit #42 in the NW/4 of Section 28, both in

Township 25 North, Range 6 West. The committed drilling block upon which this well is located is described as the W/2 of Section 21, Township 25 North, Range 6 West, N.M. P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 25, 1960.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of October 25, 1960, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: js

Attachments

#### CANYON LARGO UNIT Working Interest Owners

Mr. J. R. Abraham, Mr. Oscar Abraham & Mr. Mike Abraham 814 Mercantile Bank Building Dallas, Texas

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

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Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins &
Ina Elkins (Winter Address:
P.O. Box 177 P.O. Box 96
Grants, New Mexico Crystal City, Texas

El faso Natural Gas Products Company Luther Building El Faso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

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Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Paso, Texas

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Pan American Petroleum Corporation (12) Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

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Working Interest Owners
Page 2

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Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

#### El Paso Natural Gas Company

El Paso, Texas

March 9, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059

Rio Arriba County, New Mexico

NOTICE OF DISCOVERY

INITIAL PARTICIPATING AREA

Dakota Formation

Effective October 28, 1960

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the first well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this unit, and that the Initial Dakota Participating Area should be established and that the effective date for the Initial Participating Area should be October 28, 1960, the date it was determined that the well was capable of producing unitized substances in paying quantities. The Participating Area for this well consists of the E/2 of Section 36, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico

The well is as follows:

The Canyon Largo Unit #95 Well is located 990' from the North line and 1650' from the East line of Section 36, Township 25 North, Range 6 West,

Rio Arriba County, New Mexico. This well was spudded on June 6, 1960, and dually completed on August 12, 1960, at a total depth of 7211'. The Dakota Formation between 6898 - 6906', 6914' - 6920', 6976' - 6982', 6994' - 6998'  $7004^{\circ} - 7016^{\circ}$ ,  $7020^{\circ} - 7025^{\circ}$ ,  $7038^{\circ} - 7046^{\circ}$ , 7072- ' 7078' was treated with a sand-oil fracturing process. After being shut-in for gauge for seventy-seven (77) days, the well was tested in the Dakota Formation on October 28, 1960, and following a three (3) hour blowdown period gauged 3502 MCFGPD through a 3/4" choke, and 3860 MCFGPD by the calculated absolute open-flow method, with an SIPT of 1829#. The committed drilling block upon which this well is located is described as the E/2 of Section 36, Township 25 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on October 28, 1960.

The Canyon Largo Unit #95 Well was dually completed in the Gallup and Dakota Formations. It has been determined that the Gallup Formation is not capable of producing unitized substances in paying quantities; therefore, a Notice of Completion of Non-Commercial Well has been prepared and was previously forwarded to you.

Attached hereto is Schedule I showing the Initial Participating Area for the Dakota Formation of the Canyon Largo Unit Area. This describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tract, and the exact breakdown of percentage allocated to the tract according to the ownership in the tract. Also attached hereto is a map, Exhibit "A", showing the location of the well and the outline of the Initial Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this Initial Participating Area for the Dakota Formation will become effective as of October 28, 1960.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

7 W D4+44-1

Assistant Manager Land Department

TWB: JNN: cah Attachments

# INITIAL EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION CANYON LARGO UNIT AREA SCHEDULE I

100,00000%	100.00%			320,00	Sec. 36: E/2	Canyon Largo Unit #95 Well
25.00000%	12.50% 87.50% .00% 100.00%	12.50% 87.50% .00%	±.	80.00 SE/4	T-25-N, R-6-W Sec. 36: N/2 SE/4	E-' -7
25,00000%	12.50% 75.00% 12.50%	12.50% 75.00% 12.50%	Royalty; Working Interest: El Paso Natural Gas Co.; ORRI; TOTAL	80.00 SE/4	T-25-N, R-6-W Sec. 36: S/2 SE/4	E-291-5
50.00000%	12.50% 87.50% .00%	12.50% 87.50% 100.00%	Royalty; Working Interest: Southern Petroleum Exploration, Inc.; ORRI;	160,00	T-25-N, R-6-W Sec. 36: NE/4	E-291-3
PRESENT ACTUA	PERCENTAGE COMMITTED	PERCENTAGE	DRILLING BLOCK	NUMBER OF ACRES	DESCRIPTION	SERIAL NUMBER

Effective October 28, 1960

PAGE 1

### SCHEDULE I

# RECAPITULATION

Township 25 North, Range 6 West, N.M.P.M. Section 36: E/2

SECTOR SO. E/E

Total number of acres in Participating Area:
Total number of acres committed to Participating Area:

320.00 320.00

#### CANYON LARGO UNIT Working Interest Owners

Mr. Joe Abraham Mr. Mike Abraham Mr. Oscar Abraham 814 Mercantile Bank Building Dallas, Texas

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

Mr. Tom Bolack 1010 North Dustin Farmington, New Mexico

Coral Oil & Gas Company 2127 San Mateo, NE Albuquerque, New Mexico

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mr. Mark Elkins & Ina Elkins P.O. Box 96 Crystal City, Texas

El Paso Natural Gas Products Company Luther Building El Paso, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. A. G. Hill and Margaret Hunt Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico Mr. Kay Kimbell P.O. Box 1540 Fort Worth, Texas

Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Paso, Texas

Edna W. Merrion, Trusts Nos. 1,2,3 c/o Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Mr. J. Gregory Merrion P.O. Box 507 Farmington, New Mexico

Pan American Petroleum Corporation (12) Attention: Mr. L. O. Speer, Jr. P.O. Box 480 Farmington, New Mexico

Petro-Atlas, Inc. Attention: Mr. F. T. Anderson 2000 National Bank of Tulsa Building Tulsa, Oklahoma

Mr. Frank A. Schultz, Jr. 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Skelly Oil Company Attention: Mr. A. L. Cashman P.O. Box 4115, Station "A" Albuquerque, New Mexico

Skelly Oil Company Attention: Mr. T. F. Thompson P.O. Box 1650 Tulsa 2, Oklahoma

Southern Petroleum Exploration, Inc. Attention: Mr. Paul W. Neuenschwander P.O. Box 192 Sistersville, West Virginia

The Superior Oil Company Attention: Mr. W. H. Fraser P.O. Drawer "G" Cortez, Colorado CANYON LARGO UNIT Working Interest Owners Page 2

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Mr. Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado



#### UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Taken to be high

A.O. Box 6721 Roswell, New Mexico

March 3, 1961

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

#### Geutlemen:

Receipt is acknowledged of your letter dated December 5, 1960, that El Paso Natural Gas Company, as unit operator under the Canyon Largo unit agreement, designated Kay Kimbell as sub-operator for sole purpose of drilling a Dakota test well in the W2 sec. 28, T. 25 N., R. 6 W., Rio Arriba County, New Mexico, pursuant to section 13 of the unit agreement.

Said letter is being accepted as evidence that El Paso Natural Gas Company, as unit operator, elects not to drill a Dakota well in the Wi sec. 28, T. 25 N., R. 6 W., and that Kay Kimbell will, at his sole risk and expense, drill said well. Duplicate copies of well logs should be furnished the District Engineer, U. S. Geological Survey, P. O. Box 35%, Farmington, New Mexico.

Very truly yours,

JOHN A. ANDERSON Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of notice)

Farmington (w/cy of notice)

Comm. Pub. Lands-Santa Fe (ltr. only)

NMOCC, Santa Fe (ltr. only)



#### UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Cars 4 24

P.O. Box 6/21 Roswell, New Mexico

March 3, 1/61

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas

#### Gentlemen:

Receipt is acknowledged of three copies of your letter dated November 25, 1960, that El Paso Natural Gas Company, as unit operator under the Campon Largo unit agreement, designates Kay Kimbell as sub-operator for the sole purpose of drilling two Dakota wells in the N\2 Sec. 1, Y. 24 N., R. 6 N., Rio Arriba County, New Mexico, pursuant to section 13 of the unit agreement.

Said letter is being accepted as evidence that Kl Paso Natural Gas Company, as unit operator, elects not to drill two Dakota wells in the Mg sec. 1, T. 24 M., R. 6 W., and that Kay Kimbell will, at his sole risk and expense, drill said wells. Duplicate copies of well logs should be furnished the District Engineer, U. S. Geological Survey, P. O. Box 759, Farmington, New Mexico.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. AMPERSON Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of notice)

Farmington (w/cy of notice)

Comm. Pub. Lands, Santa Fe (ltr. only)

NMOCC, Santa Fe (ltr. only)

#### El Paso Natural Gas Company

El Paso, Texas

January 31, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NONCOMMERCIAL WELL, Gallup Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined that the following described well located within the Canyon Largo Unit is not capable of producing unitized substances in paying quantities from the Gallup Formation:

The Canyon Largo Unit #95 Well is located 990' from the North line and 1650' from the East line of Section 36, Township 25 North, Range 6 West, Ric Arriba County, New Mexico. This well was spudded on June 6, 1960 and was dually completed on August 12, 1960 at a total depth of 7211'. The Gallup Formation between 6010' - 6016', 6044' - 6056', 6074' - 6088', 6102' - 6103', 6160' -6168', 6194' - 6204', 6302' - 6318' was treated with a sand-oil fracturing process. After being shut-in for gauge on September 30, 1960 for eight (8) days, the well was tested on October 8, 1960 and following a twentyfour (24) hour test the well gauged 81.2 barrels of oil, with an SIPC of 1137# and am SIPT of 735#. The committed drilling block upon which this well is located is described as the E/2 of Section 36, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities was made on October 8, 1960.

Co soft

The Canyon Largo Unit #95 Well was dually completed in the Gallup and Dakota Formations. El Paso Natural Gas Company has recently determined that the Dakota side of the well is capable of producing unitized substances in paying quantities, therefore, the well will be admitted to the Dakota Participating Area.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of October 8, 1960, the date the subject well was tested.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

T W Bittick

Assistant Manager Land Department

TWB: JNN: js

#### CANYON LARGO UNIT Working Interest Owners

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Mr. J. Gregory Merrion, Trustee Edna W. Merrion, Trusts Nos. 1,2,3 P. O. Box 507 Farmington, New Mexico

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 192 Sistersville, West Virginia

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Hondo Oil & Gas Company Post Office Box 660 Roswell, New Mexico

Loren Wilcox and Norma Wilcox 111 North Peach Fruita, Colorado

Mr. T. F. Thompson Skelly Oil Company Post Office Box 1650 Tulsa 2, Oklahoma

Mr. L. O. Speer, Jr.
Pan American Petroleum Corporation
Post Office Box 480
Farmington, New Mexico

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Kern County Land Company Korber Building Albuquerque, New Mexico

Mr. W. H. Fraser The Superior Oil Company (5) Post Office Drawer "G" Cortez, Colorado Pubco Petroleum Corporation Post Office Box 1419 Albuquerque, New Mexico

Mr. Tom Bolack 1010 North Dustin Farmington, New Mexico

Mr. J. Gregory Merrion P. O. Box 507 Farmington, New Mexico

Mr. Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Skelly Oil Company
Post Office Box 4115, Station "A"
Albuquerque, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. Frank A. Schultz 2630 Fidelity Union Tower Akard & Pacific Streets Dallas, Texas

Mr. F. T. Anderson Petro-Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. Hugh McMillan, Agent Post Office Drawer 1612 El Paso, Texas

El Paso Natural Gas Products Company Luther Building El Paso, Texas

#### El Paso Natural Gas Company

El Paso, Texas

January 19, 1961

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico

1961 Drilling Program

#### Gentlemen:

By letter dated January 18, 1960, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1960. Said Program provided for the drilling of thirteen (13) Pictured Cliffs wells, and two (2) dual, Gallup-Dakota wells.

The thirteen (13) Pictured Cliffs wells were drilled in the Pictured Cliffs Formation on acreage that had previously been admitted to the Pictured Cliffs Participating Area. Eleven (11) wells were completed and two (2) of the wells were plugged and abandoned. The two (2) dual, Gallup-Dakota wells were dually completed in the Gallup and Dakota Formations with the Gallup side of one well and the Dakota side of the other well being declared non-commercial. The commercial formations of the wells have been or are in the process of being admitted to their respective Participating Areas.

El Paso Natural Gas Company, as Unit Operator, granted authority to certain working interest owners to drill the following wells within the Canyon Largo Unit:

Working Interest Owner	Location	Formation
Mike Abraham	W/2 Section 21, T-25-N, R-6-W	Pictured Cliffs
Kay Kimbell	W/2 Section 1, T-24-N, R-6-W	Dual, Gallup~ Dakota
	E/2 Section 1, T-24-N, R-6-W	Daul, Gallup- Dakota
	W/2 Section 28, T-25-N, R-6-W	Dakota
	W/2 Section 27, T-25-N, R-6-W	Dakota

If it is determined that the first four wells listed above are commercial they will be admitted to their respective participating areas.

A determination has recently been made declaring that the well in the W/2 of Section 27 is commercial. Therefore, since the W/2 NW/4 and the NE/4 NW/4 is the only acreage in the drilling block committed to the Unit, said acreage will be admitted to the Dakota Participating Area.

As of this date the total number of wells located on lands committed to the Canyon Largo Unit is as follows:

Pictured Cliffs	85	
Non-Commercial	4	
Plugged & Abandoned	14	
Chacra	1	
Dual, Gallup-Dakota	2 (1 Dakota Non-Co	mmercial)
	(1 Gallup Non-Co	mmercial)

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is herewith submitting this Drilling Program providing for the drilling of the following described locations during the period from January 1, 1961 to December 31, 1961:

DRILLING BLOCK	FORMATION	
W/2 Section 15, T-24-N, R-6-W	Pictured Cliffs	
W/2 Section 20, T=24=N, R=6=W	Gallup	
*W/2 Section 3, $T-24-N$ , $R-7-W$	Pictured Cliffs	
W/2 Section 2, $T-25-N$ , $R-6-W$	Pictured Cliffs	
E/2 Section 13, $T-25-N$ , $R-6-W$	Chacra	
*W/2 Section 25, T-25-N, R-7-W	Pictured Cliffs	

<sup>\*</sup>Intervening drilling blocks, must be drilled during 1961.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the above listed Chacra well to the base of the Chacra Formation using rotary tools. Surface casing will be set to approximately 150' below the surface. A production liner will be set through the Chacra Formation, and the casing of the Chacra Formation will then be selectively perforated and the Chacra Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the above listed Gallup well to the base of the Gallup Formation using rotary tools. Surface casing will be set to approximately 150' below the surface. A production liner will be set through the Gallup Formation, and the casing of the Gallup Formation will then be selectively perforated and the Gallup Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this Drilling Program reflects, insefar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this drilling program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Land Department

Sam Smith.

Manager

SS: JNN: cah

APPROVED:		DATE:
	United States Geological Survey	
	Subject to like approval by the	
	appropriate State Officials.	
APPROVED:		DATE:
APPROVED:	Commissioner of Public Lands	DATE:
	Subject to like approval by the	
	United States Geological Survey and	
	the Oil Conservation Commission.	
	the off conservation commission.	
	·	
		24.55
APPROVED:		DATE:
	Oil Conservation Commission	
	Subject to like approval by the	
	United States Geological Survey and	
	the Commissioner of Public Lands.	

The foregoing approvals are for the 1961 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

# Canyon Largo Unit Working Interest Owners

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

George E. Brogran, Trustee of Edna W. Merrion, Trusts Nos. 1,2,3 111 West Washington Street Chicago 2, Illinois

J. B. Davis & Paulene D. Davis 616 East Corbet Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

Mr. L. O. Speer, Jr. (12)
Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Mr. Hugh McMillan, Agent Drawer 1612 El Paso, Texas

Kern County Land Company Korber Building Albuquerque, New Mexico

Pubco Petroleum Corporation P. O. Box 1419 Albuquerque, New Mexico

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Tom Bolack 1010 North Dustin St. Farmington, New Mexico

Mr. J. Gregory Merrion 312 East Pine Midland, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 192 Sistersville, West Virginia

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Frank A. Schultz 2630 Fidelity Union Tower Akard and Pacific Streets Dallas, Texas

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

W. H. Fraser, Jr. (5) The Superior Oil Company P. O. Drawer "G" Cortez, Colorado

F. T. Anderson Petro-Atlas Corporation 2000 National Bank of Tulsa Tulsa 3, Oklahoma

El Paso Natural Gas Products Company Luther Building El Paso, Texas

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

# El Paso Natural Gas Company

El Paso, Texas

December 5, 1960

United States Geological Survey Post Office Box 6721 Roswell, New Mexico

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico

11

### Gentlemen:

Pursuant to Section 13 of the Canyon Largo Unit Agreement, Kay Kimbell and Coral Oil and Gas Company have notified El Paso Natural Gas Company of their desire to drill a Dakota test well in the W/2 of Section 28, Township 25 North, Range 6 West, Rio Arriba County, New Mexico.

El Paso Natural Gas Company, as Unit Operator, does not elect to drill this well, and hereby waives its option to drill said well pursuant to Section 13 of the Canyon Largo Unit Agreement, and has designated Kay Kimbell as sub-operator for the sole purpose of drilling the said Dakota test well.

Pursuant to Section 13 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, shall, after completion of said well, automatically become operator of the well, if such well results in production such that the land upon which it is situated may properly be included in a participating area as defined by the Unit Agreement.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Land Department

SS: JNN: cah

cc: Commissioner of Public Lands Oil Conservation Commission Canyon Largo Dakota Working Interest Owners

# El Paso Natural Gas Company

El Paso, Texas

November 25, 1960

Which!

United States Geological Survey Post Office Box 6721 Roswell, New Mexico

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico

#### Gentlemen:

Pursuant to Section 13 of the Canyon Largo Unit Agreement, Kay Kimbell and Coral Oil and Gas Company have notified El Paso Natural Gas Company of their desire to drill two Dakota test wells in the N/2 Section 1, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. Communitization Agreements covering the E/2 and W/2 of Section 1 will be entered into by El Paso Natural Gas Company, as Unit Operator, and Coral Oil and Gas Company and Kay Kimbell.

El Paso Natural Gas Company, as Unit Operator, does not elect to drill these wells, and hereby waives its option to drill said wells pursuant to Section 13 of the Canyon Largo Unit Agreement, and has designated Kay Kimbell as sub-operator for the sole purpose of drilling said Dakota test wells.

Pursuant to Section 13 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, shall, after completion of said wells, automatically become operator of the wells and the communitized area, if such wells result in production such that the land upon which they are situated may properly be included in a participating area as defined by the Unit Agreement.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: cah

cc: Commissioner of Public Lands
Oil Conservation Commission

Canyon Largo Dakota Working Interest Owners

### DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this day of day, 1960, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas, hereinafter sometimes referred to as "Operator", and KAY KIMBELL, whose address is Post Office Box 1540, Fort Worth, Texas, hereinafter sometimes referred to as "Sub-Operator";

WHEREAS, Operator is Unit Operator for the Canyon Largo Unit, #14-08-001-1059, County of Rio Arriba, State of New Mexico; and

WHEREAS, Sub-Operator is holder of the Dakota oil and gas operating rights under the following described tract of land:

# Rio Arriba County, New Mexico

Township 24 North, Range 6 West
Section 1: Lots 1 through 12, (N/2)
Containing 365.40 acres, more or less; and

WHEREAS, the North Half (N/2) of the above described tract of land is committed to the terms and conditions of the Canyon Largo Unit Agreement and Canyon Largo Unit Operating Agreement; and

WHEREAS, Sub-Operator desires to drill two Dakota wells on the above described tract of land pursuant to the provisions of the Canyon Largo Unit Agreement; one well in the Northeast Quarter (NE/4) and one well in the Northwest Quarter (NW/4) of said Section 1, and to thereafter communitize the North Half (N/2) of said section with the South Half (S/2) of said section so as to form two 320 acre units for the production of gas from the Dakota Formation; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota wells as Unit Operator under the terms of the Canyon Largo Unit Agreement, and Canyon Largo Unit Operating Agreement; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota wells may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Kay Kimbell to drill the said Dakota wells, El Paso Natural Gas Company, as Unit Operator of the Canyon Largo Unit, hereby designates Kay Kimbell as Sub-Operator for the sole and only purpose of drilling the said Dakota wells on the above described land pursuant to the Canyon Largo Unit Agreement and Canyon Largo Unit Operating Agreement.

Sub-Operator indicates his acceptance of this Designation by placing his signature in the space provided below and agrees to drill, complete, and/or plug

and abandon said wells as a reasonable and prudent operator in accordance with

the terms and conditions of the Canyon Largo Unit Agreement and the Canyon Largo

Unit Operating Agreement and also agrees to the following conditions:

- 1. Notify Operator when drilling operations are commenced.
- 2. Furnish Operator with complete daily driller's report, at Sub-Operator's expense.
- 3. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 4. Allow representatives of Operator access to the derrick floor at all times.
- 5. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representative to be present.
- 6. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
- 7. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
- 8. Furnish Operator three field prints and three final prints of all well surveys made during drilling or upon completion of the well.
- 9. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys including a geophysical velocity survey as it may desire.
- Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
- 11. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
- 12. Notify Operator of any intentions to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
- 13. Carry adequate and proper insurance of the types and in the amounts as specified in the Canyon Largo Unit Operating Agreement.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company Attention: Division Geologist Post Office Box 990 Farmington, New Mexico

SUB-OPERATOR shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and

against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

The drilling of the said Dakota wells is subject to approval by the Oil and Gas Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Supervisor of the United States Geological Survey, Roswell, New Mexico.

This Designation shall be effective for a period of time not to exceed six (6) months from the date hereof, or until said Dakota wells are completed and/or plugged and abandoned.

This Designation is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

IN WITNESS WHEREOF, this Designation is executed as of the day and year first hereinabove written.

### **OPERATOR**

SUB-OPERATOR

KAY KIMBELL

EL PASO NATURAL GAS COMPANY

		Kay Kimbell
STATE OF TEXAS	,	
STATE OF TEXAS	,	
COUNTY OF EL PASO	<b>,</b>	
1/ ovember	, 196	cument was acknowledged before me this day of 0, by Sam Smith, as Attorney in Fact GAS COMPANY, a Delaware corporation.
		Elaise Buss
My Commission expir	es:	Notary Public
ELDISE BUSSE		
No <u>tary Public in and for El Faso C</u> My Commission Expires June	ounty, Texas	
STATE OF TEXAS	)	
	)	
COUNTY OF TARRANT	)	
The foreg		rument was acknowledged before me this /8 day of by KAY KIMBELL.
My Commission expir	es:	Notary Public

-3-

6/1/61

# APPROVAL - CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.618, 12 FR 6784, I do hereby:

- A. Approve the attached communitization agreement covering the W/2 Section 1, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Dakota formation.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Dated				
		United	Acting Directo States Geologic	
Contract	No.			

### COMMUNITIZATION AGREEMENT

THIS AGREPMENT entered into as of the 1st day of November, 1960, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto:"

# WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C., Sees. 181, et seq., authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties herete own working, royalty or other leaseheld interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and poel their respective mineral interests in lands subject to this agreement for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement; and

WHEREAS, part of the land subject to this agreement has been committed to the "Unit Agreement for the Development and Operation of the Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated the 22nd day of July, 1952; the land subject to the terms and conditions of the said unit agreement and the "Unit Operating Agreement, Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated the 22nd day of July, 1952, being described as follows, to-wit:

Township 24 North, Range 6 West, N.M.P.M.

Section 1: NW/4; and

WHEREAS, El Paso Natural Gas Company, in its capacity as unit operator under the "Unit Operating Agreement, Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico, dated July 22, 1952, and representing the various interest owners of the "Unit Agreement for the Development and Operation of the Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated July 22, 1952, executes this agreement in such capacity and as a lessee of record.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto, as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Rio Arriba County, New Mexico Township 24 North, Range 6 West, N.M.P.M. Section 1: W/2 containing 342.45 acres

more or less, and this agreement shall extend to and include only the Dakota Formation underlying said lands and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit A designating the operator of the communitized area and showing the acreage, and the ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor eperator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a Designation of Successor Operator shall be filed with the Oil and Gas Supervisor.

This agreement is made subject to the "Unit Agreement for the Development and Operation of the Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated July 22, 1952 and the "Unit Operating Agreement, Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated July 22, 1952, insofar as the lands included in the "communitized area" are

committed to the said Unit Agreement for the Development and Operation of the Canyon Largo Unit Area. The proposed Dakota Well shall be located and drilled in the North One-Half (N/2) of the "communitized area"; the said North One-Half (N /2) being committed to the Unit Agreement for the Development and Operation of the Canyon Largo Unit Area. Therefore, pursuant to Section 13 of the "Unit Agreement for the Development and Operation of the Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico," dated July 22, 1952, El Paso Natural Gas Company as operator under the said Unit Agreement, and the said Unit Operating Agreement, shall, after completion of the Dakota Well automatically become operator of said well and the communitized area, if such well results in production such that the land upon which it is situated may properly be included in a participating area as defined by the said Unit Agreement, without the necessity of executing further instruments. Upon El Paso becoming operator, all operations and accounting shall be conducted in accordance with the Canyon Largo Unit Operating Agreement and Accounting Procedure attached thereto. All production from said well shall be shared in the following manner:

> El Paso Natural Gas Company For the account of the working interest owners in the Canyon Largo Dakota Participating Area

53.27785%

Kay Kimbell & Coral Oil & Gas Company 46.72215%

- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Fayment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as

provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

- 7. There shall be no obligation on the lessees to offset any dry gas well or wells completed in the same formation covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representatives, and shall remain in force and effect for a period of two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities, provided that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representatives, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This

agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production.

- ll. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is Lessor, and in the applicable oil and gas regulations of the Department of the Interior.
- 12. In connection with the performance of work under this agreement, the operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions on the non-discrimination clause.

The operator agrees to examt the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

- 13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferree or other successor in interest, and as to Federal land shall be subject to the approval of the Secretary of the Interior.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

	El Paso Natural Gas Company
	By Attorney-in-fact
Attest:	American Petrofina Company of Texas
	Ву
	Tom Bolack
	Alice Schwerdtfeger Bolack
	Kay Kimbell
	Velma Kimbell
	Coral Oil & Gas Company
Attest:	ByPresident

STATE OF TEXAS )
COUNTY OF EL PASO )
The foregoing instrument was acknowledged before me this
day of, 1960, by
(Name)
of EL PASO NATURAL GAS COMPANY, a
corporation, on behalf of said corporation.
My Commission Expires:
Notary Public
STATE OF TEXAS )
)ss COUNTY OF )
The foregoing instrument was acknowledged before me this
day of, 1960, by(Name)
of AMERICAN PETROFINA COMPANY OF TEXAS,
(Title)
a corporation, on behalf of said corporation.
My Commission Expires:
Notary Public
STATE OF NEW MEXICO )
)ss COUNTY OF BERNALILLO )
The foregoing instrument was acknowledged before me this
day of, 1960, by(Name)
of CORAL OIL '& GAS COMPANY, a
corporation, on behalf of said corporation.
My Commission Expires:  Notary Public
·
STATE OF NEW MEXICO )
STATE OF NEW MEXICO ) )ss COUNTY OF BERNALILLO )
The foregoing instrument was acknowledged before me this day
of, 1960, by TOM BOLACK AND ALICE SCHWERDTFEGER BOLACK,
his wife.
My Commission Expires:
Notary Public

COU	OF	
	The foregoing instrument was acknowledged before me this	day
of	, 1960, by Kay Kimbell and Velma Kimbell, his wife.	
Mv	nission Expires:	

Notary Public

STATE OF TEXAS

Exhibit "A" to Communitization Agreement dated November 1, 1960, embracing the W2 of Section 1, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico

Operator of Communitized Area:

Kay Kimbell, Post Office Box 1540

Fort Worth, Texas

# DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: United States of America

Lessee of Record: Tom Bolack and El Paso Natural

Gas Company

Serial No. of Lease: SF 080594

Date of Base Lease: September 1, 1951

Description of Lands Committed: NW/4 of Section 1, Township 24 N.

Range 6 West, N.M.P.M., Rio Arriba

County, New Mexico

Number of Acres: 182.45

Working Interest and Percentage: Kay Kimbell and

Coral Oil & Gas Company All

Royalty Percentage: United States of

America 12.50 %

Overriding Royalty and Percentage: Tem Bolack

21.8750%

After such time as Kay Kimbell and Coral Oil & Gas Company have recovered the entire cost of drilling, testing, completing, equipping and operating the proposed well the

overriding royalty to Tom Bolack shall be: 29.1666%

Tract No. 2

Lessor: United States of America

Lessee of Record: American Petrofina Company of Texas

Serial No. of Lease: SF 080594- B

Date of Base Lease: September 1, 1951

Description of Lands Committed: SW/4 of Section 1, Township 24 N.,

Range 6 West, N.M.P.M., Rio Arriba

County, New Mexico

Number of Acres: 160

Working Interest and Percentage: Kay Kimbell and

Coral Oil & Gas

Company All

Royalty Percentage: United States of

America 12.50%

# Overriding Royalty and Percentage:

American Petrofina Company of Texas

21.8750%

After such time as Kay Kimbell and Coral Oil & Gas Company have recovered the entire cost of drilling, testing, completing, equipping and operating the proposed well the overriding royalty to American Petrofina Company of Texas shall be:

29.1667%

# RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	182.45	All
2	160	All



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 6721 Roswell, New Mexico

November 10, 1960

El Paso Natural Gas Company Box 1492 El Paso, Texas

Attention: Mr. T. W. Bittick

#### Gentlemen:

Your notice of August 25, 1960, advises that well No. 89 Canyon Large Unit, SWk sec. 17, T. 24 N., R. 6 W., Rio Arriba County, New Mexico, has been determined to be not capable of producing unitized substances in paying quantities. This notice was supplemented by your letter of November 3 containing reservoir data on the Dakota formation, an estimate of the gas in place, and the anticipated pay out time for the well.

Your determination, under existing conditions, is acceptable.

Very truly yours,

10rig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Wash. (w/cy of notice and letter of N v. 3, 1960) Comm. Pub. Lands (ltr. only)

111 Cons. Schm. (1:v. only)



# UNITED STATES DEPARTMENT OF THE INTERIOR CEDLOGICAL SURVEY

P. C. Box 6721

Repsyle 11; New Mexico

October lu, 1960

Turner, White, Atwood, McLane and Francis 1900 Mercantile Dallas Building Dallas 1, Texas

Attention: Mr. William G. Webb

#### Gent lemen:

Your letter of September 26 transmitted three copies of an instrument entitled "Designation of Sub-Operator and three copies of a "Designation of Agent" by which El Paso Natural Gas Company, as unit operator under the Canyon Largo unit agreement, designates Mike Abraham, the working interest owner of Federal lease Santa Fe 079071 covering the Wig sec. 21, T. 25 N., R. 6 W., Rio Arriba County, New Mexico, subspeciator and agent for the sole purpose of drilling a Pictured Cliffs formation well on said lease pursuant to section 15 of the unit agreement.

The designations you have submitted are being accepted as evidence that El Paso Natural Gas Company as unit operator elects not to drill a Pictured Clitts formation well in the War sec. 21, T. 25 N., R. 6 W., and that Mike Abraham, will, at his sole risk and expense, drill said well. Duplicate copies of the well log should be furnished the District Engineer, U. S. Geological Survey, Farmington, New Mexico.

Very truly yours,

CARL C. TRAYWICK
Acting Cil and Gas Supervisor

Copy to: Wash. (u/cysof Designations Comm. Pub. Lands-Santa Fe (1tr only)

THE CO-Santa De (ltr only)

El Paso Natural Gas Company
El Paso, Texas

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico NOTICE OF DRY HOLE Pictured Cliffs Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on May 18, 1960, that the following described well was not capable of producing unitized substances from the Pictured Cliffs Formation:

> The Canyon Largo Unit #100 Well is located 1090' from the North line and 1090' from the West line of Section 31, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 16, 1960, and drilled to a total depth of 2731' in the Pictured Cliffs Formation. On July 8, 1960, the well was plugged and abandoned by setting plug from 2669' to 2684' with 10 sacks of cement. Spotted 20 sacks of cement on  $5\frac{1}{2}$ " casing stub at 1852'. Set cement surface plug with 10 sacks of cement. Four feet of fourinch pipe was set at the surface as a permanent marker and location was restored to original contour. The committed drilling block upon which this well was located is described as the W/2 of Section 31, Township 25 North, Range 6 West, N.M.P.M., containing 320.64 acres.

Since this well was determined to be a dry hole and has been plugged and abandoned, official approval is not necessary.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

Charles Hissins

Area Coordinator Land Department

CH: JNN: js

cc: Attached list

# CANYON LARGO UNIT Working Interest Owners

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1, 2 & 3
9000 South Laflin Street
Chicago 20, Illinois

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 192 Sistersville, West Virginia

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Hondo Oil & Gas Company Post Office Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Mr. T. F. Thompson Skelly Oil Company Post Office Box 1650 Tulsa 2, Oklahoma

Mr. L. O. Speer, Jr. (12)
Pan American Petroleum Corporation
Post Office Box 480
Farmington, New Mexico

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Kern County Land Company Korber Building Albuquerque, New Mexico

Pubco Petroleum Corporation Post Office Box 1419 Albuquerque, New Mexico Mr. J. Gregory Merrion 312 East Pine Midland, Texas

W. H. Fraser
The Superior Oil Company (5)
Post Office Drawer "G"
Cortez, Colorado

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Skelly Oil Company
Post Office Box 4115, Station "A"
Albuquerque, New Mexico

Mark Elkins & Ina Elkins ) Winter Address:

Post Office Box 177 ) P. O. Box 96

Grants, New Mexico ) Crystal City, Tex.

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. Frank A. Schultz 2630 Fidelity Union Tower Akard & Pacific Sts. Dallas, Texas

Mr. F. T. Anderson Petro-Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. Hugh McMillan, Agent Post Office Drawer 1612 El Paso, Texas

Kern County Land Company 600 California Street San Francisco, California El Paso Natural Gas Company

El Paso, Texas

1800 SEP 1112 DN 181 13

September 20, 1960

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico

#### Gentlemen:

By letter dated December 28, 1959, El Paso Natural Gas Company, as Unit Operator, advised the Regulatory Bodies and all working interest owners that the N/2 of Sections 9 and 10, Township 25 North, Range 7 West, were automatically eliminated from the Canyon Largo Unit pursuant to Section 22 of the Unit Agreement.

The commercial completion in the Pictured Cliffs Formation of the Canyon Largo Unit #78 Well, located in the NW/4 of Section 15, Township 25 North, Range 7 West, creates an intervening drilling block described as the W/2 of Section 10, Township 25 North, Range 7 West. The Canyon Largo Unit Agreement provides that all drilling blocks shall be described as either the E/2 or the W/2 of a section and shall consist of 320.00 acres. However, since the N/2 of Section 10 has been eliminated from the Unit, it is not practical for the W/2 of Section 10 to be considered an intervening drilling block.

We feel that the way to alleviate this situation would be to designate the S/2 of Section 10 as the intervening drilling block, as it would constitute a full 320.00 acre block. Since the N/2 of Section 9 was also eliminated from the Unit, the same designation should also be made for the S/2 of Section 9.

By letter dated January 29, 1960, El Paso Natural Gas Company, as Unit Operator, obtained the approval of a majority of the Unit working interest owners of the designation of the S/2 of Sections 9 and 10 as drilling blocks as defined under Section 11 of the Canyon Largo Unit Agreement.

As of the present time the working interest owners of the N/2 N/2 and the S/2 of Section 10, Township 24 North, Range 6 West have not committed their interest to the Unit, and past attempts by El Paso to obtain their commitment have been unsuccessful. The S/2 N/2 of Section 10 is committed to the Unit and has been admitted to the present Pictured Cliffs Participating Area as an intervening drilling block. By Administrative Order NWU 354, dated May 5, 1960, the Oil Conservation Commission of the State of New Mexico authorized El Paso Natural Gas Company to operate the S/2 N/2 of Section 10 as a non-standard gas proration unit for the Ballard Pictured Cliffs Gas Pool.

Therefore, in order to conform to Drilling Blocks as defined under Section 11 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, pursuant to Section 23 of the Canyon Largo Unit Agreement, designates the S/2 of Sections 9 and 10, Township 25 North, Range 7 West, and the S/2 N/2 of Section 10, Township 24 North, Range 6 West, as acceptable drilling blocks for all formations pursuant to the terms and provisions of the Canyon Largo Unit Agreement and Unit Operating Agreement.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager

Land Department

SS: JNN: cah

cc: Commissioner of Public Lands
Of the State of New Mexico

Oil Conservation Commission Of the State of New Mexico [] [ P. O. Box 6721 Rosbell, New Mexico

September 8, 1960

El Paso Matural Gas Company

P. O. Box 1492

El Paso, Texas

### Gentlemen:

This will acknowledge receipt on June 18, 1959, of a ratification and joinder executed by El Paso Natural Gas Company committing the working interest in Federal land unit tract 14, and on November 25, 1959, of ratifications and joinders executed by Francis and Helen Harvey and Kern County Land Company committing the record title and working interest, respectively, in State of New Mexico unit tract 57-A, to the Canyon Largo unit agreement, No. 14-08-001-1059, New Mexico.

State of New Mexico tract 57-A is considered committed to the Campon Largo unit agreement effective December 1, 1959. Unit tract 14 was committed to the unit agreement by virtue of a joinder effective Hevember 1, 1958, and was subsequently eliminated from the unit on August 14, 1959. The joinders for tract 14 plus surplus copies of the joinder for tract 57-A are returned herewith.

Very truly yours,

(Ong. of the John on Amberson

JOHN A. ANDERSON Regional Oil and Gas Supervisor

Copy to: Wash. (w/cy of joinders)

Farmington ( ) ) BLM-Santa Fe ( )

N.M. Comm. of Pub. Lands (ltr. only)

El Paso Natural Gas Company

Will Em , El Paso, Texas

August 25, 1960

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL
WELL, DAKOTA FORMATION

### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, was not capable of producing unitized substances in paying quantities from the Dakota Formation.

The Canyon Largo Unit #89 Well is located 1090' from the South line and 1090' from the West line of Section 17, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on December 6, 1959 and dually completed on April 29, 1960 at a total depth of 6656'. The Dakota Formation between 6414' - 6426', 6444' - 6458' was treated with a sand-oil fracturing process. After being shut-in for gauge for thirty-nine (39) days, the well was tested on June 8, 1960, and following a three (3) hour blow-down period gauged 1489 MCFGPD through a 3/4" choke and 1498 MCFGPD by the calculated absolute open-flow method, with an SIPT of 2082#. The committed drilling block upon which this well is located is described as the W/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities from the Dakota Formation was made on June 8, 1960.

1 Miles

The Canyon Largo Unit #89 Well was dually completed in the Gallup and Dakota Formations, therefore, said well was included in the Notice of Discovery for the Initial Participating Area for the Gallup Formation, effective July 14, 1960, which was previously forwarded to you.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of June 8, 1960, the date the subject well was tested.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Assistant Manager Land Department

TWB:JNN:cah Attachments

# CANYON LARGO UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Edna W. Merrion, Trustee Edna W. Merrion, Trusts Nos. 1,2,3 9000 South Laflin St. Chicago 20 Illinois

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mark Elkins & Ina Elkins P.O. Box 177 Grants, New Mexico

A. G. Hill & Margaret H. Hill 700 Mercantile Bank Building Dallas, Texas

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P.O. Box 1650 Tulsa 2, Oklahoma

Mr. L. O. Speer, Jr. (12)
Pan American Petroleum Corporation
P.O. Box 480
Farmington, New Mexico

Kern County Land Company Korber Building Albuquerque, New Mexico

Pubco Petroleum Corporation Post Office Box 1419 Albuquerque, New Mexico

Mr. Tom Bolack 1010 North Dustin Farmington, New Mexico Mr. J. Gregory Merrion 312 East Pine Midland, Texas

Mike Abraham 814 Mercantile Dallas Building Dallas, Texas

Skelly Oil Company
P.O. Box 4115
Station "A"
Albuquerque, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Southern Petroleum Exploration, Inc. P.O. Box 1070
Roswell, New Mexico

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Frank A. Schultz 2630 Fidelity Union Tower Akard & Pacific St. Dallas, Texas

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. F. T. Anderson Petro-Atlas Corp. 2000 National Bank of Tulsa Tulsa 3, Oklahoma

Kern County Land Company 600 California St. San Francisco 8, California

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Superior Oil Company (5)
P.O. Drawer "G"
Cortez, Colorado
Attention: Mr. W. H. Fraser

# C CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

(w)

August 22, 1960

El Paso Natural Gas Company

P. O. Box 1492

El Paso, Texas

ATTENTION: Mr. Sam Smith

RE: 1960 Plan of Development Canyon Largo Unit Rio Arriba County, New Mexico.

## Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1960 Plan of Development for the Canyon Largo Unit Rio Arriba 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.

One approved copy of the plan is returned herewith.

Very truly yours,

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

ALP/JEK/ig

cc: Commissioner of Public Lands - Santa Fe

US Geological Survey - Roswell



August 10, 1960

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059
NOTICE OF COMPLETION OF ADDITIONAL WELLS
Pictured Cliffs Formation

### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that nine (9) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the unit. These wells are as follows:

The Canyon Largo Unit #90 Well is located 890' from the North line and 990' from the East line of Section 1, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 9, 1960 and completed on May 21, 1960 at a total depth of 2923' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2826'-2832', 2836'-2844', 2864'- 2876' was treated with a sandwater fracturing process. After being shut-in for gauge for nineteen (19) days, the well was tested in the Pictured Cliffs Formation on June 9, 1960, and following a three (3) hour blow-down period gauged 1324 MCFGPD through a 3/4" choke and 1352 MCFGPD by the calculated absolute open-flow method, with an SIPC of 883#. The committed drilling block upon which this well is located is described as the E/2 of Section 1, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.20 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 9, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Tenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1956. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

2. The Canyon Largo Unit #91 Well is located 1650' from the South line and 890' from the East line of Section 17, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 3, 1960 and completed on May 13, 1960 at a total depth of 2198' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2098' - 2106', 2132' - 2140', was treated with a sand-water fracturing process. After being shut-in for gauge for eleven (11) days, the well was tested in the Pictured Cliffs Formation on May 25, 1960, and following a three (3) hour blow-down period gauged 1692 MCFGPD through a 3/4" choke, and 1794 MCFGPD by the calculated absolute open-flow method, with an SIPC of 648#. The committed drilling block upon which this well is located is described as the E/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 25, 1960. This well was completed without tubing.

This drilling block will be included in the Canyon Largo Twenty-Fifth Expanded Participating Area for the Pictured Cliffs Formation, effective October 1, 1959. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

The Canyon Largo Unit #92 Well is located 1800' from the South line and 1150' from the West line of Section 9, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 6, 1960 and completed on May 16, 1960 at a total depth of 2230' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2144' - 2150', 2156' - 2166' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested in the Pictured Cliffs Formation on May 25, 1960, and following a three (3) hour blow-down period gauged 2685 MCFGPD through a 3/4" choke and 3224 MCFGPD by the calculated absolute open-flow method, with an SIPC of 599#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 25, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-Second Expanded Participating Area for the Pictured Cliffs Formation, effective May 1, 1959. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

The Canyon Largo Unit #93 Well is located 990' from the North line and 990' from the East line of Section 12, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 13, 1960 and completed on May 26, 1960 at a total depth of 2958' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2820' - 2830', 2836' - 2844', was treated with a sand-water fracturing process. After being shut-in on June 1, 1960, for eight (8) days, the well was tested in the Pictured Cliffs Formation on June 9, 1960, and following a three (3) hour blow-down period gauged 497 MCFGPD through a 3/4" choke and 499 MCFGPD by the calculated absolute open-flow method, with an SIPC of 842#. The committed drilling block upon which this well is located is described as the E/2 of Section 12, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 9, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Tenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1956. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage, and is the second Pictured Cliffs well on the drilling block.

The Canyon Largo Unit #94 Well is located 810' from the North line and 1030' from the East line of Section 24, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on May 18, 1960 and completed on June 2, 1960 at a total depth of 2620' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2496' - 2506', 2510' - 2520' was treated with a sand-water fracturing process. After being shut-in for gauge for fourteen (14) days, the well was tested in the Pictured Cliffs Formation on June 16, 1960 and following a three (3) hour blow-down period gauged 1525 MCFGPD through a 3/4" choke and 1576 MCFGPD by the calculated absolute openflow method with an SIPC of 784#. The committed drilling block upon which this well is located is described as the E/2 of Section 24, Township 25 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 16, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Eleventh Expanded Participating Area for the Pictured Cliffs Formation effective September 1, 1956. Therefore, the Participating Area is not enlarged. This well was drilled as an offset in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

6. The Canyon Largo Unit #97 Well is located 990' from the North line and 990' from the East line of Section 2, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 30, 1960 and completed on April 12, 1960 at a total depth of 2590' in the Pictured Cliffs Formation, The Pictured Cliffs Formation between 2455' - 2461', 2472' -2488' was treated with a sand-water fracturing process. After being shut-in for gauge for thirty (30) days, the well was tested in the Pictured Cliffs Formation on May 13, 1960, and following a three (3) hour blow-down period gauged 515 MCFGPD through a 3/4" choke and 518 MCFGPD by the calculated absolute open-flow method, with an SIPC of 630#. The committed drilling block upon which this well is located is described as the  ${\ensuremath{\mathbb{E}}/2}$ of Section 2, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.26 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 13, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-First Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXII for the Twenty-First Expanded Participating Area remain the same.

The Canyon Largo Unit #98 Well is located 990' from the North line and 990' from the West line of Section 26, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 30, 1960 and completed on May 13, 1960 at a total depth of 2345' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2248' - 2254', 2268' - 2274', 2292' - 2296' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-three (23) days, the well was tested in the Pictured Cliffs Formation on June 8. 1960, and following a three (3) hour blow-down period gauged 587 MCFGPD through a 3/4" choke and 591 MCFGPD by the calculated absolute open-flow method, with an SIPC of 668#. The committed drilling block upon which this well is located is described as the W/2 of Section 26, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 8, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-Third Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1959. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXIV for the Twenty-Third Expanded Participating Area remain the same.

The Canyon Largo Unit #101 Well is located 990' from the South line and 1650' from the East line of Section 2. Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 7, 1960 and completed on April 22, 1960 at a total depth of 2925' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2794'-2799', 2802'-2810', 2814'-2820' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on April 29, 1960, and following a three (3) hour blow-down period gauged 4320 MCFGPD through a 3/4" choke, and 5620 MCFGPD by the calculated absolute open-flow method, with an SIPC of 845#. The committed drilling block upon which this well is located is described as the E/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.85 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on April 29, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-First Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXII for the Twenty-First Expanded Participating Area remain the same.

The Canyon Largo Unit #102 Well is located 990' from the North line and 1650' from the West line of Section 32, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on April 22, 1960 and completed on April 30, 1960 at a total depth of 2707' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2562'-2574', 2580'-2584' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-five (25) days, the well was tested in the Pictured Cliffs Formation on May 25, 1960, and following a three (3) hour blow-down period gauged 2763 MCFGPD through a 3/4" choke, and 3323 MCFGPD by the calculated absolute openflow method, with an SIPC of 631#. The drilling block upon which this well is located is described as the NW/4 of Section 32, inasmuch as the SW/4 is not committed to the Unit, Township 25 North, Range 6 West, N.M.P.M., and consists of 160.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 25, 1960. This well was completed without tubing.

This drilling block was included in the Canyon Largo Twenty-Second Expanded Participating Area for the Pictured Cliffs Formation, effective May 1, 1959. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXIII for the Twenty-Second Expanded Participating Area remain the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Charles Higgins

Area Coordinator Land Department

CH: JNN: js

Attachment

#### CANYON LARGO UNIT

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

Edna W. Merrion, Trustee of Edna W. Merrion, Trusts Nos. 1,2,3 9000 South Laflin Street Chicago 20, Illinois

J. B. Davis & Paulene D. Davis 616 East Corbet Hobbs, New Mexico

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

L. O. Speer, Jr. (12)

Pan American Petroleum Corporation

P. O. Box 480

Farmington, New Mexico

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Kern County Land Company Korber Building Albuquerque, New Mexico

Pubco Petroleum Corporation P. O. Box 1419 Albuquerque, New Mexico

#### WORKING INTEREST OWNERS

Tom Bolack 1010 North Dustin St. Farmington, New Mexico

Mr. J. Gregory Merrion 312 East Pine Midland, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070 Roswell, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

R. E. Jensen (14)
The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

W. H. Fraser, Jr.
The Superior Oil Company
P. O. Box 200
Caspter, Wyoming

F. T. Anderson
Petro-Atlas Corp.
2000 National Bank of Tulsa
Tulsa 3, Oklahoma

Kern County Land Company 600 California Street San Francisco 8, California

# El Paso Natural Gas Company

El So, Jexas MAIN OFFICE CCC

August 4, 1960 1960 AUG 13 AN 11:11

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit, #14-08-001-1059 Rio Arriba County, New Mexico NOTICE OF DISCOVERY INITIAL PARTICIPATING AREA Gallup Formation Effective July 14, 1960

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the first well capable of producing unitized substances in paying quantities from the Gallup Formation has been completed upon acreage committed to this unit, and that the Initial Gallup Participating Area should be established and that the effective date for the Initial Participating Area should be July 14, 1960, the date of first production from the subject well. The Participating Area for this well consists of the W/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

#### The well is as follows:

The Canyon Largo Unit #89 Well is located 1090' from the South line and 1090° from the West line of Section 17, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on December 6, 1959 and completed on April 29, 1960 at a total depth of 6664' in the Gallup Formation. The Gallup Formation between 5488'- 5502' was treated with a sand-oil fracturing process. After being shut-in for gauge for twelve (12) days, the well was tested in the Gallup Formation on May 12, 1960, and following a three (3) hour blow-down period gauged 6058 MCFGPD through a 3/4" choke and 9053 MCFGPD by the calculated absolute open-flow method,

with an SIPT of 1573#. The committed drilling block upon which this well is located is described as the W/2 of Section 17, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Gallup Formation was made on April 12, 1960.

The Canyon Largo Unit #89 Well was dually completed in the Gallup and Dakota Formations. A determination is now being made as to whether the Dakota portion of the subject well should be considered commercial or not. All parties in interest will be notified of the outcome of the determination as soon as same is available.

Attached hereto is Schedule I showing the Initial Participating Area for the Gallup Formation of the Canyon Largo Unit Area. This describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tract, and the exact breakdown of percentage allocated to the tract according to the ownership in the tract. Also attached hereto is a map, Exhibit "A", showing the location of the well and the outline of the Initial Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2, of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this Initial Participating Area for the Gallup Formation will become effective as of July 14, 1960.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB:JNN:nl

Attachments

#### Canyon Largo Unit Working Interest Owners

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

Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1, 2 & 3
9000 South Laflin Street
Chicago 20, Illinois

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

L. O Speer, Jr.
Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Kern County Land Company Korber Bldg. Albuquerque, New Mexico

Pubco Petroleum Corporation P. O. Box 1419 Albuquerque, New Mexico Mr. Tom Bolack 1010 N. Dustin Farmington, New Mexico

Mr. J. Gregory Merrion 312 East Pine Midland, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070 Roswell, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

F. T. Anderson Petro-Atlas Corp. 2000 National Bank of Tulsa Tulsa 3, Oklahoma

Kern County Land Company 600 California St. San Francisco 8, Calif.

Mr. W. H. Fraser (5)
The Superior Oil Company
P. O. Drawer "G"
Cortez, Colorado

El Paso Natural Gas Company
UNIT AREA EXPANSION SCHEDULE – SAN JUAN BASIN
Form 21-71M (5-59)

SCHEDULE I
INITIAL EXPANDED PARTICIPATING AREA FOR THE GALLUP FORMATION
CANYON LARGO UNIT AREA

Canyon Largo Unit #89 Well	SF 078886	SERIAL NUMBER
Canyon Largo Unit #89 Well Sec. 17: W/2	T-24-N, R-6-W Sec. 17: W/2	DESCRIPTION
320.00	320.00	NUMBER OF ACRES
	Royalty; Working Interest: El Paso Natural Gas Company; ORRI; TOTAL	DRILLING BLOCK
	12.50% 78.75% 8.75%	PERCENTAGE
100.00%	12.50% 78.75% 8.75% 100.00%	PERCENTAGE COMMITTED
100.00%	100.00%	PRESENT ACTU/ PARTICIPATION

# SCHEDULE I

	SERIAI NIIMBER
	DESCRIPTION
OF ACRES	NUMBER
OWNERSHIP	DRILLIN
PERCENTAGE	LING BLOCK
COMMITTED	PERCENTAGE PF
PARTICIPATIO	PRESENT ACTU

# RECAPITULATION

Township 24 North, Range 6 West, N.M.P.M. Section 17: W/2

11



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Pe O. Box 6721

August 2, 1950

El Paso Natural Gas Co. Box 1492 El Paso, Texas

Attention: Mr. Sam Smith

#### Gentlemen:

Your plan of development for 1960, dated January 18, 1960, for the Canyon Largo unit area, Rio Arriba County, New Mexico, which proposes the drilling of thirteen Pictured Cliffs wells and two dually completed Gallup-Dakota wells, has been approved on this date subject to like approval by the appropriate state officials.

Two approved copies of the plan are enclosed.

Very truly yours,

JOHN A. ANDERSON Regional Oil and Gas Supervisor

Copy to: Washington (w/copy of plan)

In reply refer to: Unit Division

CHS TO SHI

March 16, 1960

El Paso Natural Gas Company P. O. Box 1492

El Paso, Texas

Re: 1960 Drilling Program

Canyon Largo Unit

Rio Arriba County, New Mexico

ATTENTION: Mr. Sam Smith

Gentlemen:

We are enclosing two copies of the 1960 Drilling Program for the Canyon Largo Unit Area, Which was approved by the Commissioner of Public Lands, March 15, 1960, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Please notify us at such time as this plan is fully approved.

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

BY

Ted Bilberry, Supervisor Oil and Gas Division

MEM/MER/s

ee:

USGS-Roswell ,OCC-Santa Fe

### El Paso Natural Gas Company

El Paso, Texas

January 18, 1960

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

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

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

Re: Canyon Largo Unit #14-08-001-1059

Rio Arriba County, New Mexico

1960 DRILLING PROGRAM

#### Gentlemen:

By letter dated March 3, 1959, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1959. Said Program provided for the drilling of twenty-one (21) Pictured Cliffs wells and one (1) dual Pictured Cliffs-Chacra well. Nineteen (19) wells were completed in the Pictured Cliffs Formation, with the dual Pictured Cliffs-Chacra well completed in the Chacra Formation only.

The Canyon Largo Unit #72 well has been plugged and abandoned, and the Canyon Largo Unit #62 and #63 wells have been declared non-commercial. One (1) Pictured Cliffs location scheduled for 1959 was not drilled due to the failure of securing the commitment of the owners of the acreage to the Unit. The reason for not drilling the other Pictured Cliffs location was due to the automatic elimination from the Unit of a portion of the drilling block.

As of this date the total number of wells committed to the Canyon Largo Unit is as follows:

Pictured Cliffs 77
Chacra 1
Non-Commercial 3 (Pictured Cliffs)
Plugged and Abandoned 1
Total 82

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is herewith submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1960 to December 31, 1960:

#### DRILLING BLOCK

#### FORMATION

W/2	Sec. 9,	T-24-N, R-6-W	Pictured Cliffs
S/2	N/2 Sec.	10, T-24-N, R-6-W	Pictured Cliffs
E/2	Sec. 17,	T-24-N, R-6-W	Pictured Cliffs
W/2	Sec. 17,	T-24-N, R-6-W	Dual, Gallup-Dakota
*W/2	Sec. 26,	T-24-N, R-6-W	Pictured Cliffs
* E/2	Sec. 2,	T-24-N, R-7-W	Pictured Cliffs
* E/2	Sec. 3,	T-24-N, $R-7-W$	Pictured Cliffs
E/2	Sec. 1,	T-25-N, R-6-W	Pictured Cliffs
* E/2	Sec. 2,	T-25-N, R-6-W	Pictured Cliffs
E/2	Sec. 12,	T-25-N, R+6-W	Pictured Cliffs
E/2	Sec. 24,	T-25-N, R-6-W	Pictured Cliffs
* W/2	Sec. 31,	T-25-N, $R-6-W$	Pictured Cliffs
* W/2	Sec. 32,	T-25-N, R-6-W	Pictured Cliffs
E/2	Sec. 36,	T-25-N, R-6-W	Dual, Gallup-Dakota
* W/2	Sec. 36,	T-25-N, R7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5 1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the above listed dual Gallup-Dakota wells to the base of the Dakota Formation using rotary tools. Surface casing, normally 10 3/4", is set at 300'. An 8 3/4" hole is drilled to total depth (approximately 7000') using an oil, driscose, emulsion mud from the top of the Gallup Formation to total depth. Seven inch casing is used as the production string. The Dakota Formation is perforated and sand-oil fractured in one or more stages and immediately bridged off with a temporary bridge plug while the Gallup Formation is perforated and sand-oil fractured. The Gallup Formation is allowed to unload the fracturing fluid and clean out, after which the temporary bridge plug, or plugs, is drilled to allow the Dakota Formation to unload the fracturing fluid and clean out. A drillable production packer is set between the Gallup and Dakota Formations to isolate the two zones. Two strings of tubing are used for production purposes, one going through the packer to produce the Dakota Formation, and the other going through the Gallup Formation to produce the Gallup. This combination of a production packer and two strings of

<sup>\*</sup>Intervening Drilling Blocks; Must be drilled in 1960.

tubing effectively isolate both zones and allow each zone to be produced separately. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

SS:JNN:nl

cc: Attached List

APPROVED	:	DATE:
	Supervisor, United States Geological	
	Survey	
	Subject to like approval by the appropriate	
	State Officials.	
APPROVED	:	DATE:
•	Commissioner of Public Lands of the State	
	of New Mexico	
	Subject to like approval by the United	
	States Geological Survey and the Oil	
	Conservation Commission.	
		8 - 1 -
APPROVED	: ah Calle	DATE: 0 - TL - 60
	Oil Conservation Commission of the State	MATERIA CONTROL CONTRO
	of New Mexico	
	Subject to like approval by the United	
	States Geological Survey and the Com-	

The foregoing approvals are for the 1960 Drilling Program for the Canyon Largo Unit, #14-08-001-1059, Rio Arriba County, New Mexico.

missioner of Public Lands.

Canyon Largo Unit Working Interest Owners

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

Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

Frank Bond & Son, Inc.
Post Office Box 1327
Albuquerque, New Mexico

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

Robert Donnell & Marion Donnell P. O. Box 4276 Midland, Texas

Harry Duffe
Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondo Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Pan American Petroleum Corporation (12)
Post Office Box 1410
Fort Worth, Texas
Attention: Mr. J. L. Hoyt, Jr.

J. Gregory Merrion 312 East Pine Midland, Texas

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company P. O. Box 4115, Station "A" Albuquerque, New Mexico

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Phillips Drilling Corporation 314 Milam Building San Antonio 5, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070 Roswell, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico Page 2 Canyon Largo Unit Working Interest Owners

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas

La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas l, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

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

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Kern County Land Company Korber Bldg. Albuquerque, New Mexico William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

R. E. Jensen (14)
The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

Stekoll Petroleum Corporation P. O. Box 956 Dallas, Texas

T. Jack Foster 65 East Fourth, South Salt Lake City, Utah

Mr. F. T. Anderson Petro-Atlas Corporation 2000 National Bank of Tulsa Tulsa 3, Oklahoma

Kern County Land Company 600 California St. San Francisco 8, California

### El Paso Natural Gas Company

El Paso, Texas

January 6, 1960

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF
NON-COMMERCIAL WELL
Pictured Cliffs Formation

(1) (34)

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the Canyon Largo Unit, was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The Canyon Largo Unit #78 Well is located 1750' from the North line and 990' from the West line of Section 15, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 21, 1959, and completed on August 6, 1959 at a total depth of 2721'. The Pictured Cliffs Formation between 2618' - 2630', 2636' - 2646', 2682' - 2696' was treated with a sandwater fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on August 13, 1959, and following a three (3) hour blow-down period gauged 747 MCFGPD through a 3/4" choke and 758 MCFGPD by the calculated absolute open-flow method, with an SIPC of 575# and an SIPT of 542#. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

After conducting a thorough study, El Paso Natural Gas Company, as Unit Operator, has determined that there are insufficient reserves attributable to this well to attain payout.

Inasmuch as this needs no official approval, pursuant to Section 11 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this determination shall be effective as of September 1, 1959.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

38<u>/ . W. / . W</u>

Assistant Manager Land Department

TWB: JNN: cah

#### CANYON LARGO UNIT Working Interest Owners

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

George E. Brogan, Trustee Edna W. Merrion, Trusts No. 1,2,3 111 West Washington St. Chicago 2, Illinois

The Hidden Splendor Mining Company 2000 National Bank of Tulsa Building Tulsa, Oklahoma

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 192 Sistersville, West Virginia

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Hondo Oil & Gas Company P.O. Box 660 Roswell, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Mr. T. F. Thompson Skelly Oil Company P.O. Box 1650 Tulsa 2, Oklahoma

Mr. L. O. Speer, Jr. (12)
Pan American Petroleum Corporation
P.O. Box 480
Farmington, New Mexico

Mr. William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Kern County Land Company Korber Building Albuquerque, New Mexico Mr. J. Gregory Merrion 312 East Pine Midland, Texas

W. H. Fraser
The Superior Oil Company (5)
P.O. Drawer "G"
Cortez, Colorado

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Skelly Oil Company P.O. Box 4115, Station "A" Albuquerque, New Mexico

Mark Elkins & Ina Elkins P.O. Box 96 Crystal City, Texas

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. Frank A. Schultz 2630 Fidelity Union Tower Akard & Pacific Sts. Dallas, Texas

Mr. F. T. Anderson Petro-Atlas Corporation 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

Mr. Hugh McMillan, Agent P.O. Drawer 1612 El Paso, Texas

Pubco Petroleum Corporation P.O. Box 1419 Albuquerque, New Mexico

## El Paso Natural Gas Company

El Paso, Texas

December 31, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL WELLS
Pictured Cliffs Formation

#### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described wells, located within the Canyon Largo Unit, were not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo Unit #62 Well is located 990' from the North line and 990' from the West line of Section 9, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 11, 1959 and completed on July 18, 1959 at a total depth of 2262' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2152' - 2178' was treated with a sand-water fracturing process. After being shut-in for twenty-seven (27) days, the well was tested in the Pictured Cliffs Formation on August 14, 1959, and following a three (3) hour blow-down period gauged 139 MCFGPD through a 3/4" choke and 139 MCFGPD by the calculated absolute open-flow method, with an SIPT of 365# and an SIPC of 370#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities was made on August 14, 1959.

2. The Canyon Largo Unit #63 Well is located 790' from the South line and 1450' from the East line of Section 9, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 11, 1959 and completed on July 29, 1959 at a total depth of 2761' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2637' - 2731' was treated with a sand-water fracturing process. After being shut-in for sixteen (16) days, the well was tested in the Pictured Cliffs Formation on August 14, 1959, and following a three (3) hour blow-down period gauged 154 MCFGPD through a 3/4" choke and 154 MCFGPD by the calculated absolute open-flow method, with an SIPT of 641# and an SIPC of 641#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is not capable of producing unitized substances in paying quantities was made on August 14, 1959.

Since this determination needs no official approval, no provision is made therefor, and in the absence of disapproval, these wells will continue to be considered non-commercial.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

y\_//Per

Area Landman

Land Department

HG:JNN:nl Attachment Canyon Largo Unit Working Interest Owners

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

Edna Merrion, Trustee Edna W. Merrion, Trusts Nos. 1,2, & 3 9000 South Laflin Street Chicago 20, Illinois

Frank Bond & Son, Inc. P. O. Box 1327 Albuquerque, New Mexico

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

Robert Donnell & Marion Donnell P. O. Box 4276 Midland, Texas

Harry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondon Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Pan American Petroleum Corporation (12)
P. O. Box 1410
Fort Worth, Texas
Attention: Mr. J. L. Hoyt, Jr.

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas J. Gregory Merrion 312 East Pine Midland, Texas

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company P. O. Box 4115, Station "A" Albuquerque, New Mexico

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Phillips Drilling Corporation 314 Milam Building San Antonio 5, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070 Roswell, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

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

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Mr. F. T. Anderson Petro-Atlas Corp. 2000 National Bank of Tulsa Tulsa 3, Oklahoma R. E. Jensen (14)
The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

Stekoll Petroleum Corporation P. O. Box 956 Dallas, Texas

T. Jack Foster 65 East Fourth, South Salt Lake City, Utah

Elizabeth P. White 424 Pueblo Salano, N.W. Albuquerque, New Mexico

# El Paso Natural Gas Company

El Paso, Texas

December 28, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
AUTOMATIC ELIMINATION FROM UNIT AREA

#### Gentlemen:

Pursuant to Section 22 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, hereby advises that the following described tracts are eliminated from the subject unit.

Inasmuch as no portion of the lease covering the following described acreage was included within a participating area as of March 5, 1959, nor were drilling operations in progress on such land covered by said lease at that time, the provisions of Section 22 apply. The lease to be eliminated effective as of March 5, 1959, is described as follows:

Tract No.	Lease No.	Working Interest Owner	Description
48	NM 03010	Pan American Petroleum	T-24-N, R-7-W
	5-1-48	Corporation	Sec, 11: All
			Sec. 12: NW/4
			Containing 800
			acres, more or
			less

Although drilling operations were in progress on the following described acreage at the Automatic Elimination date, said acreage must be eliminated from the Unit since the Canyon Largo Unit No. 62 (PC) Well, which was drilled on the NW/4 of Section 9, Township 25 North, Range 7 West, N.M.P.M., has been declared as non-commercial. Therefore, Tract #14 should be eliminated

effective as of August 14, 1959, the date it was determined the well was incapable of producing unitized substances in paying quantities.

Tract No.	Lease No.	Working Interest Owners	Description
14	SF 078631-A	El Paso Natural Gas Company	T-25-N, R-7-W
	4-1-48	La Plata Gathering System	Sec. 9: $N/2$
		Frank A. Schultz	Sec. 10: N/2
		T. Jack Foster	Containing 640
		Stekoll Petroleum Corporation	acres, more or
		<u>-</u>	less.

Therefore, pursuant to the terms of Section 22 of the Canyon Largo Unit Agreement, Tracts #48 and #14 are automatically eliminated from the Unit effective as of March 5, 1959, and August 14, 1959, respectively.

As a result of this elimination, the Canyon Largo Unit Area is contracted to a total of 68,093.64 acres.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

SS:JNN:nl

cc: See attached list

Canyon Largo Unit Working Interest Owners

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

Edna Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

Frank Bond & Son, Inc. P. O. Box 1327 Albuquerque, New Mexico

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

Robert Donnell & Marion Donnell P. O. Box 4276 Midland, Texas

Harry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Hondon Oil & Gas Company P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Pan American Petroleum Corporation (12)
P. O. Box 1410
Fort Worth, Texas
Attention: Mr. J. L. Hoyt, Jr.

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas J. Gregory Merrion 312 East Pine Midland, Texas

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company P. O. Box 4115, Station "A" Albuquerque, New Mexico

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Dallas Bldg. Dallas, Texas

Phillips Drilling Corporation 314 Milam Building San Antonio 5, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070 Roswell, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

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

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Mr. F. T. Anderson Petro-Atlas Corp. 2000 National Bank of Tulsa Tulsa 3, Oklahoma R. E. Jensen (14)
The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

Stekoll Petroleum Corporation P. O. Box 956 Dallas, Texas

T. Jack Foster 65 East Fourth, South Salt Lake City, Utah

Elizabeth P. White 424 Pueblo Salano, N.W. Albuquerque, New Mexico El Paso Natural Gas Company El Paso, Texas December 9, 1959

> Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey P. O. Box 6721 Reswell, New Mexico

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

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

Re: Canyon Largo Unit

#### Gentlemen:

On March 3, 1959, the 1959 Plan of Development for the captiened Unit was submitted to you for approval. The Plan provided for the drilling, during the calendar year 1959, of twenty (20) Pictured Cliffs wells, and one (1) Chacra well.

In addition to the previously mentioned development, the following described dual Gallup-Daketa well was commenced on December 6, 1959:

Canyon Largo Unit #89 SW/4 Sec. 17, T-24-N, R-6-W

This well is being drilled as an offset to the Redfern #1 Well, located in the SE/4 of Section 18, Township 24 North, Range 6 West.

We respectfully request that you consider this well as part of the 1960 Drilling Program for the Canyon Largo Unit which will be submitted for your approval in the very near future.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager

Land Department

88:JWW:n1

El Paso Natural Gas Company

El Paso, Texas
November 23, 1959

#### REGISTERED MAIL

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

> Re: Canyon Largo Unit Tract 57-A

Gentlemen:

We are enclosing herewith for filing with your office one (1) copy each of Ratification and Joinder to the captioned Unit Agreement and Unit Operating Agreement executed by Kern County Land Company as Working Interest Owner and approved and consented to by El Paso Natural Gas Company, as Unit Operator.

Also enclosed is one (1) copy of a Ratification and Joinder to the Unit Agreement executed by Francis L. Harvey et ux as interest owner and approved and consented to by Kern County Land Company as Working Interest Owner, and by El Paso Natural Gas Company, as Unit Operator.

Very truly yours,

Harry Gevertz Area Landman Land Department

HG: JNN: ch

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

	of the Unit Agreement for the Development
	t Area located within the County of
	tate of New Mexico, in form
approved on behalf of the Secretary of the I	
or leases, or interests therein or royalties	presently held or which may arise under
existing option agreements, or other interes	ts in production covered by said Unit
Agreement hereby severally, each to the exte	nt of his or her particular ownership or
interest, as may appear, consent to the incl	usion of said lands within the Unit Area
therein defined, ratify, approve and adopt t	
modifications thereof approved by the Secret	
rized representative as applicable to said s	
the term of any lease given by the undersign	
an interest herein is extended and modified	
conform to the terms of said Unit Agreement,	
producing requirements of all leases and oth	
and interests are created or defined shall b	
	gree that payment for or delivery of (which-
ever may be required under prior agreements)	
	· ·
applied to the production allocated under sa	
to which such rights or interests do or shal	
therefrom, shall constitute full performance	
existing under such leases or other contract	S.
ber of counterparts with the same force and same document and shall be hinding upon all	those who execute a counterpart hereof,
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe	d when so executed shall be binding upon
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regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS	d when so executed shall be binding upon ssors in interest.  SIGNATURE  KERN COUNTY LAND COMPANY
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe	d when so executed shall be binding upon ssors in interest.  SIGNATURE  KERN COUNTY LAND COMPANY
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	ssors in interest.  SIGNATURE  KERN COUNTY LAND COMPANY  By John M. Markin
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET	SIGNATURE  KERN COUNTY LAND COMPANY  By A. Markin  VICE President
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	ssors in interest.  SIGNATURE  KERN COUNTY LAND COMPANY  By John M. Markin
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regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	SIGNATURE  KERN COUNTY LAND COMPANY  By John M. Markin  VICE President  ATTEST  And by Years G. Walker
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	SIGNATURE  KERN COUNTY LAND COMPANY  By A. Markin  VICE President  ATTEST
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	SIGNATURE  KERN COUNTY LAND COMPANY  By John M. Markin  VICE President  ATTEST  And by Years G. Walker
regardless of whether or not it is executed an interest in the lands affected hereby, and the undersigned, his or her assigns or successful address.  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.  Date: October 5, 1959	SIGNATURE  KERN COUNTY LAND COMPANY  By John M. Markin  VICE President  ATTEST  And by Years G. Walker
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regardless of whether or not it is executed an interest in the lands affected hereby, and the undersigned, his or her assigns or successful address.  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.  Date: October 5, 1959	SIGNATURE  KERN COUNTY LAND COMPANY  By John H. Markin  VICE President  ATTEST  And by Young G. Walkey  Assistant Secretary
regardless of whether or not it is executed an interest in the lands affected hereby, and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned, his or her assigns or successive and the undersigned and the unde	SIGNATURE  KERN COUNTY LAND COMPANY  By M. Markin VICE President ATTEST  And by Assistant Secretary  APPROVED AND CONSENTED TO:
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or succe  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.  Date: Ottober 5,1959  Date:	SIGNATURE  KERN COUNTY LAND COMPANY  By M. Markin VICE President ATTEST  And by Assistant Secretary  APPROVED AND CONSENTED TO:
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or successions.  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, C	APPROVED AND CONSENTED TO: EL PASO NATURAL GAS COMPANY
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or successions of successions and street sanfranciscos, calif.  Date:  Date:  Tract 57-A Township 25 North, Range 6 West, N.M.P.M.	SIGNATURE  KERN COUNTY LAND COMPANY  By A. Markin  VICE President  ATTEST  And by Assistant Secretary  APPROVED AND CONSENTED TO:  EL PASO NATURAL GAS COMPANY  BY ARREST BY BY ARREST BY
regardless of whether or not it is executed an interest in the lands affected hereby, an the undersigned, his or her assigns or successions.  ADDRESS  600 CALIFORNIA STREET SAN FRANCISCO 8, C	APPROVED AND CONSENTED TO: EL PASO NATURAL GAS COMPANY

	sworn, personally appeared	sco, State of California, residing therein, duly co JOHN H. MATKIN	линьынеа
	known to me to he the	Vic	e President,
	<u> </u>	JAMES A. WALKER known	to me to be
	KEDN A	ASSISTANT COUNTY LAND COMPANY	Secretary
		the within instrument and known to me to be	the mercons
	executed the within instrument	on behalf of the corporation therein named, and excited the within instrument pursuant to its by-	nd acknowle
	IN WITNESS WHEREOF, I office in said City and County	have hereunto set my hand and affixed my of and State the day and year in this certificate fir	ficial seal at st above wri
		Larraine M. Coak	٤
•		in and for the City and County of San Francisco, State of California of	of ia
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		Notary Public	
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The forego	, 1958, by		, a

# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said Canyon Largo Unit \_\_\_\_\_, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
	KERN COUNTY LAND COMPANY
600 CALIFORNIA STREET SAN FRANCISCO 8, CALIF.	By thuld. Mathim VICE President
Date: <u>Sctobier 5, 1959</u>	and by G. Walkey Assistant secretary
Date:	
	APPROVED AND CONSENTED TO:

Tract 57-A
Township 25 North, Range 6 West, N.M.P.M.
Section 36: N/2 SE/4
Containing 80.00 acres, more or less

Attorney in Fact

EL PASO NATURAL GAS COMPANY.

Unit Operator

	sworn, personally	appearedJOH	California, residing therein, duly N H. MATKIN	
		the	•	Vice President
		JAMES A. WALKER	Assistanto	wn to me to b
			ASSISTANT	Secretar
		KERN COUNTY LA	ND COMPANY	
	executed the within to me that such con tion of its board of	n instrument on behalf or poration executed the a directors.	instrument and known to me to be of the corporation therein named, within instrument pursuant to its be into set my hand and affixed my	and acknowle py-laws or a re
	office in said City of	and County and State th	ne day and year in this certificate	first above wr
		La.	raine m. Con	Æ
		200	Notary Public	
			in and for the City and Count San Francisco, State of Califo MY COMMISSION EXPIRES MAY 19, 19	ty of ornia 62
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OUNTY OF	I I going instrument v	vas acknowledge	d before me this	day
TATE OF COUNTY OF The fore	I I going instrument v	vas acknowledge , by	d before me this	day

		sworn, personally appear	. HEDREDT ( och	ding therein, duly commissioned and
		known to me to be the		EXECUTIVE Vice President, and
			JAMES A. WALKER	ASSISTANT Secretary, o
		•	KERN COUNTY LAND COMPAN	IY
		executed the within instru- to me that such corporation tion of its board of director	ment on behalf of the corporation executed the within instrumenters.	snown to me to be the persons who in therein named, and acknowledged pursuant to its by-laws or a resolute and affixed my official seal at my
		office in said City and Cou	anty and State the day and year	in this certificate first above written
	Му	Commission Expires August 10, 1961	in and for th	otary Public ne City and County of co, State of California
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My Commission  Mana 196  STATE OF  COUNTY OF	e foregoin	I I g instrument was a, 1958, by		e thisday, as

My Commission expires:

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development
and Operation of the Canyon Largo Unit Area located within the County of
Rio Arriba , State of New Mexico , in form
approved on behalf of the Secretary of the Interior, the undersigned owners of lands
or leases, or interests therein or royalties presently held or which may arise under
existing option agreements, or other interests in production covered by said Unit
Agreement hereby severally, each to the extent of his or her particular ownership or
interest, as may appear, consent to the inclusion of said lands within the Unit Area
therein defined, ratify, approve and adopt the terms of said Unit Agreement and any
modifications thereof approved by the Secretary of the Interior or his duly autho-
rized representative as applicable to said several lands and interests, agree 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 terms of said Unit Agreement, agree that the drilling, development and
producing requirements of all leases and other contracts in which their several rights
and interests are created or defined shall be deemed fully performed by performance of
the provisions of said Unit Agreement, and agree that payment for or delivery of (which
ever 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
P.O. Box 990	Franch Havery
Wichita Fails, Texas	FRANCIS L. HARVEY
Date: October 22, 1959	Belen L. Hervey
	APPROVED AND CONSENTED TO BY KERN COUNTY LAND COMPANY AS WORKING INTEREST OWNER
Date:	
600 California Street	By: Seifel Beg
San Francisco 8, California  Date: November 9, 1959	and by: Assistant Secretary
Toveliner J. 1909	essionant secretary

This instrument is intended to cover the following described lands only: TR421 157 7

Township 25 North, Range 6 West, N.M.P.M. Section 36: N/2 SE/4

Containing 80.00 acres, more or less

APPROVED AND CONSENTED TO:

EL PASO NATUERAL GAS COMPANY

Attorney - in - Fact

Unit Operator

# El Paso Watural Gas Company

El Paso, Texas

August 1, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

Oil Conservation Commission Of the State of New Mexico Capitol Annex Building Santa Fe. New Mexico

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-THIRD EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective June 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly to include these wells as follows:

The Canyon Largo Unit #74 Well is located 1550' from the North line and 1652' from the East line of Section 26, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 21, 1959 and completed on May 8, 1959 at a total depth of 2335' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2226' - 2240', 2260' - 2270' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on May 15, 1959, and following a three (3) hour blow-down period gauged 1203 MCFGPD through a 3/4" choke and 1245 MCFGPD by the calculated absolute open-flow method, with an SIPC of 666# and an SIPT of 667#. The committed drilling block upon which this well is located is described as the E/2 of Section 26, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 15, 1959.

- 2. The Canyon Largo Unit #81 Well is located 1650' from the South line and 1700' from the West line of Section 34, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 1, 1959 and completed on April 28, 1959 at a total depth of 2691' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2606' - 2620', 2648' - 2658' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on May 5, 1959, and following a three (3) hour blow-down period gauged 3232 MCFGPD through a 3/4" choke and 10,157 MCFGPD by the calculated absolute open-flow method, with an SIPC of 626# and an SIPT of 626#. The committed drilling block upon which this well is located is described as the W/2 of Section 34. Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 5, 1959.
- 3. The Canyon Largo Unit #82 Well is located 1650' from the South line and 990' from the East line of Section 34, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 23, 1959 and completed on April 24, 1959 at a total depth of 2631' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2508' - 2520', 2528' - 2546', 2554' - 2558', 2572'-2580' was treated with a sand-water fracturing process. After being shut-in for gauge for eleven (11) days, the well was tested on May 5, 1959 and following a three (3) hour blow-down period gauged 5432 MCFGPD through a 3/4" choke and 10,429 MCFGPD by the calculated absolute open-flow method with an SIPC of 619# and an SIPT of 619#. The committed drilling block upon which this well is located is described as the E/2 of Section 34, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 5, 1959.

The completion of the Canyon Largo Unit #74 Well creates one (1) intervening drilling block described as the W/2 of Section 26, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres.

The completion of the Canyon Largo Unit #82 Well creates one (1) intervening drilling block described as the E/2 of Section 3, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.46 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of June 1, 1959. Wells must be commenced on these intervening drilling blocks by June 1, 1960.

Attached is Schedule XXIV showing the Twenty-Third Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Third Expanded Participating Area will become effective as of June 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: ch

El Paso, Texas

July 27, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059

Rio Arriba County, New Mexico

1000 100 1000 COS

NOTICE OF DISCOVERY

INITIAL PARTICIPATING AREA

Chacra Formation

#### Gentlemen:

In accordance with Section 11 of the Canyon Largo Unit Agreement, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the first well capable of producing unitized substances in paying quantities from the Chacra Formation has been completed upon acreage committed to this unit, and that the Initial Chacra Participating Area should be established and that the effective date for the Initial Participating Area should be June 11, 1959, the date of first production from the subject well. The Participating Area for this well consists of the E/2 of Section 15, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

The well is as follows:

The Canyon Largo Unit #69 Well is located 1650' from the South line and 1150' from the East line of Section 15, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 15, 1959 and completed on April 20, 1959 at a total depth of 3586' in the Chacra Formation. The Chacra Formation between 3400' - 3422', 3500' - 3510' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Chacra Formation on April 27, 1959, and following a three (3) hour blow-down period gauged 2238 MCFGPD through a 3/4" choke and 2681 MCFGPD by the calculated absolute open-flow method, with an SIPC of 865# and an SIPT of

859#. The committed drilling block upon which this well is located is described as the E/2 of Section 15, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 27, 1959.

Attached hereto is Schedule I showing the Initial Participating Area for the Chacra Formation of the Canyon Largo Unit Area. This describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tract, and the exact breakdown of percentage allocated to the tract according to the ownership in the tract. Also attached hereto is a map, Exhibit "A", showing the location of the well and the outline of the Initial Participating Area.

Inasmuch as this needs no official approval, pursuant to the terms of Section 11, Paragraph 2 of the Canyon Largo Unit Agreement, no provision is made therefor, and in the absence of disapproval, this Initial Participating Area for the Chacra Formation will become effective as of June 11, 1959.

Copies of this letter and schedule are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: pc

Attachments

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Frank Bond & Son, Inc.
Post Office Box 1327
Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell P. O. Box 4276 Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret H. Hill 700 Mercantile Bank Bldg. Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

#### Canyon Largo Unit Working Interest Owners

Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2 & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Gregory Merrion 312 East Pine Midland, Texas

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Bank Bldg. Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 1070 Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Bldg. Dallas, Texas

Pan American Petroleum Corporation Post Office Box 1410 Ft. Worth, Texas

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company P. O. Box 4115, Station "A" Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor, Corrigan Tower Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Page 2 Canyon Largo Unit Working Interest Owners

Mr. William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

La Plata Gathering System, Inc. c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Stekoll Petroleum Corp. Post Office Box 956 Dallas, Texas

Mr. T. Jack Foster 65 East Fourth South Salt Lake City, Utah

Mr. R. E. Jensen The Superior Oil Company (12) P. O. Box 3015, Terminal Annex Los Angeles 54, California

Pan American Petroleum Corporation Post Office Box 487 Farmington, New Mexico

Mr. T. F. Thompson Skelly Oil Company Post Office Box 1650 Tulsa 2, Oklahoma

Mr. Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Mr. F. T. Anderson Petro-Atlas Corp. 2000 National Bank of Tulsa Tulsa 3, Oklahoma

Elizabeth P. White 424 Pueblo Salano, N.W. Albuquerque, New Mexico

# UNIT AREA EXPANSION SCHEDULE -- SAN JUAN BASIN Form 21-71M (5-59)

# INITIAL PARTICIPATING AREA FOR THE CHACRA FORMATION CANYON LARGO UNIT AREA

					Canyon Largo Unit #69 Well	-	SF 078884	SERIAL NUMBER
					Sec. 15: E/2		T-25-N, R-6-W Sec. 15: E/2	DESCRIPTION
					320.00		320.00	NUMBER OF ACRES
Percentage of Basic Royalty Committed: Percentage of Working Interest Committed: Percentage of O.R.R.I. Committed:	Total Number of Acres in Participating Area: Total Number of Acres Committed to Participating Area:	Township 25 North, Range 6 West, N.M.P.M. Sec. 15: E/2	Description of Lands in Participating Area:	RECAPITULATION		TOTAL 100.00%	Royalty; 12.50%	DRILLING BLOCK PERCENT AGE
00,00% 100,00% 100,00%	: 320.00 320.00				100.00%	78.75% 8.75% 100.00%	12.50%	PERCENTAGE
					100.00000%		100.00000%	PRESENT ACTU/

El Paso, Texas July 27, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-SECOND EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective May 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit, and the Participating Area for the Pictured Cliffs Formation is expanded accordingly to include these wells as follows:

The Canyon Largo Unit #70 Well is located 990' from the North line and 990' from the East line of Section 31, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 3, 1959 and completed on April 5, 1959 at a total depth of 2708' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2610' - 2618', 2652' - 2666' was treated with a sand-water fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on April 15, 1959, and following a three (3) hour blow-down period gauged 484 MCFGPD tarough a 3/4" choke and 486 MCFGPD by the calculated absolute openflow method, with an SIPC of 630# and an SIPT of 630#. The committed drilling block upon which this well is located is described as the E/2 of Section 31, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 15, 1959.

- 2. The Canyon Largo Unit #77 Well is located 1750' from the North line and 1650' from the West line of Section 9, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 9, 1959 and completed on April 1, 1959 at a total depth of 2200' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2100° - 2114', 2140' - 2160' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on April 17, 1959 and following a three (3) hour blow-down period gauged 4250 MCFGPD through a 3/4" choke and 5725 MCFGPD by the calculated absolute open-flow method with an SIPC of 650# and an SIPT of 650#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 17, 1959.
- The Canyon Largo Unit #79 Well is located 872' from the North line and 1068' from the West line of Section 21, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 12, 1959 and completed on April 13, 1959 at a total depth of 2342' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2242' - 2254', 2292' - 2304' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on April 21, 1959, and following a three (3) hour blow-down period gauged 1767 MCFGPD through a 3/4" choke and 1877 MCFGPD by the calculated absolute open-flow method with an SIPC of 601# and an SIPT of 601#. The committed drilling block upon which this well is located is described as the W/2 of Section 21, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 21, 1959.

The completion of the Canyon Largo Unit #70 Well creates two (2) intervening drilling blocks described as the W/2 of Section 31, and the W/2 of Section 32, Township 25 North, Range 6 West, N.M.P.M., and consist of 320.64 and 320.00 acres respectively. However, only the NW/4 of Section 32 in the latter drilling block is committed to the Canyon Largo Unit, containing 160.00 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of May 1, 1959. Wells must be commenced on these intervening drilling blocks by May 1, 1960.

Attached is Schedule XXIII showing the Twenty-Second Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized sub-

stances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Second Expanded Participating Area will become effective as of May 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: pc

July 6, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-SECOND EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective May 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that four (4) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly to include these wells as follows:

The Canyon Largo Unit #69 Well is located 1650' from the South line and 1150' from the East line of Section 15, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 15, 1959 and completed on April 20, 1959 at a total depth of 3586' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 3400' - 3422', 3500' - 3510' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on April 27, 1959, and following a three (3) hour blow-down period gauged 2238 MCFGPD through a 3/4" choke and 2681 MCFGPD by the calculated absolute open-flow method, with an SIPC of 865# and an SIPT of 859#. The committed drilling block upon which this well is located is described as the E/2 of Section 15, Township 25 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 27, 1959.

- 2. The Canyon Largo Unit #70 Well is located 990' from the North line and 990' from the East line of Section 31, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 3, 1959 and completed on April 5, 1959 at a total depth of 2708' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2610' - 2618', 2652' - 2666' was treated with a sand-water fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on April 15, 1959, and following a three (3) hour blow-down period gauged 484 MCFGPD through a 3/4" choke and 486 MCFGPD by the calculated absolute open-flow method, with an SIPC of 630# and an SIPT of 630#. The committed drilling block upon which this well is located is described as the E/2 of Section 31, Township 25 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 15, 1959.
- 3. The Canyon Largo Unit #77 Well is located 1750' from the North line and 1650' from the West line of Section 9, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 9, 1959 and completed on April 1, 1959 at a total depth of 2200' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2100' - 2114', 2140' - 2160' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on April 17, 1959 and following a three (3) hour blow-down period gauged 4250 MCFGPD through a 3/4" choke and 5725 MCFGPD by the calculated absolute open-flow method with an SIPC of 650# and an SIPT of 650#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 17, 1959.
- The Canyon Largo Unit #79 Well is located 872' from the North line and 1068' from the West line of Section 21, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 12, 1959 and completed on April 13, 1959 at a total depth of 2342' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2242' - 2254', 2292' - 2304' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on April 21, 1959, and following a three (3) hour blow-down period gauged 1767 MCFGPD through a 3/4" choke and 1877 MCFGPD by the calculated absolute open-flow method with an SIPC of 601# and an SIPT of 601#. The committed drilling block upon which this well is located is described as the W/2 of Section 21, Township 25 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 21, 1959.

The completion of the Canyon Largo Unit #69 Well creates one (1) intervening drilling block described as the W/2 of Section 14, Township 25 North, Range 6 West, N.M.P.M. and consists of 320.00 acres.

The completion of the Canyon Largo Unit #70 Well creates two (2) intervening drilling blocks described as the W/2 of Section 31, and the W/2 of Section 32, Township 25 North, Range 6 West, N.M.P.M. and consist of 320.64 and 320.00 acres respectively. However, only the NW/4 of Section 32 in the latter drilling block is committed to the Canyon Largo Unit, containing 160.00 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of May 1, 1959. Wells must be commenced on these intervening drilling blocks by May 1, 1960.

Attached is Schedule XXIII showing the Twenty-Second Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor, and in the absence of disapproval, this Twenty-Second Expanded Participating Area will become effective as of May 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB: JNN: ch

El Paso, Texas

June 16, 1959

REGISTERED MAIL

C

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

Re: Canyon Largo Unit Tract #14

SF 078631

Rio Arriba County, New Mexico

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Gentlemen:

We enclose herewith for filing with your office one copy each of a Ratification and Joinder to the Canyon Largo Unit Agreement and Unit Operating Agreement covering the captioned lease.

We feel that El Paso Natural Gas Company's 25% interest, acquired by that certain Assignment of Operating Rights from La Plata Gathering System, Inc. dated July 7, 1958, is committed to the subject Unit as a result of the Ratification and Joinders executed by Mr. T. Jack Foster, the Lessee of Record, effective November 1, 1958. However, in order to eliminate any questions which might arise in the future concerning this matter, we are hereby filing the enclosed instruments.

ery truly/yours

Harry Gevertz

Land Department

HG:JNN:nl
Enclosure

NM 4855

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development
and Operation of the Canyon Largo Unit Area located within the County of
Rio Arriba , State of New Mexico , in form
approved on behalf of the Secretary of the Interior, the undersigned owners of lands
or leases, or interests therein or royalties presently held or which may arise under
existing option agreements, or other interests in production covered by said Unit
Agreement hereby severally, each to the extent of his or her particular ownership or
interest, as may appear, consent to the inclusion of said lands within the Unit Area
therein defined, ratify, approve and adopt the terms of said Unit Agreement and any
modifications thereof approved by the Secretary of the Interior or his duly autho-
rized representative as applicable to said several lands and interests, agree 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 terms of said Unit Agreement, agree that the drilling, development and
producing requirements of all leases and other contracts in which their several rights
and interests are created or defined shall be deemed fully performed by performance of
the provisions of said Unit Agreement, and agree that payment for or delivery of (which
ever 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
Date:	By Attorney in Fact Working Interest Owner and Unit Operator
Date:	
Date:	

Tract #14

SF 078631

Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2

Section 10: N/2

Containing 640.00 acres, more or less

The foregoing instrument was acknowledged before me this
President of
President of
Corporation, on behalf of said corporation.  Notary Public  Notary Public  Notary Public  STATE OF  I COUNTY OF  I The foregoing instrument was acknowledged before me this day on
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Notary Public
My Commission expires:
STATE OF TEYAR
STATE OF TEXAS
COUNTY OF EL PASO I
The foregoing instrument was acknowledged before me this /2 day
attorney-in-fact on behalf of El Paso Natural Gas Company
actorney-in-ract on behalf of El Paso Natural Gas Company
ma Lucy
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My Commission expires:
My Commission expires:  M. B. IVEY  Notary Public in and for Et Paso County, Texas

# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT

In consideration of the execution of the Unit Operating Agreement
under Unit Agreement for the Development and Operation of the said
Canyon Largo Unit , in form approved by the Secretary of the
Interior, the undersigned owners of lands or leases or interests therein
presently held or which may arise under existing option agreements or other
interests in production covered by sald Unit Operating Agreement, each to the
extent of his or her particular ownership or interest, as may appear, have
consented to the inclusion of said lands within the Unit Area therein defined,
and do hereby approve, adopt and ratify the said Unit Operating Agreement in
the form and as submitted to the United States Geological Survey in connection
with the submission of Unit Agreement for the Development and Operation of the
said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
	EL PASO NATURAL GAS COMPANY  By: Day 7. Howell de
Date: 12, 1959	Attorney in Fact Working Interest Owner & Unit Operator
Date:	

Tract #14

SF 078631

Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2

Section 10: N/2

Containing 640.00 acres, more or less

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June 15, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059
NOTICE OF COMPLETION OF ADDITIONAL WELLS

Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to the unit. These wells are as follows:

The Canyon Largo Unit #73 Well is located 965' from the North line and 1840' from the West line of Section 12, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 16, 1959 and completed on March 27, 1959 at a total depth of 2445' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2292' - 2310', 2384' - 2400' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested in the Pictured Cliffs Formation on April 3, 1959, and following a three (3) hour blow-down period gauged 1058 MCFGPD through a 3/4" choke and 1084 MCFGPD by the calculated absolute open-flow method, with an SIPT of 596# and an SIPC of 668#. The committed drilling block upon which this well is located is described as the W/2 of Section 12, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on April 3, 1959.

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This drilling block was included in the Canyon Largo Twenty-First Expanded Participating Area for the Pictured Cliffs Formation, effective April 1, 1959. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXII for the Twenty-First Expanded Participating Area remain the same.

The Canyon Largo Unit #64 Well is located 1190' from the North line and 1500' from the East line of Section 4, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 26, 1959 and completed on May 4, 1959 at a total depth of 2279' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2150' -2160', 2166' - 2176', 2182' - 2192', 2216' - 2230' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested in the Pictured Cliffs Formation on May 12, 1959, and following a three (3) hour blow-down period gauged 807 MCFGPD through a 3/4" choke, and 814 MCFGPD by the calculated absolute open-flow method, with an SIPC of 628# and an SIPT of 628#. The committed drilling block upon which this well is located is described as the E/2 of Section 4, Township 24 North, Range 6 West, N.M.P.M., and consists of 339.45 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 12, 1959.

This drilling block was included in the Canyon Largo Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XVIII for the Seventeenth Expanded Participating Area remain the same.

3. The Canyon Largo Unit #65 Well is located 1150' from the North line and 1500' from the East line of Section 3, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on February 17, 1959 and completed on March 3. 1959 at a total depth of 2964' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2876' - 2894', 2916' - 2930' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested in the Pictured Cliffs Formation on March 11, 1959, and following a three (3) hour blow-down period gauged 1051 MCFGPD through a 3/4" choke, and 1064 MCFGPD by the calculated absolute open-flow method, with an SIPC of 860# and an SIPT of 855#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 25 North, Range 6 West, N.M.P.M., and consists of 321.15 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on March 11, 1959.

This drilling block was included in the Canyon Largo Seventeenth Expanded Participating Area for the Pictured Cliffs Formation, effective August 1, 1958. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XVIII for the Seventeenth Expanded Participating Area remain the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

y Harry

Land Department

HG: JNN: ch Attachment

#### CANYON LARGO UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Mr. E. V. Hewitt (12)
Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth, Texas

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

Mark Elkins & Ina Elkins Post Office Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Henry Duffe Wilton Junction, Iowa

William G. Webb 1900 Mercantile Dallas Building Dallas, Texas

Stekoll Petroleum Corporation P. O. Box 956 Dallas, Texas

J. Lee Merrion Family 9000 South Laflin St. Chicago 20, Illinois

Edna W. Merrion, Trustee Edna W. Merrion, Trusts 1,2,3 9000 South Laflin St. Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower San Antonio 5, Texas

Skelly Oil Company
P. O. Box 4115, Station "A"
Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 1070 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, NW Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Southern Union Gas Company 1104 Burt Building Dallas, Texas

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

J. Glenn Turner 1900 Mercantile Dallas Building Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

#### CANYON LARGO UNIT WORKING INTEREST OWNERS

Mr. T. Jack Foster 65 East Fourth, South Salt Lake City, Utah

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company P. O. Box 4115, Station "A" Albuquerque, New Mexico

Pan American Petroleum Corporation Post Office Box 1714 Albuquerque, New Mexico

Mr. R. E. Jensen The Superior Oil Company Post Office Box 3015, Terminal Annex Los Angeles 54, California La Plata Gathering System, Inc. 1900 Mercantile Dallas Building Dallas, Texas

Mr. T. F. Thompson Skelly Oil Company P. O. Box 1650 Tulsa 2, Oklahoma

Hugh McMillan, Agent 6820 Gato Road El Paso, Texas

Robert Donnell & Marion Donnell 1713 Douglas St. Midland, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

El Paso, Texas

June 15, 1959

3

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
TWENTY-FIRST EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective April 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that nine (9) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly. These wells are as follows:

The Canyon Largo Unit #67 Well is located 1150' from the North line and 1600' from the West line of Section 1, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on February 23, 1959 and completed on March 7, 1959 at a total depth of 2946' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2836' - 2846', 2856' - 2860', 2864' - 2876' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days the well was tested in the Pictured Cliffs Formation on March 16, 1959, and following a three (3) hour blow-down period gauged 1758 MCFGPD through a 3/4" choke and 1809 MCFGPD by the calculated absolute open-flow method, with an SIPC of 850# and an SIPT of 850#. The committed drilling block upon which this well is located is described as the W/2 of Section 1, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.60 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 16, 1959.

- The Canyon Largo Unit #71 Well is located 1160' from the South line and 1390' from the East line of Section 11, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on March 10, 1959 and completed on March 23, 1959 at a total depth of 2200' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2090' - 2104', 2144' - 2154', 2158' - 2168' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on March 31, 1959, and following a three (3) hour blow-down period gauged 781 MCFGPD through a 3/4" choke and 794 MCFGPD by the calculated absolute open-flow method with an SIPC of 660# and an SIPT of 660#. The committed drilling block upon which this well is located is described as the E/2 of Section 11, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 31, 1959.
- The Canyon Largo Unit #75 Well is located 1090' from the North line and 1650' from the West line of Section 21, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on February 24, 1959 and completed on March 12, 1959 at a total depth of 2458' in the Pictured Cliffs Formation. Pictured Cliffs Formation between 2352' - 2362', 2392' - 2406' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on March 19, 1959 and following a three (3) hour blow-down period gauged 324 MCFGPD through a 3/4" choke and 331 MCFGPD by the calculated absolute open-flow method with an SIPC of 635# and an SIPT of 635#. The committed drilling block upon which this well is located is described as the W/2 of Section 21, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 19, 1959.
- 4. The Canyon Largo Unit #80 Well is located 1090' from the South line and 1650' from the East line of Section 35, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 16, 1959 and completed on February 27, 1959 at a total depth of 2550' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2468' - 2478', 2484' -2496' was treated with a sand-water fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on March 9, 1959, and following a three (3) hour blow-down period gauged 3791 MCFGPD through a 3/4" choke and 4837 MCFGPD by the calculated absolute open-flow method with an SIPC of 631# and an SIPT of 631#. The committed drilling block upon which this well is located is described as the E/2 of Section 35, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 9, 1959.

- The Canyon Largo Unit #83 Well, formerly the Bolack #4-D, is located 990' from the North line and 990' from the West line of Section 1, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on July 2, 1957 and completed on July 11, 1957 at a total depth of 2618' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2490' - 2506', 2520' - 2540', 2546' - 2558' was treated with a sand-water fracturing process. After being shut-in for gauge for eleven (11) days, the well was tested on July 22, 1957, and following a three (3) hour blow-down period gauged 1033 MCFGPD through a 3/4" choke, and 1052 MCFGPD by the calculated absolute open-flow method with an SIPC of 713# and an SIPT of 713#. The drilling block upon which this well is located is described as the W/2 of Section 1, Township 24 North, Range 6 West, N.M.P.M., and consists of 342.45 acres. committed portion of the drilling block upon which this well is located, is described as Lots 3,4,5,6,11,12 (NW/4) of Section 1, Township 24 North, Range 6 West, N.M.P.M., and consists of 182.45 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 22, 1957.
- 6. The Canyon Largo Unit #84 Well, formerly the Bolack #2-D, is located 990' from the South line and 1750' from the West line of Section 13, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on June 17, 1957 and completed on July 1, 1957 at a total depth of 2180' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2082' - 2105', 2124' - 2152' was treated with a sandwater fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on July 17, 1957, and following a three (3) hour blow-down period gauged 2463 MCFGPD through a 3/4" choke and 2669 MCFGPD by the calculated absolute open-flow method with an SIPC of 691# and an SIPT of 691#. drilling block upon which this well is located is described as the W/2 of Section 13, Township 24 North, Range 6 West, N.M.P.M. and consists of 320.00 acres. The committed portion of the drilling block upon which this well is located is described as the SW/4 of Section 13, Township 24 North, Range 6 West, N.M.P.M., and consists of 160.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 17, 1957.
- 7. The Canyon Largo Unit #85 Well, formerly the Bolack #1-D, is located 1650' from the South line and 990' from the East line of Section 13, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded June 27, 1957 and completed July 8, 1957 at a total depth of 2205' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2110' 2140', 2160' 2183' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on July 17, 1957, and following a three (3) hour blow-down period gauged 422 MCFGPD through a 3/4" choke, and 423 MCFGPD by the calculated absolute open-flow method, with an SIPC of 711# and an SIPT of 711#. The committed drilling block upon which this well is located is described as the E/2 of Section 13, Township 24 North, Range 6 West, N.M.P.M.,

and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantites was made on July 17, 1957.

- The Canyon Largo Unit #86 Well, formerly the Bolack #1-E, is located 1850' from the South line and 1650' from the East line of Section 35, Township 24 North, Range 6 West, Rio Arriba County, New Mexico. This well was spudded on June 22, 1957 and completed July 4, 1957 at a total depth of 2135' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2045' -2072' was treated with a sand-water fracturing process. After being shut-in for gauge for thirteen (13) days, the well was tested on July 17, 1957, and following a three (3) hour blowdown period gauged 2948 MCFGPD through a 3/4" choke, and 3372 MCFGPD by the calculated absolute open-flow method with an SIPC of 689# and an SIPT of 689#. The drilling block upon which this well is located is described as the E/2 of Section 35, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres. The committed portion of the drilling block upon which this well is located is described as the SE/4 of Section 35, Township 24 North, Range 6 West, N.M.P.M., and consists of 160.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 17, 1957.
- 9. The Canyon Largo Unit #88 Well is located 1190' from the North line and 990' from the West line of Section 2, Township 24 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 16, 1959 and completed on March 8, 1959 at a total depth of 2574' in the Pictured Cliffs Formation. The Pictured Cliffs Formation between 2466' - 2482', 2519' - 2531' was treated with a sandwater fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on March 16, 1959, and following a three (3) hour blow-down period gauged 1339 MCFGPD through a 3/4" choke and 1384 MCFGPD by the calculated absolute open-flow method, with an SIPC of 651# and an SIPT of 651#. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.38 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 16, 1959.

The completion of the Canyon Largo Unit #67 Well creates one (1) intervening drilling block described as the E/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., and consists of 320.85 acres.

The completion of the Canyon Largo Unit #71 Well creates one (1) intervening drilling block described as the W/2 of Section 12, Township 24 North, Range 6 West, N.M.P.M., and consists of 320.00 acres.

The completion of the Canyon Largo Unit #80 Well creates one (1) intervening drilling block described as the W/2 of Section 36, Township 25 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

The completion of the Canyon Largo Unit #88 Well creates one (1) intervening drilling block described as the E/2 of Section 2, Township 24 North, Range 7 West, N.M.P.M., and consists of 333.26 acres.

Under the terms of the Canyon Largo Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of April 1, 1959. Wells must be commenced on these intervening drilling blocks by April 1, 1960.

The Canyon Largo Unit #83, #84, #85, and #86 Wells are being admitted to the Pictured Cliffs Participating Area at this time due to the fact that the committed acreage dedicated to said wells was subjected to the terms of the Canyon Largo Unit Agreement effective as of April 1, 1959.

Attached is Schedule XXII showing the Twenty-First Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-First Expanded Participating Area will become effective as of April 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

T. W. Bittick Assistant Manager

Land Department

TWB: JNN: ch

## OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

May 12, 1959

File 541

El Paso Matural Gas Company El Paso, Texas

> Re: 1959 Drilling Program Canyon Largo Unit Rio Arriba County, New Mexico.

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1959 Drilling Program for the Canyon Largo Unit Rio Arriba 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.

One approved copy of the application is returned herewith.

Very truly yours.

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

ALP/MS/pj

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

El Paso, Texas

May 7, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico TWENTIETH EXPANDED PARTICIPATING AREA Pictured Cliffs Formation Effective February 1, 1959

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly. This well is as follows:

> The Canyon Largo Unit #60 Well, located 990' from the North line and 1000' from the East line of Section 10, Township 24 North, Range 7 West, Rio Arriba County, New Mexico was spudded on December 28, 1958 and completed on January 13, 1959 at a total depth of 2321' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2220' - 2226', 2232' - 2240', was treated with a sand-water fracturing process. After being shut-in for nine (9) days, the well was tested in the Pictured Cliffs Formation on January 22, 1959, and following a three (3) hour blow-down period gauged 3008 MCFGPD through a 3/4" choke, and 3639 MCFGPD by the calculated absolute open-flow method, with an SIPT of 584# and an SIPC of 584#. The committed drilling block upon which this well is located is described as the E/2 of Section 10, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.

Attached is Schedule XXI showing the Twentieth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twentieth Expanded Participating Area will become effective as of February 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

79 W D4+4-1

Assistant Manager Land Department

TWB: DN: ch

El Paso, Texas

May 1, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

Oil Conservation Commission Of the State of New Mexico Capitol Annex Building Santa Fe, New Mexico File

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to the unit. This well is as follows:

The Canyon Largo Unit #66 Well, located 1090' from the North line and 1500' from the West line of Section 29, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on March 10, 1959 and completed on April 9, 1959, at a total depth of 2272' in the Pictured Cliffs Formation. On April 7, 1959, the Pictured Cliffs Formation from 2140' - 2156', 2172'-2182', 2199' - 2205', and 2220' - 2228' was treated with a sandwater fracturing process. After being shut-in for seven (7) days the well was tested in the Pictured Cliffs Formation on April 16, 1959, and following a three (3) hour blow-down period gauged 286 MCFGPD through a 3/4" choke, and 287 MCFGPD by the calculated absolute open-flow method, with an SIPT of 615# and an SIPC of 615#. The committed drilling block upon which this well is located is described as the W/2 of Section 29, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on April 16, 1959.

This drilling block was included in the Eighteenth Expansion of the Canyon Largo Unit. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts in the Participating Area remain the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Harry Gayartz

Land Department

HG: DN: ch Attachment

### CANYON LARGO UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Mr. E. V. Hewitt (12)
Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth 1, Texas

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Henry Duffe Wilton Junction, Iowa

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Edna W. Merrion, Trustee Edna W. Merrion, Trusts 1, 2, 3 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, NE Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 1070 Roswell, New Mexico

Southern Union Gas Company 1104 Burt Building Dallas, Texas

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, NW Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

#### CANYON LARGO UNIT WORKING INTEREST OWNERS PAGE 2

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Stekoll Petroleum Corporation 65 East Fourth, South Salt Lake City, Utah

La Plata Gathering System, Inc. 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. R. E. Jensen The Superior Oil Company (12) Post Office Box 3015 Terminal Annex Los Angeles 54, California J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

Mr. T. Jack Foster Box 656 Oklahoma City, Oklahoma

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, NE Albuquerque, New Mexico

Pan American Petroleum Corporation Post Office Box 1714 Albuquerque, New Mexico

El Paso, Texas

May 1, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

Oil Conservation Commission Of the State of New Mexico Capitol Annex Building Santa Fe, New Mexico F1/2

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF DRY HOLE
Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953 El Paso Natural Gas Company, as Unit Operator, determined on March 31, 1959, that the following described well was not capable of producing unitized substances from the Pictured Cliffs Formation:

The Canyon Largo Unit #72 Well, located 890' from the South line and 1080' from the West line of Section 11, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on March 3, 1959, and drilled to a total depth of 2392' in the Pictured Cliffs Formation. On March 31, 1959, the well was plugged and abandoned by setting plug from 2270' to 2342' with 50 sacks of cement. Spotted 25 sacks of cement on 5½" casing stub at 1536'. Set cement surface plug with 40 sacks of cement. Four feet of four-inch pipe was set at the surface as a permanent marker and location was restored to original contour. The committed drilling block upon which this well was located is described as the W/2 of Section 11, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

Since this well was determined to be a dry hole and has been plugged and abandoned, official approval is not necessary.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

Harry Royontz

Area Landman

Land Department

HG:DN:ic Attachment

### CANYON LARGO UNIT WORKING INTEREST OWNERS

American Petrofina Company of Texas Post Office Box 2159 Dallas 21, Texas

Mr. E. V. Hewitt (12)
Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth 1, Texas

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

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Mark Elkins & Ina Elkins P. O. Box 96 Crystal City, Texas

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Henry Duffe Wilton Junction, Iowa

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

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Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Edna W. Merrion, Trustee Edna W. Merrion, Trusts 1, 2, 3 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, NE Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Post Office Box 1070 Roswell, New Mexico

Southern Union Gas Company 1104 Burt Building Dallas, Texas

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, NW Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

#### CANYON LARGO UNIT WORKING INTEREST OWNERS PAGE 2

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Stekoll Petroleum Corporation 65 East Fourth, South Salt Lake City, Utah

La Plata Gathering System, Inc. 1900 Mercantile Dallas Building Dallas 1, Texas

Mr. R. E. Jensen The Superior Oil Company (12) Post Office Box 3015 Terminal Annex Los Angeles 54, California J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

Mr. T. Jack Foster Box 656 Oklahoma City, Oklahoma

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, NE Albuquerque, New Mexico

Pan American Petroleum Corporation Post Office Box 1714 Albuquerque, New Mexico April 27, 1959

El Paso Natural Gas Company El Paso, Texas File 541

ATTENTION: Mr. San Smith

le: Cayon Lateo Inic

Rio Arriba County, New Marico

1959 Drilling Program

#### Contlemen:

We are enclosing two approved copies of the 1959 Drilling Program for the captioned unit. This Drilling Program was approved by the Commissioner of Public Lands as of this date and calls for a calling of twenty Pictured Cliff wells and one Dual, Pictured Cliffs-Chacra to the base of the Chacra Formation.

This approval is subject to like approval being obtained from the United States Geological Survey and the New Mexico Oil Conservation Commission. Upon receipt of their approval may we please be notified.

Very truly yours,
 MURRAY E. MURGAN
 Commissioner of Public Landa

EY: Ted Bilberry, Supervisor Oil and Gas Division

MEM/MMR/m cc:

United States Geological Survey Roswell, New Mexico

Oil Conservation Commission . Santa Fa, New Mexico

**ILLEGIBLE** 

### El Paso Natural Gas Company

El Paso, Texas

April 27, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

Oil Conservation Commission Of the State of New Mexico Capitol Annex Building Santa Fe, New Mexico F16-

Re: Canyon Largo Unit, #14-08-001-1059 NOTICE OF COMPLETION OF ADDITIONAL WELL Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the unit.

#### This well is as follows:

The Canyon Largo Unit #65 Well, located 1150' from the North line and 1500' from the East line of Section 3, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on February 17, 1959, and completed on March 3, 1959, at a total depth of 2965' in the Pictured Cliffs Formation. On March 1, 1959, the Pictured Cliffs Formation from 2876' to 2894', and 2916' to 2930' was treated with a sand-water fracturing process. After being shut in for eight (8) days, the well was tested in the Pictured Cliffs Formation on March 11, 1959, and following a three (3) hour blow down period gauged 1051 MCFGPD through a 3/4" choke, and 1064 MCFGPD by the calculated absolute open-flow method, with an SIPT of 855# and an SIPC of 860#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 321.15 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on March 11, 1959.

This drilling block was included in the Seventeenth Expansion of the Canyon Largo Unit. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts in the Participating Area remain the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Harry Gevertz Area Landman

Land Department

HG:DN:ic Attachment Petro-Atlas Corporation First National Building Tulsa 3, Oklahoma

Frank Bond & Son, Inc.
Post Office Box 1327
Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Fowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 1916 Lead, S.E. Albuquerque, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Canyon Largo Unit Working Interest Owners

Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Building Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation
Post Office Box 1410
Ft. Worth, Texas
Attention: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

(CONTINUED)

Canyon Largo Unit Working Interest Owners

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

J. Glenn Turner 1900 Mercantile Bank Building Dallas 1, Texas

William G. Webb 1900 Mercantile Bank Building Dallas 1, Texas

### El Paso Natural Gas Company

El Paso, Texas

April 16, 1959

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

> > 1959 DRILLING PROGRAM

#### Gentlemen:

By letter dated April 9, 1958, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1958. Said Program provided for the drilling of sixteen (16) Pictured Cliffs Wells on lands committed to the Unit. Thirteen (13) wells were completed upon lands committed to the Unit. Twelve (12) wells have been admitted and one (1) well is in the process of being admitted to the Pictured Cliffs Participating Area. The Canyon Largo #10 Well, completed upon lands committed to the Unit, was plugged and abandoned and the Canyon Largo #15 Well, completed upon lands committed to the Unit, was declared non-commercial by Unit Operator.

The remaining well scheduled on our 1958 Drilling Program was not drilled due to the failure to secure the commitment of the owners of said drilling block to the Canyon Largo Unit.

Pursuant to Section 10 of the Canyon Largo Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is herewith submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1959 to December 31, 1959:

DRILLING BLO	OCK .	FORMATION	
E/2 Section	10, T-24-N, R-7-W	Pictured Cliffs	
E/2 Section	9, T-25-N, R-7-W	Pictured Cliffs	
W/2 Section	9, T-25-N, R-7-W	Pictured Cliffs	
E/2 Section	4 T-24-N R-6-W	Dictured Cliffs	

#### DRILLING BLOCK

#### FORMATI ON

<b>E/2</b>	Section	3,	T-25-N,	R-6-W	Pictured Cliffs
W/2	Section	29,	T-25-N,	R-7-W	Pictured Cliffs
W/2	Section	1,	T-25-N,	R-6-W	Pictured Cliffs
			T-25-N,		Dual, Pictured Cliffs-Chacra
<b>√E/2</b>	Section	31,	T-25-N,	R-6-W	Pictured Cliffs
E/2	Section	11,	T-24-N,	R-6-W	Pictured Cliffs
W/2	${\tt Section}$	11,	T-24-N,	R-6-W	Pictured Cliffs
W/2	Section	12,	T-24-N,	R-6-W	Pic tured Cliffs
<b>E/2</b>	Section	26,	T-24-N,	R-6-W	Pictured Cliffs
W/2	Section	21,	T-24-N,	R-6-W	Pictured Cliffs
<b>E/2</b>	Section	17,	T-24-N,	R-6-W	Pictured Cliffs
W/2	Section	9,	T-24-N,	R-6-W	Pictured Cliffs
W/2	Section	15,	T-25-N,	R-7-W	Pictured Cliffs
W/2	Section	21,	T-25-N,	R-7-W	Pictured Cliffs
<b>E/2</b>	Section	35,	T-25-N,	R-7-W	Pictured Cliffs
		•	T-25-N,		Pictured Cliffs
<b>E/2</b>	Section	34,	T-25-N,	R-7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill all of the above listed Pictured Cliffs Wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5 1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the above listed Pictured Cliffs-Chacra dual well to the base of the Chacra Formation using rotary tools. Surface casing of 10 3/4" will be set to the depth of approximately 120° and a production string of 7 5/8" will be run to a depth of approximately 3500°. The Pictured Cliffs and Chacra Formations will be subjected to a hydraulic fracturing process. A production packer will be run on 2 3/8" tubing thus enabling the Chacra to produce through the tubing and the Pictured Cliffs to produce through the casing. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval thereof pursuant to Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

SS:SHM:ch

APPROVED:	DATE:
-	Supervisor, United States Geological Survey Subject to like approval by the appropriate State Officials.
APPROVED:	DATE:
	Commissioner of Public Lands Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.
APPROVED:	Of Pater ? DATE: 5-12-15
	Oil Conservation Commission Subject to like approval by the United States Geological Survey and the

The foregoing approvals are for the 1959 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico.

El Paso Natural Gas Company

- El Paso, Texas

April 10, 1959

Director United States Geological Survey Department of the Interior Washington 25, D.C.

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

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

Re: Canyon Largo Unit #14-08-001-1059
Automatic Elimination From Unit Area
Pictured Cliffs Formation
Effective March 5, 1959

#### Gentlemen:

Pursuant to Section 22 of the Canyon Largo Unit Agreement #14-08-001-1059 approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, hereby advises that the following described acreage was automatically eliminated from the Canyon Largo Unit effective March 5, 1959.

Inasmuch as no portion of the leases covering such acreage was included within the participating area as of March 5, 1959, nor were drilling operations in progress on such lands covered by said leases at that time, the provisions of Section 22 apply. The leases eliminated from the Unit as of March 5, 1959 are as follows:

Tract	Lease	Description
72	No LeaseFee Title	T-25-N, R-6-W
	Mark Elkins 10%	Section 15: S/2 SW/4
	Edna W. Merrion	Section 22: N/2 NW/4
	Trustee of Edna W. Merrion Trusts	Containing 160.00 acres
	#1,2,3 90%	
73	No LeaseFee Title	T-25-N, R-6-W
	Mark Elkins 10%	Section 21: W/2 NE/4.
	Edna W. Merrion	N/2 SE/4
	Trustee of Edna	Containing 160.00 acres
	W. Merrion Trusts	
	#1,2,3 90%	

Tract	Lease		Description	<u>on</u>
40	NM 015014		T-25-N, R-6-Section 25: Containing 6	A11
75	Frank Bond & Son,	Inc.	T-25-N, R-6-Section 27: Section 28: Containing 1	W/2 SW/4 E/2 SE/4
76	No LeaseFee Ti- Mark Elkins Edna W. Merrion Trustee of Edna W. Merrion Trusts #1,2,3 Loren Wilcox	10%	T-25-N, R-6-Section 34: Section 35: Containing 16	NE/4 SE/4 N/2 SW/4, SE/4 NW/4
77	No LeaseFee Ti- Mark Elkins Edna W. Merrion Trustee of Edna W. Merrion Trusts #1,2,3 Loren Wilcox	10%	T-24-N, R-6-Section 7: Containing 6	A11
15	SF 078724		T-24-N, R-6-Section 29:	N/2 NW/4, S/2 NE/4
42	SF 079428		T-24-N, R-6-Section 29:	N/2 NE/4, S/2 NW/4, E/2 SE/4
33	SF 078959		T-24-N, R-7- Section 7: Containing 3	S/2
49	NM 03414		T-24-N, R-7- Section 8: Containing 6	All
50	NM 04108		T-24-N, R-7- Section 6: Containing 4	E/2, SW/4
51	OG 1044		T-25-N, R-7- Section 32: Containing 4	SE /4 NW /4

 Tract
 Lease
 Description

 66
 E-5805-3
 T-25-N, R-7-W

 Section 32: NW/4 NE/4
 Containing 40.00 acres

As a result of said elimination from the Canyon Largo Unit, the Unit Area is contracted to a total of 69,528.32 acres.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

SS:SHM:n1 Attachment

Canyon Largo Unit Working Interest Owners

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

Frank Bond & Son, Inc.
Post Office Box 1327
Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Harry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee Edna W. Merrion, Trusts Nos. 1,2 & 3 9000 South Laflin Street Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Bank Bldg. Dallas, Texas

Phillips Drilling Corporation 314 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mezico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation (12)
Post Office Box 1410
Ft. Worth, Texas
Attn: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

CONTINUED

Page 2 Canyon Largo Unit Working Interest Owners

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Oroco Oil and Gas Company 65 East Fourth, South Salt Lake City, Utah

T. Jack Foster 65 E. Fourth South Salt Lake City, Utah

R. E. Jensen (12)
The Superior Oil Company
P. O. Box 3015
Terminal Annex
Los Angeles 54, California

Pan American Petroleum Corporation P. O. Box 1714<sup>-</sup> Albuquerque, New Mexico ASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

## STERN UNI

TELEGRAM

DL=Day Letter

NL=Night Letter

LT=International Letter Telegra

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD

**LA388** 

L EPA2 17 NL PD=WUX EL PASO TEX 4=

OTL CONSERVATION COMMISSION, OF THE STATE OF NEW MEXICO= CAPITOL ANNEX BLDG=SANTA FE NMEX=

1959 MAR 4 PM 5 59

RE CANYON LARGO UNIT AUTOMATIC ELIMINATION EL PASO NATURAL GAS COMPANY HEREBY NOTIFIES YOU THAT THE COMPLETION OF THE WELL LOCATED IN THE NW/4 OF SECTION 2 T-24-N R-7-W AS GAUGED BY A CRITICAL FLOW PROVER TEST WITH AN INTITAL POTENTIAL OF 1200 MCFGPD, BRINGS WITHIN THE PARTICIPATING AREA OF CANYON LARGO UNIT STATE OF NEW MEXICO OIL AND GAS LEASES AND E-5615 THE INCLUSION OF THESE LEASES WITHINM E-809-12

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

W. P. MARSHALL, PRESIDENT The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International

THE PARTICIPATING AREA SATISFIES SECTION 22 OF THE UNIT AGREEMENT, AND THEREFORE THESE LEASES ARE NOT SUBJECT TO AUTOMATIC ELIMINATION=

SAM SMITH EL PASO NATURAL GAS CO==

68:0 MA & CAMECIA

HVIII OFFICE OCC

1200 MCFGPD E-809-12 E-5615

March 2, 1959

#### AIR MAIL - SPECIAL DELIVERY

Mr. John A. Anderson Regional Gil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Automatic Elimination Canyon Largo Unit #14-08-001-1059

-1

#### Gentlemen:

Pursuant to Section 22 of the Canyon Largo Unit Agreement, any lease, no portion of which is included within a participating area or on which drilling operations are not being conducted within five years after the first sale of unitized substances, shall be automatically eliminated from the unit.

Section 11 of the Canyon large Unit Agreement provides that in the event any drilling block is admitted to a participating area and which lies directly North, East, South or West of any drilling block already in said participating area and where there is one but only one intervening drilling block on which no well has been drilled, said intervening drilling block shall also be admitted to said participating area at the same time.

El Paso Natural Gas Company hereby notifies you that the completion of the Canyon Largo Unit #80 Well as a commercial well, as gauged by a pitot tube after being shut-in for thirty minutes and having been blown down for thirty minutes with an initial potential of 3310 MCFGPD in the

SE/4 of Section 35, Township 25 North, Range 7 West, on February 26, 1959, brings within the participating area as an intervening drilling block, pursuant to Section 11 of the Canyon Largo Unit agreement, the W/2 of Section 36, Township 25 North, Range 7 West.

We are presently in the process of preparing the Twenty-First Expansion for the Pictured Cliffs Participating Area, to be effective March 1, 1959, due to the completion of this well. The inclusion of State of New Mexico Lease E-505-5, covering the N/2 NW/4 and 8E/4 NW/4 of Section 36, Township 25 North, Range 7 West, within the participating area as a part of this intervening drilling block satisfies Section 22 of the Canyon Largo Unit Agreement; therefore, this lease will not be subject to automatic elimination on March 4, 1959.

Yours very truly,

TEL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

SB:SHM:pc

cc: Three States Natural Gas Co. 17th Floor, Corregan Tower Dallas, Texas

### El Paso Natural Gas Company

El Paso, Texas

February 26, 1959

F. 12

#### AIR MAIL - REGISTERED

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

> Re: Canyon Largo Unit, Tract #46 United States Oil and Gas Lease SF 080594 T-24-N, R-6-W Sec. 1: Lots 1,2,3,4,5,6,7, 8,9,10,11,12 (N/2)Sec. 13: S/2 Canyon Largo Unit, Tract #47 United States Oil and Gas Lease SF 081325 T-24-N, R-6-W Sec. 35: S/2 Rio Arriba County, New Mexico

#### Gentlemen:

Transmitted herewith is one copy each of Ratification and Joinder of the Unit Agreement and Ratification and Joinder of the Unit Operating Agreement for the Canyon Largo Unit. The attached instruments have been executed by Tom Bolack et ux and El Paso Natural Gas Company in order that they may effectively commit their interest under Tracts #46 and #47 to the Canyon Largo Unit.

If you find the attached Ratifications and Joinders to be in order, kindly process these instruments in the usual manner.

Land Department

HG:SHM:pc Enclosures C.L.U. Trs. 46,47 NM 4768, NM 4769

### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development
and Operation of the Canvon Largo Unit Area located within the County of
Rio Arriba , State of New Mexico, in form
approved on behalf of the Secretary of the Interior, the undersigned owners of lands
or leases, or interests therein or royalties presently held or which may arise under
existing option agreements, or other interests in production covered by said Unit
Agreement hereby severally, each to the extent of his or her particular ownership or
interest, as may appear, consent to the inclusion of said lands within the Unit Area
therein defined, ratify, approve and adopt the terms of said Unit Agreement and any
modifications thereof approved by the Secretary of the Interior or his duly autho-
rized representative as applicable to said several lands and interests, agree 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 terms of said Unit Agreement, agree that the drilling, development and
producing requirements of all leases and other contracts in which their several rights
and interests are created or defined shall be deemed fully performed by performance of
the provisions of said Unit Agreement, and agree that payment for or delivery of (which-
ever 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
1010 North Dustin	Tom Polack
Farmington, New Mexico Date: 2-//-59	Alice Schwerdtfeger Bolack
ATTEST:	EL PASO NATURAL GAS COMPANY
Date: Ass't Secretary	Wice President Unit Operator & Working Interest Owner
Date: Jul 3, 1959	

Tract 46 SF 080594

Township 24 North, Range 6 West, N.M.P.M.

Section 1: Lots 1,2,3,4,5,6,7,8,9,10,11,12 (N/2)

Section 13: S/2

Containing 695.50 acres more or less

Tract 47 SF 081325

Township 24 North, Range 6 West, N.M.P.M.

Section 35: S/2

Containing 320.00 acres more or less

STATE OF TEXAS	Ĭ		
COUNTY OF EL PASO	Ä		
The foregoing	instrument, 1958 by_	was acknowledged before	me this 3rd day of
Vice President of	E1 Pa	so Natural Gas Company	, a Delaware
corporation, on behalf	of said corp	oration.	
My Commission expires:		Notary Public	Otary Public  NATALIE TAYLOR In and for El Paso County, Texas ssion Expires June 1, 1959.
STATE OF NEW MEXICO COUNTY OF SAN JUAN	H H H		
The foregoing February		was acknowledged before Tom Bolack and Alice S	
	<b>-</b> - ,	- Kaill	day Public
My Commission expires:			
February 24. 1960			
STATE OF	I		
COUNTY OF	Ì		
The foregoing	instrument	was acknowledged before	me this day
attorney-in-fact on behi	alf of	'	, as
My Commission expires:			•

# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT

In consideration of the execution of the Unit Operating Agreement
under Unit Agreement for the Development and Operation of the said
Canvon Largo Unit , in form approved by the Secretary of the
Interior, the undersigned owners of lands or leases or interests therein
presently held or which may arise under existing option agreements or other
interests in production covered by said Unit Operating Agreement, each to the
extent of his or her particular ownership or interest, as may appear, have
consented to the inclusion of said lands within the Unit Area therein defined
and do hereby approve, adopt and ratify the said Unit Operating Agreement in
the form and as submitted to the United States Geological Survey in connection
with the submission of Unit Agreement for the Development and Operation of the

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
1010 North Dustin	Tom Bolack
Farmington, New Mexico	Arice Schwerdtfeger Bolack
Date: 2-1/-59	EL PASO NATURAL GAS COMPANY  By:
ATTEST:	
Ass't Secretary	Vice President Unit Operator & Working Interest Owner
Date: Jel 3, 1959	

Tract 46 SF 080594

Township 24 North, Range 6 West, N.M.P.M.

Section 1: Lots 1,2,3,4,5,6,7,8,9,10,11,12 (N/2)

Section 13: S/2

said Unit Area.

Containing 695.50 acres more or less

Tract 47 SF 081325

Township 24 North, Range 6 West, N.M.P.M.

Section 35: S/2

Containing 320.00 acres more or less

STATE OF	TEXAS	Ĭ		
COLUMNIA OE	TI DAGO	Į.		
COUNTY OF	EL PASO	1		· · · ·
	The foregoing	instrument	was acknow	wledged before me this
of $\neg$	16	, 1959		C. L. Perkins
Vice	President of			ral Gas Company ,
a	Delaware			on behalf of said corporation.
				$m \cdot d - 1$
				- Matelie safer
M. Cammia				(Notary Public
My Commiss	sion expires:			NATALIE TAYLOR
				Notary Public in and for El Paso County, Texas
				My Commission Expires June 1, 1959.
STATE OF	NEW MEXICO	Ĭ		
		Ĭ		
COUNTY OF	SAN JUAN	X		
				wledged before me this <u>11th</u> day
of	February	_, 19 <u>59</u>	_, by <u>Tom</u>	Bolack and Alice Schwerdtfeger Bolack
				- Medle Hechalett
Mw Commis	sion expires:			Notary Public
my Commits.	Sion expires.			
February	<b>24</b> . 1960			
10214415	21, 1000			
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		_		
STATE OF		Ā		
		Ĭ		
COUNTY OF		Ĭ		
	mh	£ 4	mag sales	wladad bafawa wa 4522
o.f	The loregoing	instrument	was acknow	wledged before me this day
of attorn	ev in fact on	hehalf of	_, <sup>Dy</sup>	
as accorn	cy in lact on	Denail Of -		,
				Notary Public
My Commis	sion expires:			
·	•			

• • •

El Paso Natural Gas Company El Paso, Texas February 20, 1959 Mr. John Anderson Regional Oil and Gas Supervisor United States Geological Survey P. O. Box 6721 Roswell, New Mexico

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

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

> Re: Automatic Elimination Canyon Largo Unit No. 14-08-001-1059

#### Gentlemen:

Pursuant to Section 22 of the Canyon Largo Unit Agreement any lease, no portion of which is included within a participating area or on which drilling operations are not being conducted within five years after the first sale of unitized substances, shall be automatically eliminated from the Unit.

El Paso Natural Gas Company hereby notifies you that the completion of the Canyon Largo Unit #60 Well, as a commercial well with an Initial Potential of 3639 MCFGPD in the NE/4 of Section 10, Township 24 North, Range 7 West, on January 22, 1959, brings within the participating area of the Canyon Largo Unit United States Oil and Gas Lease SF 078923. We are presently in the process of preparing the Twentieth Expansion for the Pictured Cliffs Participating Area to be effective February 1, 1959, due to the completion of this well.

The inclusion of a portion of United States Oil and Gas Lease SF 078923 within the Participating Area satisfies Section 22 of the Canyon Largo Unit Agreement and therefore this lease will not be subject to automatic elimination on March 4, 1959.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Sam Smith, Manager Land Department

88:8HM:nl

cc: The Superior Oil Company Attention: Mr. R. E. Jensen

CODV

El Paso Matural Gas Company

El Paso, Texas

November 25, 1958

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL WELL
Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on October 21, 1958 that the following described well was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The Canyon Largo Unit #15 Well, located 800' from the North line and 1460' from the West line of Section 30, Township 25 North, Range 7 West, Rio Arriba County, New Mexico was spudded on June 11, 1958 and completed on July 1, 1958 at a total depth of 2278' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2176'-2194' and 2230'-2240' was treated with a sand-water fracturing process. After being shut-in for one hundred twelve (112) days, the well was tested in the Pictured Cliffs Formation on October 21, 1958, and following a three (3) hour blow-down period gauged 144 MCFGPD through a 3/4" choke and 144 MCFGPD by the calculated absolute open-flow method, with an SIPT of 654# and an SIPC of 654#. The committed drilling block upon which this well is located is described as the W/2 of Section 30, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 321.16 acres.

Since this determination needs no official approval, no provision is made therefor, and in the absence of disapproval, this well will continue to be considered non-commercial.

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

Very truly yours

EL PASO NATURAL GAS COMPANY

Are Landman

Land Department

HG:SM:jb Attachment

#### CANYON LARGO UNIT Working Interest Owners

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

Frank Bond & Son, Inc. P. O. Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs. New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas 1, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1070
Roswell, New Mexico

Southern Union Gas Company 1104 Burt Building Dallas 1, Texas

Pan American Petroleum Corporation (12)
P. O. Box 1410
Fort Worth 1, Texas
Attention: Mr. E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas 1, Texas

Frank A. Schultz 823 Corrigan Tower Dallas 1, Texas Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Oroco Oil and Gas Company 65 East Fourth, South Salt Lake City, Utah

T. Jack Foster
P. O. Box 3656
Oklahoma City, Oklahoma

R. E. Jensen (12)
The Superior Oil Company
P. O. Box 3015, Terminal Annex
Los Angeles 54, California

Pan American Petroleum Corporation P. O. Box 1714 Albuquerque, New Mexico El Paso Natural Gas Company

El Paso, Texas

November 25, 1958

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico

> > MOTICE OF DRY HOLE

Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on July 23, 1958 that the following described well was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

> The Canyon Largo Unit #10 Well, located 1170' from the North line and 810' from the West line of Section 10, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on May 29, 1958 and drilled to a total depth of 2650' in the Pictured Cliffs Formation. On July 23, 1958 the well was plugged and abandoned by setting plugs from 2474° to 2496' and 2524' to 2552' with 50 sacks of cement. Set cement plug from 30' to surface with 25 sacks of cement. Four feet of four-inch pipe was set at the surface as a permanent marker and location was restored to original contour. The committed drilling block upon which this well was located is described as the W/2 of Section 10, Township 24 North, Range 7 West, N.M.P.M., containing 320.00 acres.

Since this well was determined to be a dry hole and has been plugged and abandoned, official approval is not necessary.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

Howard Conomic

Area Landman

Land Department

HG:SM:jb Attachment

#### CANYON LARGO UNIT Working Interest Owners

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

Frank Bond & Son, Inc. P. O. Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ima Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs. New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas 1, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. P. O. Box 1870
Roswell, New Mexico

Southern Union Gas Company 1104 Burt Building Dallas 1. Texas

Pan American Petroleum Corporation (12)
P. O. Box 1410
Fort Worth 1, Texas
Attention: Mr. E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas 1, Texas

Frank A. Schultz 823 Corrigan Tower Dallas 1, Texas Mr. J. Glenn Turner 1900 Mercantile Dallas Building Dallas 1, Texas

William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Building Dallas 1, Texas

Oroco Oil and Gas Company 65 East Fourth, South Salt Lake City, Utah

T. Jack Foster
P. O. Box 3656
Oklahoma City, Oklahoma

R. E. Jensen (12)
The Superior Oil Company
P. O. Box 3015, Terminal Annex
Los Angeles 54, California

Pan American Petroleum Corporation P. O. Box 1714 Albuquerque, New Mexico El Paso Natural Gas Company

El Paso, Texas.

November 14, 1958

F,1= C48= 541

Director United States Geological Survey Department of the Interior Washington 25, D. C.

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
NINETEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective November 1, 1958

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059 approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date indicated that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly. This well is as follows:

The Canyon Largo Unit #18 Well, located 1450' from the South line and 990' from the West line of Section 35, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on July 27, 1958 and completed on August 19, 1958 at a total depth of 2620' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2516'-2549'; 2558'-2568'; and 2576'-2583' was treated with a sandwater fracturing process. After being shut-in for thirty-three (33) days, the well was tested in the Pictured Cliffs Formation on October 21, 1958, and following a three (3) hour blow-down period gauged 5103 MCFGPD through a 3/4" choke and 10,150 MCFGPD by the calculated absolute open-flow method, with an SIPT of 678# and an SIPC of 678#. The committed drilling block upon which this well is located is described as the W/2 of Section 35, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.

Attached is Schedule XX showing the Nineteenth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor, and in the absence of disapproval this Nineteenth Expanded Participating Area will become effective as of November 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

/ W Didti

Assistant Manager Land Department

TWB:SM:jb Attachments El Paso Natural Gas Company

El Paso, Texas

October 29, 1958

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Director United States Geological Survey Department of the Interior Washington 25, D.C.

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

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

Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
EIGHTEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective September 1, 1958

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement #14-08-001-1059 approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that four (4) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit, and the participating area for the Pictured Cliffs Formation is expanded accordingly. These wells are as follows:

The Canyon Largo Unit #9 Well, located 900' from the North line and 790' from the East line of Section 4, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on May 15, 1958 and completed on July 28, 1958 at a total depth of 2641' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2494' - 2518', 2524' -2534', and 2536' - 2546' was treated with a sand-water fracturing process. After being shut-in for seventeen (17) days the well was tested in the Pictured Cliffs Formation on August 14, 1958, and following a three (3) hour blowdown period gauged 3770 MCFGPD through a 3/4" choke and 10,337 MCFGPD by the calculated absolute open-flow method, with an SIPT of 632# and an SIPC of 632#. The committed drilling block upon which this well is located is described as the E/2 of Section 4, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 333.62

- 2. The Canyon Largo Unit #14 Well, located 1600' from the South line and 857' from the East line of Section 29, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on June 15, 1958 and completed on July 6, 1958 at a total depth of 2315' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2224' 2236' and 2266' 2286' was treated with a sand-water fracturing process. After being shut-in for forty-three (43) days the well was tested in the Pictured Cliffs Formation on August 18, 1958, and following a three (3) hour blow-down period gauged 1583 MCFGPD through a 3/4" choke and 1647 MCFGPD by the calculated absolute open-flow method, with an SIPT of 656# and an SIPC of 656#. The committed drilling block upon which this well is located is described as the E/2 of Section 29, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.
- 3. The Canyon Largo Unit #16 Well, located 810' from the North line and 1180' from the East line of Section 30, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on June 5, 1958 and completed on August 3, 1958 at a total depth of 2613' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2512' 2528' and 2562' 2582' was treated with a sandwater fracturing process. After being shut-in for eight (8) days the well was tested in the Pictured Cliffs Formation on August 11, 1958, and following a three (3) hour blow-down period gauged 976 MCFGPD through a 3/4" choke and 994 MCFGPD by the calculated absolute open-flow method, with an SIPT of 599# and an SIPC of 599#. The committed drilling block upon which this well is located is described as the E/2 of Section 30, Township 25 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.
- 4. The Canyon Largo Unit #47 Well, located 1650' from the North line and 1650' from the East line of Section 32, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on May 17, 1958 and completed on June 25, 1958 at a total depth of 2684' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2545' 2563', 2570' 2580', and 2618' 2632' was treated with a sand-water fracturing process. After being shut-in for forty-eight (48) days the well was tested in the Pictured Cliffs Formation on August 12, 1958, and following a three (3) hour blow-down period gauged 2907 MCFGPD through a 3/4" choke and 3263 MCFGPD by the calculated absolute open-flow method, with an SIPT of 704# and an SIPC of 704#. The committed drilling block upon which this well is located is described as the E/2 of Section 32, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.

The completion of these wells creates the following intervening drilling block:

Township 25 North, Range 7 West Section 29: W/2

Under the provisions of Section 11 of the Unit Agreement, a well must be commenced on this intervening drilling block by September 1, 1959.

Attached is Schedule XIX showing the Eighteenth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor, and in the absence of disapproval this Eighteenth Expanded Participating Area will become effective as of September 1, 1958.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

m w Diation

Assistant Manager Land Department

TWB:SM:jb Attachments

# El Paso Natural Gas Company El Paso, Texas October 17, 1958

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

> Re: Canyon Largo Unit #14-08-001-1059 FIFTEENTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation Effective March 1, 1958

#### Gentlemen:

Page 16 of Schedule XVI for the Fifteenth Expanded Participating Area of the Canyon Largo Unit should be changed to reflect the following corrections in working interest ownership:

> Tract 41 Township 25 North, Range 6 West Section 9: NW/4 NW/4, S/2 NW/4, SW/4 Working Interest: Schultz, et al

Tract 41 Township 25 North, Range 6 West Section 23: N/2 NE/4, S/2 SE/4 Working Interest: Schultz, et al

These corrections do not cause any readjustment of the participating percentages in the Fifteenth Expanded Participating Area.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Land Department

HG:SM:jb

cc: Attached List

#### Canyon Largo Unit Working Interest Owners

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

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

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Bldg. Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 904 Buena Vista Farmington, New Mexico

Mitchell A. Whitley 118 North Barnett Avenue Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Bldg. Dallas, Texas

Mike Abraham 814 Mercantile Bank Bldg. Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation (12)
Post Office Box 1410
Ft. Worth, Texas
Attn: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

CONTINUED

Page 2 Canyon Largo Unit Working Interest Owners

J. Glenn Turner 1900 Mercantile Dallas Bldg. Dallas 1, Texas

William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

La Plata Gathering System c/o William G. Webb 1900 Mercantile Dallas Bldg. Dallas 1, Texas

Oroco Oil and Gas Company 65 East Fourth, South Salt Lake City, Utah

T. Jack Foster Post Office Box 3656 Oklahoma City, Oklahoma

Mr. R. E. Jensen
The Superior Oil Company
P. O. Box 3015, Terminal Annex
Los Angeles 54, California

El Paso Natural Gas Company

El Paso, Texas

October 13, 1958

r 41

#### REGISTERED MAIL

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

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

#### Gentlemen:

Transmitted herewith is one (1) copy each of Ratification and Joinder of Unit Agreement and Ratification and Joinder of Unit Operating Agreement under the Unit Agreement for the Development and Operation of the Canyon Largo Unit Area. The attached instruments have been executed by T. Jack Foster, Frank A. Schultz, and Oroco Oil and Gas Company in order that they may effectively commit their interest under Tract No. 14 to the Canyon Largo Unit.

If you find the attached Ratifications and Joinders to be in order, kindly process these instruments in your usual manner.

Very truly yours

Area Landman

Land Department

HG:SM:jb Attachments Canyon Largo Unit 5.0

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and
Operation of the Canyon Largo Unit Area located within the County
of Rio Arriba , State of New Mexico , in form
approved on behalf of the Secretary of the Interior, the undersigned owners of lands
or leases, or interests therein or royalties presently held or which may arise under
existing option agreements, or other interests in production covered by said Unit
Agreement hereby severally, each to the extent of his or her particular ownership or
interest, as may appear, consent to the inclusion of said lands within the Unit Area
therein defined, ratify, approve and adopt the terms of said Unit Agreement and any
modifications thereof approved by the Secretary of the Interior or his duly author-
ized representative as applicable to said several lands and interests, agree 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 con-
form to the terms of said Unit Agreement, agree that the drilling, development and
producing requirements of all leases and other contracts in which their several rights
and interests are created or defined shall be deemed fully performed by performance of
the provisions of said Unit Agreement, and agree that payment for or delivery of (which-
ever 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
A. S. Mil Mills, Milestone Miles, Children	T. JACK FOSTER
Date:	GLADES N. FOSTER
Date:	
Control of the second of the s	
Date:	

Tract 14: Oil and Gas Lease SF 078631 Township 25 North, Range 7 West, N.M.P.M. Section 9: N/2 Section 10: N/2 Containing 640.00 acres, more or less

APPROVED AND CONSENTED TO:

EL PASO NATURAL GAS COMPANY torney in Fact

Attorney - in - Fact Unit Operator

STATE OF STATE

COUNTY OF CLAMMA

On this to day of the foregoing instrument, and acknowledged to me persons described in and who executed the foregoing instrument, and acknowledged to me

they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission expires:

County, State of Notary Public in and for

# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said Canyon Largo Unit \_\_\_\_\_\_, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
h. S. Don Mills, Minhous City, Wishess P. S. Hen Mills, Minhous City, Wishess	T. JACK FOSTER  CLARES H. FOSTER  CLARES H. FOSTER
Date:	
Nate:	

Tract 14: Oil and Gas Lease SF 078631
Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2 Section 10: N/2

Containing 640.00 acres, more or less

APPROVED AND CONSENTED TO:
EL PASO NATURAL GAS COMPANY

BY

Attorney in Feet

Unit Operato

Public	Notary	*	
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President of		C C	· ·-
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COUNTY OF )

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Canyon Largo Unit Area located within the County of Rio Arriba County , State of New Mexico , in form
approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his or her particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree 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 terms of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
	FRANKA. SCHULTZ
Date:	BETTY SCHULTZ
Date:	
Date:	

Tract 14: Oil and Gas Lease SF 078631 Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2 Section 10: N/2

Containing 640.00 acres, more or less

APPROVED AT DICO SENTED TO:

Attorney - in - Fact

STATE OF LACE I

My Commission expires:

Motary Public in and for Konkon County, State of June Moters Fublic, Dellas County, Texas
My Commission Expires June 1, 1959

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# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said

Canyon Largo Unit, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
	FRANK A. SCHULTZ Thulf
	BETTY SCHULTZ
Date:	
Date:	

Tract 14: Oil and Gas Lease Santa Fe 078631 Township 25 North, Range 7 West, N.M.P.M Section 9: N/2

Section 10: N/2 Containing 640.00 acres, more or less

APPROVED AND CONSENTED TO:

EL PASO NATURAD GAS COMPANY.
BY

Unit Operator

	•
	My commission expires:
EDF, I have hereunto set my hand and affixed my official its certificate first above written.	
day of , lefore  a single person on described in and who executed the foregoing instrument, a single person on described in and who executed the same as lree act and deed.	me personally appeared to me known to be the
	COUNTY OF
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	( FOR STATS
Notary Public	My commission expires:  ORA D. RUNYON,  Notary Public, Pellos County, 1888  My Commission Expires June 1, 195
is certificate first above written.	zest rue ds) sud lest tu ri
CEOF, I have hereunto set my hand and affixed my official	
	STATE OF COUNTY
Motary Public	
	My commission expires:
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is the corporate seal of said corporation, and that the seal as the corporation of said corporation by suthority	affixed to said instrument said instrument said instrument was signed of lie Board of Directors,
day of the is the President of to worm did say that he is the	On this me appeared known, who being by me duly
	COUNTY OF
	CTATE OF

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
ATTEST:	OROCO OIL AND GAS COMPANY
Date: 7/25/5 Secretary	By: M. Meses  President
Date:	
Date:	

Tract #14 - United States Oil and Gas Lease SF 078631 Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2 Section 10: N/2

Containing 640.00 acres, more or less

APPROVED AND CONSENTED TO: EL PASO NATURAL GAS COMPANY BY

Attorney in Fact

Unit Operator

STATE OF Utah )	
COUNTY OF Salt Lake )	
President of OROCO OIL AND GAS COMP	wledged before me this 28 th day of ANY, a,
corporation, on behalf of said corporation.	
My commission expires:	Mahal
L- 20 100	Notary Public

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# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said Canyon Largo Unit \_\_\_\_\_\_, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
ATTEST: John W Sullwa -	OROCO OIL AND GAS COMPANY
Secretary	By: M. J. President
Date: 7/28/58	
· .	
Date:	

Tract #14 - United States Oil and Gas Lease SF 078631

Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2 Section 10: N/2

Containing 640.00 acres, more or less

APPROVED AND CONSENTED TO:

EL PASO NATURAL GAS COMPANY BY

Unit Operator

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affixed my official				IN WITNESS teal the day and year
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# El Paso Natural Gas Company

El Paso, Texas

October 3, 1958

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

Re: Canyon Largo Unit

Rio Arriba County,

New Mexico

#### Gentlemen:

Transmitted herewith is one (1) copy each of Ratification and Joinder of Unit Agreement and Ratification and Joinder of Unit Operating Agreement under Unit Agreement for the Development and Operation of the Canyon Largo Unit Area, executed by the La Plata Gathering System, Inc., whereby they commit their interest under Tract No. 14 to this Unit.

If you find the enclosed Ratifications and Joinders to be in order, we respectfully request that you process these agreements so that this interest will be effectively committed to the Canyon Largo Unit.

Very truly yours,

Harry/Gevertz

Area Landman Land Department

HG:GWO:jr
Enclosures

### RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said

Canyon Largo Unit

, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
1900 Mercantile Dallas Bldg.  Dallas 1. Texas	
•	LA PLATA GATHERING SYSTEM, INC.
Dred T. Simpson Secretary	Vice President
Jecretary	vice fresident
Date: August 6, 1958	
Date:	

Tract 14: Oil and Gas Lease SF 078631 Township 25 North, Range 7 West, N.M.P.M.

Section 9: N/2 Section 10: N/2

Containing 640.00 acres, More or Less

APPROVED AND CONSENTED TO:

EL PASO NATURAL GAS COMPANY

By

Allornev-in-fact

Unit Operator

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COUNTY OF DALLAS

SAXAT 40 STATS

#### RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of	of the Unit Agreement for the Development and
Operation of the Canyon Largo	Unit Area located within the County
of Rio Arriba	, State of New Mexico, in form
	the Interior, the undersigned owners of lands
	alties presently held or which may arise under
	iterests in production covered by said Unit
	extent of his or her particular ownership or
	inclusion of said lands within the Unit Area
	lopt the terms of said Unit Agreement and any
	Secretary of the Interior or his duly author-
	ned or under which the undersigned claims an
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	at, agree that the drilling, development and
<del>v</del>	nd other contracts in which their several rights
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	and agree that payment for or delivery of (which-
ever may be required under prior agreem	ments) oil and gas duly made at contract rates
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Tract #14
United States Oil and Gas Lease SF 078631
Township 25 North, Range 7 West
Section 9: N/2
Section 10: N/2
Containing 640.00 acres

APPROVED AND CONSENTED TO:

EL PASO NATURAL GAS COMPANY
By

Attorney-in-fact Unit Operator

STATE OF TEXAS )

COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 6th day of August, 1958, by WILLIAM G. WEBB , Vice President of LA PLATA GATHERING SYSTEM, INC., a Delaware corporation, on behalf of said corporation.

Motary Public in and for Dallas County, Texas

My Commission expires:

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### El Paso Natural Gas Company

El Paso, Texas 11 1 23

October 1, 1958

Director
United States Geological Survey
Department of the Interior
Washington 25, D.C.

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

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



Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
SEVENTEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective August 1, 1958

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that seven (7) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit, and the Participating Area for the Pictured Cliffs Formation is accordingly expanded. The wells are as follows:

The Canyon Largo Unit #1 Well, located 990' from the South line and 1650° from the East line of Section 3. Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on April 24, 1958 and completed on June 15, 1958, at a total depth of 2258' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2062' to 2074'; 2094' to 2110' and 2150' to 2174' was treated with a sand-water fracturing process. After being shut-in for forty-four (44) days, the well was tested in the Pictured Cliffs Formation on July 29. 1958, and following a three (3) hour blow-down period gauged 594 MCFGPD through a 3/4" choke and 597 MCFGPD by the calculated absolute open-flow method, with an SIPT of 711# and an SIPC of 711#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 340.85 acres.

- 2. The Canyon Largo Unit #2 Well, located 1672' from the North line and 1750' from the West line of Section 4, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on May 8, 1958 and completed on June 21, 1958 at a total depth of 2478' in the Fictured Cliffs Formation. The Pictured Cliffs Formation from 2368' to 2380'; 2412' to 2434' and 2448' to 2458' was treated with a sand-water fracturing process. After being shut-in for thirty-nine (39) days, the well was tested in the Pictured Cliffs Formation on July 30, 1958, and following a three (3) hour blow-down period gauged 444 MCFGPD through a 3/4" choke and 445 MCFGPD by the calculated absolute open-flow method, with an SIPT of 650# and an SIPC of 650#. The committed drilling block upon which this well is located is described as the W/2 of Section 4, Township 24 North. Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 338.75 acres.
- 3. The Canyon Largo Unit #7 Well, located 1090' from the North line and 890' from the East line of Section 27, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on May 2, 1958 and completed on June 5, 1958 at a total depth of 2403' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2268' to 2286'; 2298' to 2312' and 2320° to 2340° was treated with a sand-water fracturing process. After being shut-in for fifty-four (54) days, the well was tested in the Pictured Cliffs Formation on July 29, 1958, and following a three (3) hour blow-down period gauged 452 MCFGPD through a 3/4" choke and 453 MCFGPD by the calculated absolute open-flow method, with an SIPT of 679# and an SIPC of 679#. The committed drilling block upon which this well is located is described as the E/2 of Section 27, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.
- 4. The Canyon Largo Unit #8 Well, located 1800' from the North line and 918' from the West line of Section 1, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on May 22, 1958 and completed on July 13, 1958 at a total depth of 2591' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2496' to 2522' was treated with a sand-water fracturing process. After being shut-in for seventeen (17) days, the well was tested in the Pictured Cliffs Formation on July 30, 1958, and following a three (3) hour blow-down period gauged 3047 MCFGPD through a 3/4" choke and 7739 MCFGPD by the calculated absolute open-flow method with an SIPT of 598# and an SIPC of 598#. The committed drilling block upon which this well is located is described as the W/2 of Section 1, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, containing 335.60 acres.
- 5. The Canyon Largo Unit #11 Well, located 900' from the North line and 990' from the West line of Section 3, Township 25 North, Range 6 West, Ric Arriba County, New Mexico, was spudded on April 20, 1958 and completed on June 22, 1958 at a total depth of 2995' in the Pictured Cliffs Formation. The

Pictured Cliffs Formation from 2910' to 2930' and 2944' to 2960' was treated with a sand-water fracturing process. After being shut-in for thirty-seven (37) days, the well was tested in the Pictured Cliffs Formation on July 29, 1958, and following a three (3) hour blow-down period gauged 2247 MCFGPD through a 3/4" choke and 2350 MCFGPD by the calculated absolute openflow method with an SIPT of 872# and an SIPC of 871#. The committed drilling block upon which this well is located is described as the W/2 of Section 3, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 321.37 acres.

- 6. The Canyon Largo Unit #12 Well, located 890' from the North line and 990' from the East line of Section 10, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on April 26, 1958 and completed on June 20, 1958 at a total depth of 2934' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2870' to 2912' was treated with a sandwater fracturing process. After being shut-in for forty-one (41) days, the well was tested in the Pictured Cliffs Formation on July 31, 1958, and following a three (3) hour blow-down period gauged 1437 MCFGPD through a 3/4" choke and 1461 MCFGPD by the calculated absolute open-flow method with an SIPT of 875# and an SIPC of 875#. The committed drilling block upon which this well is located is described as the E/2 of Section 10, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.
- 7. The Canyon Largo Unit #24 Well, located 990° from the South line and 1150' from the West line of Section 2, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on May 2, 1958 and completed on June 26, 1958 at a total depth of 2858' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2794' to 2808' and 2830' to 2840' was treated with a sand-water fracturing process. After being shut-in for thirty-five (35) days, the well was tested in the Pictured Cliffs Formation on July 31, 1958, and following a three (3) hour blowdown period gauged 1694 MCFGPD through a 3/4" choke and 1742 MCFGPD by the calculated absolute open-flow method, with an SIPT of 873# and an SIPC of 873#. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.99 acres.

The completion of these wells creates the following intervening drilling blocks:

Township 24 North, Range 6 West Section 10: E/2

Township 24 North, Range 6 West Section 4: E/2

Township 25 North, Range 6 West Section 3: E/2

Under the provisions of Section 11 of the Unit Agreement, a well must be commenced on each of the above intervening drilling blocks by August 1, 1959.

Attached is Schedule XVIII showing the Seventeenth Expanded Participating Area for the Pictured Cliffs Formation for the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Seventeenth Expanded Participating Area will become effective as of August 1, 1958.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

T W Bittight

Assistant Manager Land Department

TWB:SM:pc

cc: Attached List

### El Paso Natural Gas Company

El Paso, Texas

September 23, 1958

Director
United States Geological Survey
Department of the Interior
Washington 25, D.C.

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

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



Re: Canyon Largo Unit #14-08-001-1059
Rio Arriba County, New Mexico
SIXTEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective July 1, 1958

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates indicated that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit, and the Participating Area for the Pictured Cliffs Formation is expanded accordingly. These wells are as follows:

1. The Canyon Largo Unit #3 Well, located 990° from the South line and 1100° from the East line of Section 9, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on March 29, 1958, and completed on May 16, 1958 at a total depth of 2221' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2094'to 2114'; 2122'to 2132' and 2146'to 2162' was treated with a sand-water fracturing process. After being shut-in for twenty-seven (27) days, the well was tested in the Pictured Cliffs Formation on June 12, 1958, and following a three (3) hour blow-down period gauged 3561 MCFGPD through a 3/4" choke and 4253 MCFGPD by the calculated absolute open-flow method, with an SIPT of 679#, and an SIPC of 679#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.

2. The Canyon Largo Unit #5 Well, located 1050' from the North line and 990' from the East line of Section 21, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on April 5, 1958 and completed on June 9, 1958, at a total depth of 2405' in the Pictured Cliffs Formation. The Pictured Cliffs Formation from 2282' to 2312' and 2326' to 2352' was treated with a sand-water fracturing process. After being shut-in for eleven (11) days, the well was tested in the Pictured Cliffs Formation on June 20, 1958, and following a three (3) hour blow-down period gauged 1242 MCFGPD through a 3/4" choke and 1279 MCFGPD by the calculated absolute open-flow method, with an SIPT of 657# and an SIPC of 657#. The committed drilling block upon which this well is located is described as the E/2 of Section 21, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres.

Attached is Schedule XVII showing the Sixteenth Expanded Participating Area for the Pictured Cliffs Formation of the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Sixteenth Expanded Participating Area will become effective as of July 1, 1958.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB:SM:pc

cc: Attached List

### El Paso Natural Gas Company

El Paso, Texas

September 12, 1958

Mr. John A. Anderson Regional Oil and Gas Supervisor United States Geological Survey Post Office Box 6721 Roswell, New Mexico

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

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

Re: Canyon Largo Unit, #14-08-001-1059
NOTICE OF COMPLETION OF ADDITIONAL WELL

Pictured Cliffs Formation

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the unit.

#### This well is as follows:

The Canyon Largo Unit #13 Well, located 990' from the North line and 990' from the East line of Section 14, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on April 26, 1958 and completed on July 4, 1958 at a total depth of 2786 in the Pictured Cliffs Formation. On July 2, 1958, the Pictured Cliffs Formation from 2692' to 2704', and 2714' to 2730' was treated with a sand-water fracturing process. After being shut-in for twenty-seven (27) days, the well was tested in the Pictured Cliffs Formation on July 31, 1958, and following a three (3) hour blow down period gauged 2245 MCFGPD through a 3/4" choke, and 2349 MCFGPD by the calculated absolute open-flow method, with an SIPT of 861# and an SIPT of 861#. The committed drilling block upon which this well is located is described as the E/2 of Section 14, Township 25 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, containing 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 31, 1958.

F//

This drilling block was included in the Fourteenth Expansion of the Canyon Largo Unit. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts in the Participating Area remain the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

\_\_\_ \A

Area Landman

Land Department

HG:SM:ch

Attachment

Canyon Largo Unit Working Interest Owners

Petro-Atlas Corporation First National Building Tulsa 3, Oklahoma

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1, Texas

Malco Refineries, Inc.
P. O. Box 660
Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 1916 Lead, S.E. Albuquerque, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Building Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation Post Office Box 1410 Ft. Worth, Texas Attention: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

(CONTINUED)

-2- Canyon Largo Unit
Working Interest Owners

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

. . .

J. Glenn Turner 1711 Mercantile Bank Building Dallas 1, Texas

William G. Webb 1711 Mercantile Bank Building Dallas 1, Texas El Paso Matural Gas Company 5-4/
El Paso, Texas
August 12, 1958

Director United States Geological Survey Department of the Interior Washington 25, D.C.

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

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

> Re: Canyon Largo Unit #14-08-001-1059 Rio Arriba County, New Mexico FIFTEENTH EXPANDED PARTICIPATING AREA, Pictured Cliffs Formation Effective March 1, 1958

#### Gentlemen:

Pursuant to Section 11 of the Canyon Largo Unit Agreement, #14-08-001-1059, approved September 18, 1953, El Paso Natural Gas Company, as Unit Operator, determined on February 28, 1958, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit, and the Participating Area for the Pictured Cliffs Formation is accordingly expanded. This well is as follows:

> The Canyon Largo #22 Well, located 1650' from the South line and 1650' from the East line of Section 15, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, was spudded on January 15, 1958 and completed on February 20, 1958, at a total depth of 2178'. The Pictured Cliffs Formation was treated with a sand-water fracturing process from 2114' to 2174'. After being shut-in for eight (8) days, the well was tested on February 28, 1958. After a three (3) hour blow-down period, the well gauged 298 MCFGPD through a 3/4" choke and 298 MCFGPD by the calculated absolute open flow method with an SIPC of 696# and an SIPT of 696#. The committed drilling block upon which this well is located is described as the E/2 of Section 15, Township 24 North, Range 6 West, N.M.P.M., containing 320.00 acres.

Attached is Schedule XVI showing the Fifteenth Expanded Participating Area for the Pictured Cliffs Formation for the Canyon Largo Unit Area. This describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Fifteenth Expanded Participating Area will become effective as of March 1, 1958.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

T. W. Bittick

Assistant Manager Land Department

TWB:MC:pc

cc: Attached List

El Paso Natural Gas Company
SI O T

El Paso, Fexas July 16, 1958 JUL 15 PM 1:27

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

> Re: Canyon Largo Unit Tracts #58 and #59 Rio Arriba County, New Mexico

### Gentlemen:

Enclosed herewith for your attention are four sets of instruments described as follows:

- 1. One (1) copy of Ratification and Joinder of the Unit Agreement, executed by El Paso Natural Gas Company, covering the above designated tracts.
- 2. One (1) copy of Ratification and Joinder of Unit Operating Agreement executed by El Paso Natural Gas Company, covering the above designated tracts.
- 3. One (1) copy of Ratification and Joinder of Unit Agreement executed by Texas National Petroleum Company and R. E. Beamon, covering the above designated tracts.
- 4. One (1) copy of Ratification and Joinder of Unit Operating Agreement executed by Texas National Petroleum Company and R. E. Beamon, covering the above designated tracts.

These instruments were drawn by El Paso Natural Gas Company as Working Interest Cwner and Texas National Petroleum Company and R. E. Beamon as Overriding Royalty Owners in order to effectively commit the above designated tracts to the Canyon Largo Unit.

It is respectfully requested that you process the enclosed Ratifications in your usual way in order that the aforementioned tracts will be effectively committed to the Canyon Largo Unit.

Yours very truly,

Harry Gevertz Area Landman

Land Department

HG:SM:pc
Enclosures

NM 4201

Canyon Largo 5.0

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development
and Operation of the Canyon Largo Unit Area located within the
County of Rio Arriba State of New Mexico in form approved on behalf of the
Secretary of the Interior, the undersigned owners of lands or leases, or interests
therein or royalties presently held or which may arise under existing option agreements,
or other interests in production covered by said Unit Agreement hereby severally, each
to the extent of his or her particular ownership or interest, as may appear, consent to
the inclusion of said lands within the Unit Area therein defined, ratify, approve and
adopt the terms of said Unit Agreement and any modifications thereof approved by the
Secretary of the Interior or his duly authorized representative as applicable to said
several lands and interests, agree that the term of any lease given by the undersigned
or under which the undersigned claim an interest herein is extended and modified to the
extent necessary to make the same conform to the terms of said Unit Agreement, agree
that the drilling, development and producing requirements of all leases and other con-
tracts in which their several rights and interests are created or defined shall be
deemed fully performed by performance of the provisions of said Unit Agreement, and
agree that payment for or delivery of (whichever may be required under prior agree-
ments) oil and gas duly made at contract rates applied to the production allocated un-
der 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 per-
formance 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
ATTEST:	EL PASO NATURAL GAS COMPANY
Assistant Secretary	By HT Recovery Vice President
Date:	
Date:	

Tract 58 State of New Mexico Lease #E 291-A22 T-25-N, R-6-W, N.M.P.M.
Section 2: Lots 1,2, S/2 NE/4
Containing 160.85 acres, more or less

Tract 59 State of New Mexico Lease #E-291-A-24 T-25-N, R-6-W, N.M.P.M. Section 2: Lot 3, SE/4 NW/4 Containing 80.48 acres, more or less

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# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said <u>Canyon</u>

Largo Unit Area , in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

ADDRESS	SIGNATURE
ATTEST:	EL PASO NATURAL GAS COMPANY
Marton Assistant Secretary	By Wice President
Date:	<u></u>
Date:	

Tract 58 State of New Mexico Lease #E 291-A22 T-25-N, R-6-W, N.M.P.M.
Section 2: Lots 1,2, S/2 NE/4
Containing 160.85 acres, more or less

Tract 59 State of New Mexico Lease #E-291-A-24 T-25-N, R-6-W, N.M.P.M. Section 2: Lot 3, SE/4 NW/4 Containing 80.48 acres, more or less

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STATE OF TEXAS )

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development
and Operation of the Canyon Largo Unit Area located within the County of Rio Arriba State of New Mexico in form approved on behalf of the
County of Rio Arriba State of New Mexico in form approved on behalf of the
Secretary of the Interior, the undersigned owners of lands or leases, or interests
therein or royalties presently held or which may arise under existing option agreements,
or other interests in production covered by said Unit Agreement hereby severally, each
to the extent of his or her particular ownership or interest, as may appear, consent to
the inclusion of said lands within the Unit Area therein defined, ratify, approve and
adopt the terms of said Unit Agreement and any modifications thereof approved by the
Secretary of the Interior or his duly authorized representative as applicable to said
several lands and interests, agree that the term of any lease given by the undersigned
or under which the undersigned claim an interest herein is extended and modified to the
extent necessary to make the same conform to the terms of said Unit Agreement, agree
that the drilling, development and producing requirements of all leases and other con-
tracts in which their several rights and interests are created or defined shall be
deemed fully performed by performance of the provisions of said Unit Agreement, and
agree that payment for or delivery of (whichever may be required under prior agree-
ments) oil and gas duly made at contract rates applied to the production allocated un-
der 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 per-
formance 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 or her assigns or successors in interest.

ADDRESS	SIGNATURE
ATTEST:	TEXAS NATIONAL PETROLEUM COMPANY
Jana & Suthtrank	By: Kalham
Canala Secretary	President (
Date:	
1303 Esperson Building, Houston 2, Texas	l Beamon
Date:July 1, 1958	

Tract 58-- State of New Mexico Lease # E 291-A-22 Township 25 North, Range 6 West, N.M.P.M. Section 2: Lots 1 and 2, S/2 NE/4 Containing 160.85 acres, more or less

Tract 59-- State of New Mexico Lease # E 291-A-24
Township 25 North, Range 6 West, N.M.P.M.
Section 2: Lot 3, SE/4 NW/4
Containing 80.48 acres, more or less

APPOINTED AND CONSENTED TO:

EL PA-O-CATLINAL GIS COMPANY

Vice President

UNIT OPERATOR & WORKING INTEREST OWNER

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# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CANYON LARGO UNIT AREA

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the said Canyon Largo Unit \_\_\_\_\_\_, in form approved by the Secretary of the Interior, the undersigned owners of lands or leases or interests therein presently held or which may arise under existing option agreements or other interests in production covered by said Unit Operating Agreement, each to the extent of his or her particular ownership or interest, as may appear, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the said Unit Area.

This Ratification and Joinder of Unit Operating 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 or her successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

EXAS NATIONAL PETROLEUM COMPANY
y: Kalandan H
VIGE- President
1 4 0
E. BEAMON

Tract 58-- State of New Mexico Lease # E-291-A-22 Township 25 North, Range 6 West, N.M.P.M. Section 2: Lots 1 and 2, S/2 NE/4 Containing 160.85 acres, more or less

Tract 59-- State of New Mexico Lease # E-291-A-24 Township 25 North, Range 6 West, N.M.P.M. Section 2: Lot 3, SE/4 NW/4 Containing 80.48 acres, more or less

UNIT OPERATOR & WORKING INTEREST OWNER

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COUNTY OF HARRIS

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In reply refer to:
Unit Division

Hay 20, 1958

P. O. Box 1161 El Paso, Texas File an 541

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

1958 Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

We are enclosing one copy of the 1958 Drilling Program for the Canyon Largo Unit, which was approved by the Commissioner of Public Lands May 20, 1958.

This approval is subject to like approval being obtained from the United States Geological Survey and the New Mexico Oil Conservation Commission. Upon receipt of their approval may we please be notified.

Very truly yours,

MURRAY E. MORGAN, Commissioner of Public Lands

BY:

Ted Bilberry, Supervisor Oil and Gas Division

MEM/MMR/s

cc:

United States Geological Survey Roswell, New Mexico

Oil Conservation Commission V Santa Fe, New Mexico

# El Paso Natural Gas Company

El Paso, Texas

May 13, 1958

Director United States Geological Survey Department of the Interior Washington 25, D. C.

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

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

Re: Canyon Largo Unit #14-08-001-1059

CHANGE OF WELL NAMES

### Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has changed the names of all producing wells located in the Canyon Largo Unit Participating Area.

All wells scheduled for drilling in 1958 will carry the names Canyon Largo Unit #1 through Canyon Largo Unit #18. The names of all producing wells completed on lands committed to the unit prior to 1958 will be changed to Canyon Largo Unit #19 through Canyon Largo Unit #59. Attached hereto is a list of all wells previously completed on lands committed to the Canyon Largo Unit and all wells to be drilled in 1958, showing the old well name, where applicable, the location and the new well name.

The names Canyon Largo Unit #6 and Canyon Largo Unit #17 have not as yet been assigned to wells.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

Area Landman

Land Department

HG:MC:jb Attachments

# CANYON LARGO UNIT WELL NAMES

Old Name	Location	New Name
	SE 3-24-6	Canyon Largo Unit #1
	NW 4-24-6	Canyon Largo Unit #2 p
	SE 9-24-6	Canyon Largo Unit #3
	SW 10-24-6	Canyon Largo Unit #4
	NE 21-24-6	Canyon Largo Unit #5
	NO 6 NE 27-24-6	Canyon Largo Unit #7 $_{\psi}$
	NW-1-24-7	Canyon Largo Unit #8
	NE 4-24-7	Canyon Largo Unit #9
y.	NW 10-24-7	Canyon Largo Unit #10 $\iota$
	NW 3-25-6	Canyon Largo Unit #11
	NE_10-25-6	Canyon Largo Unit #12
	NE 14-25-6	Canyon Largo Unit #13 /
	SE 29-25-7	Canyon Largo Unit #14
	N <del>W 30</del> -25-7	Canyon Largo Unit #15 $^\ell$
	NE 30-25-7	Canyon Largo Unit #16
	NE_35-25-7	Canyon Largo Unit #18 $ u$
Inabeth Phillips Government #1-3	NW 3-24-6	Canyon Largo Unit #19
Alberta Sloan Government #1-12	SE 12-24-6	Canyon Largo Unit #20
Skelly-Teel Government #1-15	NW 15-24-6	Canyon Largo Unit #21
Flamaris #1	SE 15-24-6	Canyon Largo Unit #22
Home Government #1-1	SE 1-25-6	Canyon Largo Unit #23
Southern Petroleum State #1	SW 2-25-6	Canyon Largo Unit #24
Stanolind-Skelly-Government #1-4	NW 4-25-6	Canyon Largo Unit #25
Truby Government #1-4	SE 4-25-6	Canyon Largo Unit #26 💆 🤇 🦰
Sealy Government #1-5	SE 5-25-6	Canyon Largo Unit #27 '

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Old Name	Location	New Name
Sealy Government #2-5	NW 5-25-6	Canyon Largo Unit #28 6
Sealy Government #1-7	SE 7-25-6	Canyon Largo Unit #29 🗸 ( '
Schultz #2-9	NW 9-25-6	Canyon Largo Unit #30
Home Government #1-11	SE 11-25-6	Canyon Largo Unit #31
Home Government #2-11	NW 11-25-6	Canyon Largo Unit #32
Alberta Sloan Government #1-12	SE 12-25-6	Canyon Largo Unit #33
Alberta Sloan Government #2-12	NW 12-25-6	Canyon Largo Unit #34
Alberta Sloan Government #1-13	NW 13-25-6	Canyon Largo Unit #35
Alberta Sloan Government #2-13	SE 13-25-6	Canyon Largo Unit #36
Slagel Government #1-19	NW 19-25-6	Canyon Largo Unit #37
Slagel Government #2-19	SE 19-25-6	Canyon Largo Unit #38
_Slagel Government #1-20	NW 20-25-6	Canyon Largo Unit #39
Schultz #3-23	SE 23-25-6	Canyon Largo Unit #40
Schultz-Turner-Fields Gov't #1-24	SE 24-25-6	Canyon Largo Unit #41
Schultz #1-28	NW 28-25-6	Canyon Largo Unit #42
Inabeth Phillips Government #1-29	NW 29-25-6	Canyon Largo Unit #43
✓Inabeth Phillips Government #2-29	SE 29-25-6	Canyon Largo Unit #44
Unabeth Phillips Government #1-30	NW 30-25-6	Canyon Largo Unit #45
Inabeth Phillips Government #2-30	SE 30-25-6	Canyon Largo Unit #46
Southern Petroleum State #2	NE 32-25-6	Canyon Largo Unit #47
Inabeth Phillips Government #1-33	NW 33-25-6	Canyon Largo Unit #48
Hightower Government #1-3	NW 3-25-7	Canyon Largo Unit #49 🍃
Hightower Government #2-3	SE 3-25-7	Canyon Largo Unit #50
Hightower Government #1-11	SE 11-25-7	Canyon Largo Unit #51
House Government #1-13	SE 13-25-7	Canyon Largo Unit #51  Canyon Largo Unit #52  Canyon Largo Unit #53
Hightower Government #1-24	NW 24-25-7	Canyon Largo Unit #53

Old Name	Location	New Name
Hightower Government #2-24	SE 24-25-7	Canyon Largo Unit #54
Sadler Government #1-25	SE 25-25-7	Canyon Largo Unit #55
Sadler Government #1-28	NW 28-25-7	Canyon Largo Unit #56
Albuquerque State #1-36	SE 36-25-7	Canyon Largo Unit #57
Donnell #1	SW 22-24-6	Canyon Largo Unit #58
Donnell #2	NE 22-24-6	Canyon Largo Unit #59

Canyon Largo Unit Working Interest Owners

Petro-Atlas Corporation First National Building Tulsa 3, Oklahoma

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1 Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 1916 Lead, S.E. Albuquerque, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Edna W. Merrion, Trustee
Edna W. Merrion, Trusts Nos. 1,2, & 3
9000 South Laflin Street
Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Building Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation Post Office Box 1410 Ft. Worth, Texas Attention: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

(CONTINUED)

# -2- Canyon Largo Unit Working Interest Owners

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

J. Glenn Turner 1711 Mercantile Bank Building Dallas 1, Texas

William G. Webb 1711 Mercantile Bank Building Dallas 1, Texas



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY P.O. Box 6721 Spewell, New Moxico

May 12, 1958

File Call

El Pago Matural Gas Co. P.O. Box 1492 El Pago, Tomas

. . . . . .

Attention: Mr. Sam Smith

Cent lemen:

Your plan of development dated April 9, 1958, for the Gaspon Large Unit Area, New Mexico, for the calendar year 1958, which plans the drilling of seventeen Pictured Gliffs wells, has been approved on this date subject to like approval by the appropriate State of New Mexico officials.

Two approved copies of the plans are enclosed.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. AMBERSON Oil and Gas Supervisor

Esc1.: 2

Copy to: Wash. (w/copy of plan)
Fastington (w/copy of plan)
Comm. of Public Lands, Santa Pe (letter only)
Oil Coms. Comm., Santa Pe (letter only)

2/2/case box 5-12-56

# P. O. BOX 871 SANTA FE, NEW MEXICO

April 22, 1958

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

Attention: Mr. Sam Smith

Cone 54/

Re: Canyon Large Unit
Rio Arriba County,
New Mexico, 1958 Drilling
Program

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1958 firilling Program for the Canyon Largo Unit area, Rio Arriba County, New Mexico, 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 program is returned herewith.

Very truly yours,

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

ALP/RLS/og

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

El Paso Natural Gas Company
El Paso, Texas April 15, 1958 Mr. D. S. Nutter New Mexico Oil Conservation Commission Post Office Box 871

Santa Fe, New Mexico

Dear Dan:

Attached are two (2) copies of the approved Designation of Successor Unit Operator for the Canyon Largo Unit. According to the last paragraph of the approval of Mr. Morgan and the date of the approval by the U.S.G.S. shown at the bottom of Page 2 of the Agreement, this was effective March 1, 1958.

The Farmington Office is being instructed to file C-110's on all our wells in this area.

If there is further information that you need, please advise me.

Kindest personal regards.

Yours very truly,

D. H. Rainey

Proration Department

DHR:nc Attachments

## CERTIFICATE OF APPROVAL

# BY COMMISSIONER OF PUBLIC LANDS, STATE OF MEN MEXICO CASTON LANGO UNIT AREA

There having been presented to the undersigned Commissioner of Public Lands, of the State of New Newico, a Resignation of The Superior Oil Company, as Unit Operator for the Camyon Largo Unit Agreement, said Resignation being dated January 8, 1958.

There also having been presented a designation of El Paso Matural Gas Company, as the new operator of the said Canyon Largo Unit Agreement, said designation being dated January Sth, 1958

I, therefore, accept said resignation of The Superior Oil Company and herewith approve the appointment of El Paso Matural Gas Company as the new Unit Operator of the Canyon Largo Unit Operator of the Canyon Lar

Now, Therefore, having received an acceptance as the New Operator from 51 Paso Natural Cas Company, which was executed January 8th, 1958 and El Paso Natural Cas Company, is desirous of complying with the terms of said Unit Agreement, and accepts the duties and responsibilities of Unit Operator.

This approval being effective the first day of the month following the approval hereof by the United States Geological Survey.

Cosmissioner of Public Lands
of the State of Mer. Mexico

**ILLEGIBLE** 

DESIGNATION OF SUCCESSOR UNIT OPERATOR

CANYON LARGO UNIT AREA

RIO ARRIBA COUNTY, STATE OF NEW MEXICO

14-08-001-1059

# WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Statutes 437, 30 U.S.C., Sections 181 et seq., as amended by the Act of August 8, 1946. 60 Statutes 950, the Secretary of the Interior, on the 18th day of September, 1953, approved a Unit Agreement for the Development and Operation of the Canyon Large Unit Area, whereunder The Superior Oil Company was designated as Unit Operator; and

WHEREAS, pursuant to the provisions of the laws of the State of New Mexico, said Unit Agreement was likewise approved by the Commissioner of Public Lands of the State of New Mexico; and

WHEREAS, the said Superior Oil Company has, by Resignation of even date herewith, resigned as said Unit Operator, to be effective on the approval of this Designation by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, and

WHEREAS, the undersigned Working Interest Owners desire to designate El Paso as the Successor Unit Operator, effective as of the effective date of Superior's resignation; and

whereas, El Paso desires to assume all of the rights, duties and obligations of the Unit Operator of said Unit Area pursuant to the terms of said Unit Agreement as of the first day of the month following the approval hereof by the United States Geo-logical Survey and the Commissioner of Public Lands of the State of New Mexico:

NOW, THEREFORE, in consideration of the premises, El Paso hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and

ILLEGIBLE

pursuant to the terms of the Canyon Largo Unit Agreement, and the undersigned Working Interest Owners covenant and agree that, effective upon approval of this Agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, El Paso shall be granted the exclusive right and privilege of exercising any and all rights and privileges as said Unit Operator pursuant to the terms and conditions of said Unit Agreement, said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth hereinabove.

ATTEST	BL PASO NATURAL GAS COMPANY
Assistant Secretary	By 77- Vice Presiden
ATTEST  ALLA IV Ruhards  Secretary	PETRO-ATLAS CORPORATION  By A. A. A. A. A. President
ATTEST:  ATTEST:  ASSOCIATES   By Company  President	
ATTEST:	NEW MEXICO NATURAL GAS COMPANY
Secretary	ByPresident
ATTEST:	PAN AMERICAN PETROLEUM CORPORATION  By    President
WITNESSES:  - Felicia Mestern  Claine Smith	J GLENN TURNER FEB 1 2 1958
ILLEGIBLE	Date Approved  -2-  Acting Director, U. S. Geological Survey

WITNESSES:	
	FRANK A. SCHULTZ
WITNESSES:	
Hause Transmer	William h. Cl sk
Claine Smith	WILLIAM G. WEBB
WITNESSES:	
	LOREN WILCOX
WITNESSES:	
	MARK ELKINS
WITNESSES:	
WITNESSES:	

ILLEGIBLE

KNOS ALL MEN WY THREE PERSENTS:

COUNTY OF LOS SPERISS.

address as P. O. St.A 3015. Is, warel sames, two Areales 64. California, being the duly designated, qualified and acting Unit Operator for the Nevelopsen and Operation of the Campon Large Conf. Area, No Arriba County, New Mexico, has and by those presents, does resign as such that Operator, effective as of the first day of the month following the face of approval hereof and of that certain Designation of Eucosesor Unit Operator, of even date herewith, by the Director of the United States Geological Europe and the Commissioner of Public Lands of the State of New Mexico, and hereby requests that El Paso Natural Gas Company, whose address is Post Office Box 1492. El Paso, Texas, be approved as the Successor Unit Operator.

IN WITHESS WHEREOF, this resignation is executed this day of January, which is

ATTEST:

THE SUPERIOR OIL COMPANY

Assistant Secretary

JAMANASTAN

18 miles 20 miles 20 miles

**ILLEGIBLE** 

# El Paso Natural Gas Company El Paso, Texas

April 9, 1958

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

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

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

> Re: Canyon Largo Unit #14-08-001-1056 Rio Arriba County, New Mexico 1958 DRILLING PROGRAM

### Gentlemen:

By letter dated July 11, 1957, The Superior Oil Company submitted a Plan of Development for the last half of the calendar year 1957 for the captioned Unit. This Plan of Development did not call for the drilling of any wells on lands committed to the Unit.

Forty-six (46) wells have been completed in the Pictured Cliffs Formation on lands committed to this Unit. Thirty-nine (39) wells have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Pictured Cliffs Participating Area. Six (6) wells have been plugged and abandoned, and one (1) well has not as yet been tested by the Unit Operator.

El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1958, consisting of seventeen (17) wells to be drilled to the Pictured Cliffs Formation. These proposed drilling sites are as follows:

Drilling Block			rorman	Formation			
	W/2	Section	30.	T-25-N,	R-7-W	Pictured	Cliffs
			•	T-25-N,		Pictured	Cliffs
			•	T-24-N,		Pictured	Cliffs
	E/2	Section	4,	T-24-N,	R-7-W	Pictured	Cliffs
	W/2	Section	10,	T-24-N,	R-7-W	Pictured	Cliffs

#### Drilling Block Formation E/2 Section 27, T-24-N, R-6-W Pictured Cliffs W/2 Section 1, T-24-N, R-7-W Pictured Cliffs W/2 Section 3, T-25-N, R-6-W Pictured Cliffs \*E/2 Section 14, T-25-N, R-6-W Pictured Cliffs E/2 Section 3, T-24-N, R-6-W Pictured Cliffs E/2 Section 30, T-25-N, R-7-W Pictured Cliffs E/2 Section 29, T-25-N, R-7-W Pictured Cliffs E/2 Section 9, T-24-N, R-6-W Pictured Cliffs W/2 Section 4, T-24-N, R-6-W Pictured Cliffs W/2 Section 35, T-24-N, R-6-W Pictured Cliffs \*W/2 Section 10, T-24-N, R-6-W Pictured Cliffs E/2 Section 35, T-25-N, R-7-W Pictured Cliffs

\*Intervening Drilling Block - Must be drilled in 1958.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any off-set wells required to prevent drainage of unitized substances, and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5 1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval thereof pursuant to Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

Smith

Manager

Land Department

SS:MC:jb

cc: Attached sheet

A PPROVED:		DATE:	
	Supervisor, United States Geological Survey		
	Subject to like approval by the appropriate		
	State officials.		
APPROVED:		DATE:	
	Commissioner of Public Lands		
	Subject to like approval by the United States		
	Geological Survey and the Oil Conservation		
	Commission.		
APPROVED:		DATE:	
	Oil Conservation Commission		
	Subject to like approval by the United States		
	Geological Survey and the Commissioner of		

The foregoing approvals are for the 1958 Drilling Program for the Canyon Largo Unit, Rio Arriba County, New Mexico.

Public Lands.

Petro-Atlas Corporation First National Building Tulsa 3, Oklahoma

Frank Bond & Son, Inc. Post Office Box 1327 Albuquerque, New Mexico

Bayview Oil Corporation 614 Republic National Bank Building Dallas, Texas

J. B. Davis & Paulene D. Davis 616 East Corbett Hobbs, New Mexico

Robert Donnell & Marion Donnell 1713 Douglas Street Midland, Texas

Henry Duffe
Wilton Junction, Iowa

Mark Elkins & Ina Elkins P. O. Box 177 Grants, New Mexico

Walter Famariss, Jr. & Thelma Jackson Famariss Hobbs, New Mexico

A. G. Hill & Margaret Hunt Hill 700 Mercantile Bank Building Dallas 1 Texas

Malco Refineries, Inc. P. O. Box 660 Roswell, New Mexico

Mabel H. Manning & Leo R. Manning 2321 Candelaria Road, N.W. Albuquerque, New Mexico

R. E. McKenzie, Jr. & Agatha McKenzie 1916 Lead, S.E. Albuquerque, New Mexico

Mitchell A. Whitley 118 North Barnett Ave. Dallas, Texas

Loren Wilcox & Norma Wilcox 111 North Peach Fruita, Colorado Canyon Largo Unit Working Interest Owners

Edna W. Merrion, Trustee Edna W. Merrion, Trusts Nos. 1,2, & 3 9000 South Laflin Street Chicago 20, Illinois

J. Lee Merrion Family 9000 South Laflin Street Chicago 20, Illinois

Neal Neece & Faye Neece 914 Corrigan Tower Building Dallas, Texas

Mike Abraham 814 Mercantile Bank Building Dallas, Texas

Phillips Drilling Corporation 306 Milam Building San Antonio 5, Texas

Thomas W. Scott 603 Vinson Avenue, Route 8 Fayetteville, Arkansas

Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Southern Petroleum Exploration, Inc. Roswell, New Mexico

Southern Union Gas Company 11th Floor, Burt Building Dallas, Texas

Pan American Petroleum Corporation Post Office Box 1410 Ft. Worth, Texas Attention: E. V. Hewitt

Claude A. Teel & Mary Nell Teel c/o Skelly Oil Company 2933 Monte Vista Boulevard, N.E. Albuquerque, New Mexico

Three States Natural Gas Company 17th Floor Corrigan Tower Dallas, Texas

(CONTINUED)

# -2- Canyon Largo Unit Working Interest Owners

Frank A. Schultz 823 Corrigan Tower Dallas, Texas

J. Glenn Turner 1711 Mercantile Bank Building Dallas 1, Texas

William G. Webb 1711 Mercantile Bank Building Dallas 1, Texas THE CONTRACTION COMMISSION FOR BUILDING NO. A DE

February 14, 1895

con 541

El Pano Natural Gas Company Rox 1197 El Pano, Jexas

Attention: Mr. D. N. Canfield

 Canyon Targo Unit - Tio Application for Tatebaids of Time in which to Trill an Intervening Ortiling Bines

### Gentlemen:

We hand you herewith mix copies of the approved extension of time in which to drill an intervening drilling block comprising the 1/2 of Section 10, Township 24 North, lange 6 Nest, MAPA, Rio Arriba County, New Mexico.

It is our understanding that El Paso Natural Ges empany will commence drilling a well on the subject drilling block within 80 days from the tope a farmout agreement, communities that agreement, or joinder is effected in by bebruary 1, 180, shichever date is sooner.

Very tonly yours,

A. L. SUER, St., Eecret. cy-Direc or

ALP/DSN/Ir

co: State land Office - Santa Fe, New Mexico P. S. S. S. Bussell, Year Mexico

# **ILLEGIBLE**

# El Paso Watural Gas Company

El Paso, Texas

February 6, 1958

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

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

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

Re: Canyon Largo Unit #14-08-001-1059
APPLICATION FOR EXTENSION OF TIME
IN WHICH TO DRILL AN INTERVENING
DRILLING BLOCK

#### Gentlemen:

By letter of February 20, 1957, the Superior Oil Company, as Unit Operator of the Canyon Largo Unit, submitted for your approval, the Twelfth Expanded Participating Area of the Canyon Largo Unit, Pictured Cliffs Formation. The effective date of the Twelfth Expansion was specified in said notice as February 1, 1957. Included in the Twelfth Expanded Participating Area was the following described intervening drilling block:

Township 24 North, Range 6 West, N.M.P.M.

Section 10: W/2
Containing 320.00 acres

Under the provisions of Section 11 of the Canyon Largo Unit Agreement, drilling operations must be commenced upon an intervening drilling block within one (1) year of the admission of same to a Participating Area.

As of even date herewith, the owners of the working interest under Federal Lease SF 079086 have not committed their interest to the Canyon Largo Unit Agreement. This lease covers 75% of the above mentioned drilling block, and is described, insofar as it covers said drilling block, as the N/2 NW/4 and SW/4 of Section 10, Township 24 North, Range 6 West, N.M.P.M. The remainder of said drilling block is described as the S/2 NW/4 of Section 10, Township 24 North, Range 6 West, N.M.P.M., which is fee land and is committed to the Canyon Largo Unit.

Section 11 of the Unit Agreement provides that "The unit area is hereby divided into Drilling Blocks containing 320 acres each, more or less, which Drilling Blocks shall constitute one half sections, by government survey".

## THE SUPERIOR OIL GOMPANY

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner December 5, 1957 Page 2

In view of the foregoing, Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

This well was drilled on an intervening drilling block as described above which was admitted to the Participating Area effective as of August 1, 1956, resulting in no present change to the allocation schedule for the Pictured Cliffs Participating Area.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

By:

Donald E. Koch Chief Petroleum Engineer

Encl.

cc: All Working Interest Owners



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 6721 Roswell, New Aexico

1937 SEP 11 F# 12:54

September 10, 1957

El Paso Matural Gas Company F. C. Box 1492 El Paso, Texas

### Gentlemen:

The Supplemental Plan of Development dated September 4, 1957, for the San Juan 23-7 unit area, New Mexico, No. 14-08-001-459, has been approved on this date, subject to like approval by the appropriate State of New Mexico officials.

One approved copy of said plan is returned herewith.

Very truly yours,

JAMES A. KNAUF Acting Oil and Gas Supervisor

Copy to: \*ashington (v/copy of plan)
-- MMOCO, Santa Fe (letter only)

### LIL CONSERVATION COMMISSION

P. O. BOX 871

### SANTA FE, NEW MEXICO

# August 26, 1957

The Superior Oil Company P. C. Box 3015, Terminal Annex Los Angeles 54, California

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit Area Rio Arriba County, New Mexico.

## Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your request dated July 11, 1957, for approval of a Plan of Development calling for no drilling operations during the period July 31, 1957, to and including December 31, 1957.

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

One approved copy of the request is herewith returned.

Very truly yours,

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

## ALP/DSN/ir

cc: U. S. G. S. - Roswell, New Mexico Commissioner of Public Lands - Santa Fe, N.M.

#### UIL CONSERVATION COMMISSION

P. O. BOX 871

#### SANTA FE, NEW MEXICO

#### August 26, 1957

The Superior Cil Company P. C. Box 3015, Terminal Annex Los Angeles 54, California

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit Area Rio Arriba County, N. M.

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your request dated July 11, 1957, for an extension of time from July 31, 1957, until November 1, 1957, in which to drill a well on the intervening drilling block described as the W/2 of Section 12, Township 25 North, Range 6 West, Canyon Largo Unit Area, Rio Arriba County, New Mexico.

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

One approved copy of the request is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,

#### ALP/DSN/ir

cc: U. S. G. S. - Roswell, New Mexico Commissioner of Public Lands - Santa Fe, New Mexico

## THE SUPERIOR OIL COMPANY

1957 / P. O. BOX 3015, TERMINAL ANNEX

August 14, 1957

United States Geological Survey (5) P. O. Box 6721 Hoswell, New Mexico

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner P. C. Box 871 Santa Fe, New Mexico

> CANYON LARGO UNIT (No. 14-08-001-1059)
> NOTICE OF COMPLETION OF ADDITIONAL WELLS
> AND FOURTEENTH ENLARGEMENT OF PICTURED CLIFFS Re:

PARTICIPATING AREA, EFFECTIVE JULY 1, 1957

Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement, this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

> Mame of Well: Canyon Largo Unit #3-23

900' FSL and 1100' FEL Sec. 23, Location of Well:

T.25 N., R.6W., Rio Arriba County,

New Mexico

Drilling Block: E/2 Sec. 23, I.25N., R.6 W., said

County and State.

Total Depth: 2,714

Completion Date: June 8, 1957

It appears from tests made June 28, 1957, that this well has a potential of 980,000 cubic feet of gas per day from the Pictured Cliffs formation, through 3/4" choke. Shut-in pressure was 851 p.s.i.g.

#### THE SUPERIOR OIL GOMPANY

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner August 14, 1957 Page 2

Name of Well:

Donnell #1

Location of Well:

1650' FNL and 1010' FWL Sec. 22,

T.24 N., R.6W., Rio Arriba County,

New Mexico

Drilling Block:

W/2 Sec. 22, T.24N., R.6W., said

County and State.

Total Depth:

2,367!

Completion Date: June 9, 1957

It appears from tests made June 25, 1957, that this well has a potential of 524,000 cubic feet of gas per day from the Pictured Cliffs formation, through 3/4" choke. Shut-in pressure was 447 p.s.i.g.

Name of Well:

Donnell #2

Location of Well:

1650' FSL and 1650' FEL Sec. 22,

T.24N., R.6W., Rio Arriba County,

New Mexico

Drilling Block:

E/2 Sec. 22, T.24N., R.6W., said

County and State.

Total Depth:

22631

Completion Date: June 15, 1957

It appears from tests made June 28, 1957, that this well has a potential of 2,863,000 cubic feet of gas per day from the Pictured Cliffs formation, through 3/4" choke. Shut-in pressure was 687 p.s.i.g.

In view of the foregoing, Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

As a result of the completion of the Canyon Large Unit #3-23 well, the east one-half ( $\mathbb{E}/2$ ) of Sec. 14, T.25N., R.6W., became an intervening drilling block as defined under the Unit and is included in the participating area.

#### THE SUPERIOR OIL GOMPANY

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner August 14, 1957 Page 3

As a result of the completion of the Canyon Largo Unit #3-23 well, the #2 of Sec. 24, T.25N., R.6#3., is an intervening block. However, since a well known as Schultz-Turner-Fields Govt. 2-24 was drilled on this block and completed as a dry hole July 31, 1956, said block will not be included in the participating area by reason of the provisions of Section 11 of the Canyon Largo Unit Agreement.

Enclosed is allocation schedule effective July 1, 1957, setting forth the allocation of unitized substances for the Pictured Cliffs Participating Area of the Unit as the result of the completion of the above wells.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Б٧

Chief Petroleum Engineer

Encl.

cc w/Schedule: All Working

Interest Owners

7. 1.

In raply refer to: Unit Division

The Superior Oil Co.
P. O. Box 3015, Terminal Annex
Los Angeles 54, California

RE: Canyon Largo Unit Area, Rio Arriba County, N. Mex.

Attention: Mr. Donald E. Koch

#### Gentlemen:

Your request of July 11, 1957, for extension of time to November 1, 1957, in which to drill a well in the W/2 of Section 12-25N-6W is herewith approved, subject to like approval from 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 Gil and Gas Department

MEM: MMR/m

cc: OCC-Santa Fe USGS-Roswell

## **ILLEGIBLE**

#### THE SUPERIOR OIL COMPANY

P. O. BOX 3015, TERMINAL ANNEX LOS ANGELES 54, CALIFORNIA

July 11, 1957

United States Gaulogical Survey washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791

Santa Fe, New Memico

Attention: Mr. E. S. Walker

New Memico Oil and Gas-Gonservetion Commission

P. O. Ben 871

Senta Te, New Munico

Attention: Mr. A. L. Porter, Jr.

Re: Canyon Large Unit Area #14-08-001-1055

Gentlemen?

The Superior Oil Company, as operator of the Canyon Largo Unit, hereby submits its plan of development with respect to said Unit for the period communing July 31, 1957 to and including December 31, 1957.

wells to be drilled during said period of time: Home.

This plan of development calling for no drilling operations is based on the following facts:

Under date of February 1, 1957 The Superior (1)1 Company entered into an agreement with 61 Paso Natural Gas Company whereby 61 Paso agreed to purchase from Superior its gas leasehold estate in and to all leases held by Superior and semmitted to the Compon Large Unit, together with all field equipment owned by Superior and located on said leases. It is part of the agreement that 61 Paso Natural Gas Company shall, upon acquiring the gas leasehold estate in said leases from Superior, succeed Superior as epowater of the Unit.

**ILLEGIBLE** 

United States Geological Survey Commissioner of Public Lands New Mexico Vil and Gas Conservation Commission

All gas produced from Superior leases committed to the Unit has been and is being purchased under contract by El Paso, which contract has been duly files with the Federal Power Commission as a rate schedule pursuant to the previsions of the Natural Gas Act, as amended, and the applicable regulations of the Commission.

As part of the agreement between Superior and al Paso, it is provided that the consummation of said agreement is contingent upon obtaining approval from the Federal Power Commission permitting or authorizing Superior to discontinue the sale to al Paso of all gas produced from all leases owned by Superior and committed to the Unit. The Federal Power Commission infermed Superior that before Superior could consummate said agreement it would be necessary to obtain approval from the Commission, under Section 7 of the Natural Gas Act, suthorizing Superior to discontinue the sale to al Paso of the gas produced from all leases owned by Superior and committed to the Unit. Accordingly, Superior, pursuant to Section 7 of the Natural Gas Act, as amended, naused to be filed with the Federal Power Commission an application for approval and permission to abandon the sale of gas to all Paso Natural Gas Company.

Since the filing of said application this company has made repeated efforts to have the application acted upon in order that the negotiations with place be concluded at the earliest possible date.

Through the Assistant Chief Counsel of the Federal Power Counselou, Superior has been advised that said application will be considered and acted upon during the early part of September, 1957, and it is the firm opinion of this company that said application will be greated.

This company as operator will, as soon as the Federal Fower Commission acts on the application above referred to, notify you and each of you, and if said application is granted operator will proceed to have all Paso Natural Gas Company substituted as Operator. After obtaining a decision from the Federal Power Commission, a supplemental plan of development can and will be submitted at your request.

in view of the fact that al Pase Natural Gas Company will succeed

United States Geological Survey Commissioner of Sublic Lands New Mexico Oil and Gas Conservation Commission

this company as operator, who according to information received by operator contemplates an active drilling program, it is not advisable or practical for this company to propose a plan of development and thus bind the successor operator with a drilling program which may or may not be acceptable to it.

it is the position of operator that because of the facts and circumstances above set forth this company as operator should be relieved of the obligation to drill additional wells in the Unit until pending negotiations with all Page are completed.

Based on the above facts, request is made that the foregoing plan of development on approved and that this company as operator be relieved of drilling any wells within the Unit for the period anding December 31, 1957.

hespectfully subsitted.

THE SUPERIOR OIL COMPANY

BY

Penald . Koch

Chief Petrolem logineer

BAP: Ob.

Approved. AUG 27 1957

Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

#### THE SUPERIOR OIL COMPANY

P. O. BOX 3015, TERMINAL ANNEX
LOS ANGELES 54, CALIFORNIA

July 11, 1957

United States Geological Survey cachington, D. C.

Attention: Supervisor

Countseioner of Public Lands

2. 0. som 791

Santa Fe, New Mex.co

Attention: Mr. c. S. . . .

New Mexico Oal and Gen Guegarvedion Commission

r. 9. Box 5/1

Santa Fe, May Menico

Attention: Mr. A L. Porter Jr.

Re: Canyon Large Unit Area

#14-06-001-1059

Contlemen:

The wh of Section 12, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, on Amgust 1, 1956 was admitted to the particapating area of the Conyon Large Unit as an intervening drilling block, as provided in Section 11 of the Unit Agreement.

it is required by said Section 11 of the Unit Agreement that the drilling of a well on such intervening drilling block be commenced within one year from the inclusion of said drilling block in the participating area "unless said time be entended by the Director, Commissioner and Commission," and said one year period will expire on July 31, 1957.

Request is made that the time for communing said well be extended to Hovember 1, 1957, based on the matters hereinafter set forth.

Under date of February 1, 1957 The Superior Gil Company entered into an agreement with Al Paso Natural Gas Company whereby Sl Paso

United States Geological Survey Commissioner of Public Lands New Memico Oil and Gas Conservation Commission

agreed to purchase from Superior its gas lessehold estate in and to all lesses held by Superior and committed to the Canyon Large Unit, together with all field equipment owned by Superior and located on said lesses. It is part of the agreement that all Paso Natural Gas Company shall, upon acquiring the gas lessehold estate in said lesses from Superior, succeed Superior as operator of the Unit.

All gas produced from Superior leases equalities to the Unit has been and is being purchased under contract by all Paso, which contract has been duly filed with the Enderal Power Commission as a rate schedule pursuant to the provisions of the Natural Gas Act, as smended, and the applicable regulations of the Commission.

As part of the agreement between Superior and El Paso, it is provided that the consummation of said agreement is centingent upon obtaining approval from the Federal Power Communical permitting or authorizing Superior to discontinue the said to El Paso of all gas produced from all leases owned by Superior and committed to the Unit. The Federal Power Commission informed Superior that before Superior could consummate said agreement it would be necessary to obtain approval from the Commission, under Section 7 of the Natural Gas Act, authorizing Superior be discontinue the said to El Paso of the gas produced from all leases owned by Superior and committed to the Unit. Accordingly, Superior, pursuant to Section 7 of the Natural Gas Act, as amended, caused to be filled with the Federal Power Commission on application for approval and permission to anamdon the sale of gas to El Pago Natural Gas Company.

Since the filing of said application this company has made repeated efforts to have the application acted upon in order that the negotiations with all Paso be concluded at the earliest possible date.

Through the Assistant Chief Counsel of the Federal Power Countssion, Superior has been advised that said application will be considered and acted upon during the early part of September, 1957, and it is the firm opinion of this company that said application will be granted.

Secure of the nature of the transaction between this company and al Pase, and considering the terms which have been agreed upon

### ?ege 3. THE SUPERIOR OIL COMPANYJuly 11, 1557

P. O. BOX 3015, TERMINAL ANNEX

United Status Geological Survey 54. CALIFORNIA Commissioner of Public Lands

New Mexico all and Gas Compervation Commission

in the agreement of Pebruary 1, 1957, and the fact that al Page will succeed this company as operator, it is not deemed advisable or practical by this company as operator to drill, or cause to be drilled, or be required to drill any additional wells within the Unit, and that all future drilling within the Unit should be performed by al Page Natural Gas Company.

by reason of the foregoing, it is requested that the time for communing the drilling of a well on the drilling black hereinshove described be extended to November 1, 1957.

importfully submitted.

THE SUPERIOR OLL COPPANY

åv

Jonald E. Koch

Citted Petroleum ingineer

AUG 27 1957

Approved..

...19......

Secretary Director

:A2 1 13 kg

NEW MENICO OIL CONSERVATION COMMISSION

#### THE SUPERIOR OIL COMPANY

P. O. BOX 3015, TERMINAL ANNEX LOS ANGELES 54, CALIFORNIA

May 24, 1957

United States Geological Survey P. O. Box 5/21 Roswell, New Mexico

Commissioner of Public Lands P. O. Box /91 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

Re: CANYON LARGO UNIT (No. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND THIRTEENTH ENLARGEMENT OF PICTURED CLIFFS
PARTICIPATING AREA, EFFECTIVE MAY 1, 1957

#### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Large Unit Agreement, this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well: Canyon Largo Unit #1-28

Location of Well: 1650' FNL and 1450' FWL Sec. 28,

T.25 N., R.6 W., Rio Arriba Count,

New Mexico.

Drilling Block:  $W_2^1$  Sec. 28, T.25 N., R.6 W., said

County and State.

Total Depth: 2,708' (Pictured Cliffs formation)

Completion Date: April 20, 1957

It appears from tests made May 1, 1957, that this well has a potential of 2,715,000 cubic feet of gas per day through 3/4" choke. Shut-in pressure was 704 p.s.i.g.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner May 24, 1957 Page 2

Name of Well: Canyon Largo Unit #2-9

Location of Well: 1650' FNL and 1550' FWL Sec. 9,

T.25 N., R.6 W., Rio Arriba County,

New Mexico.

Drilling Block: W2 Sec. 9, T.25 N., R.6 W., said

County and State.

Total Depth: 2,407' (Pictured Cliffs formation)

Completion Date: April 18, 1957

It appears from tests made May 1, 1957, that this well has a potential of 1,792,000 cubic feet of gas per day through 3/4" choke. Shut-in pressure was 871 p.s.i.g.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective May 1, 1957, setting forth the allocation of unitized substances for the Pictured Cliffs Participating Area of the Unit as the result of the completion of the above wells.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Ву

Chief Petroleum Engineer

Encl.

cc w/Schedule: All Working

Interest Owners

## UNITED STATES OF AMERIC. FEDERAL POWER COMMISSION

In the matter of
The Superior Oil Company

Docket No. G-6180

Cerc 5-1

APPLICATION UNDER SECTION 7 OF THE NATURAL GAS ACT, AS AMENDED, FOR APPROVAL AND PERMISSION TO ABANDON THE SALE OF GAS TO EL PASO NATURAL GAS COMPANY, AND FOR AMENDMENT OF APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FILED IN DOCKET NO. G-6180.

## UNITED STATES OF AMERICA FEDERAL POWER COMMISSION

In the matter of

The Superior Oil Company

Docket No. G-6180

APPLICATION FOR APPROVAL AND PERMISSION TO ABANDON THE SALE OF GAS
TO EL PASO NATURAL GAS COMPANY, AND FOR AMENDMENT OF APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FILED IN DOCKET NO. G-6180.

#### TO THE FEDERAL POWER COMMISSION:

The Superior Oil Company hereby requests approval and permission to abandon the sale of gas to El Paso Natural Gas Company under Rate Schedule No. 20, being Gas Purchase Agreement of October 26, 1953, as amended by various Letter Agreements on file with your Commission, insofar as said Rate Schedule No. 20 affects the sale of gas from those lands located within the Canyon Largo Unit, Rio Arriba County, New Mexico, described in Exhibit "A" attached to and made a part of this application.

#### (1) IDENTIFICATION OF APPLICANT:

Applicant, The Superior Oil Company, is a corporation organized under the laws of the State of California.

Applicant's principal place of business is located at 550 South Flower Street, Los Angeles, California.

Applicant is authorized to do business in the following states:

Alabama
Arizona
Arkansas
California
Colorado
Florida
Georgia
Idaho
Illinois
Indiana
Kansas
Kentucky
Louisiana
Michigan

Mississippi
Missouri
Montana
Nebraska
Nevada
New Mexico
North Dakota
Ohio
Oklahoma
Oregon
South Dakota
Tennessee
Texas

Applicant requests that correspondence or communications in regard to this application be addressed to:

S. F. Magor The Superior Oil Company P. O. Box 3015, Terminal Annex Los Angeles 54, California

Utah Wyoming

#### (2) DESCRIPTION OF PROPOSED ABANDONMENT:

Applicant filed with your Commission Application dated

November 26, 1954, for a Certificate of Public Convenience and

Necessity, Docket No. G-6180, with respect to the sale to El

Paso Natural Gas Company of gas produced from the properties

described in said application, pursuant to Rate Schedule No. 20,

being Gas Purchase Agreement dated October 26, 1953, a copy of

which is attached to said Application as Exhibit "B" thereof.

Subsequent to the filing of said Application Docket G-6180,

applicant filed three supplements thereto requesting Certificate

of Public Convenience and Necessity embracing additional acreage

made subject to said Rate Schedule No. 20, and described in said

supplemental applications.

Applicant was, on and before June 7, 1954, selling gas under said Rate Schedule No. 20. Certificate of Public Convenience and Necessity has not as yet been issued pursuant to said Application Docket No. G-6180, and supplements thereto.

Attached to this application, marked Exhibit "A," is a description of all the lands set forth in said original Application Docket No. G-6180, and in said three supplements thereto, except those lands situated in Rio Arriba County, New Mexico, described as follows:

Sections 19 and 20, Township 25 North, Range 5 West, which lands last above described and the sale of gas therefrom are excluded from this application and are hereinafter referred to as the "lands excluded from this application." The said lands excluded from this application are located outside of the Canyon Largo Unit, are Indian lands, and are not included in the sale to El Paso Natural Gas Company, hereinafter referred to, of applicant's leasehold interests. It is the intent of applicant that said Application for Certificate of Public Convenience and Necessity Docket No. G-6180, as supplemented, shall remain in force and effect as to the said lands excluded from this application and the gas produced and sold therefrom.

Applicant now proposes to abandon, effective as of April 10, 1957, the sale of gas to El Paso Natural Gas Company under said Rate Schedule No. 20, insofar as said Rate Schedule affects the

sale of gas from the lands described in Exhibit "A attached hereto, for the reasons hereinafter stated.

A notice of proposed cancellation of said Rate Schedule No. 20 covering the sale of said gas is being filed simultaneously with the filing of this application.

#### (3) REASONS FOR PROPOSED ABANDONMENT:

Applicant proposes to sell and assign, effective as of April 10, 1957, to El Paso Natural Gas Company, in addition to other properties located within the Canyon Largo Unit Area, applicant's leasehold interests in the lands described in Exhibit "A" attached hereto. The leasehold interests in said lands will be sold and transferred to El Paso Natural Gas Company subject to the reservation to applicant of an overriding royalty of 1/16th of the value of the gas and gas liquids which may be attributable to said lands (or, in lieu thereof, a production payment equivalent to such 1/16th overriding royalty) until such time as El Paso Natural Gas Company shall have recovered from the net value of gas and gas liquids attributable to said lands its future costs of drilling and development on said lands, at which time applicant shall be entitled to a working interest in and ownership of 50% of the gas and gas liquids in and attributable to said lands. At such time as applicant shall be entitled to a working interest in and ownership of 50% of the gas and gas liquids attributable to said lands, applicant is obligated to sell and El Paso is obligated to purchase applicant's 50% share of said gas and gas liquids at the price and subject to the terms and conditions of said Rate Schedule No. 20.

The leasehold interests in lands which applicant proposes to sell to El Paso Natural Gas Company are the only gas producing properties owned by applicant within the Canyon Largo Unit, and are isolated from other oil and gas properties being developed by applicant. El Paso Natural Gas Company, in addition to being a purchaser of gas from the Canyon Largo Unit, is also a purchaser and gatherer of large quantities of gas in the San Juan Basin of New Mexico and Colorado, and is the operator of a pipeline for the transmission of such gas in interstate commerce. El Paso is in need of additional gas reserves to augment its present supply of gas for sale in interstate commerce. For these reasons El Paso Natural Gas Company will have every incentive to drill additional wells for gas on the leases to be transferred and to complete the development of additional gas reserves thereon, as rapidly as possible, in order to meet the increasing demands for gas in interstate commerce.

Wherefore, applicant prays that your Commission grant approval and permission, under Section 157.28 of the Regulations of the Natural Gas Act, as amended, to discontinue the sale of gas from the lands described in Exhibit "A: attached hereto, effective as of April 10, 1957. Applicant also requests that under rule 1.32 of the Commission's Rules of Practice and Procedure, the intermediate decision procedure be omitted and

waives	oral	hear	ing	and	opportunities	for	filing	objections
to the	decis	sion	of	the	Commission.			

	DATED	at	Los	Angeles,	California,	this	/se	day
of	Mar	et	<u> </u>		, 1957.			

Respectfully submitted,

THE SUPERIOR OIL COMPANY

#### EXHIBIT "A"

#### Township 24 North, Range 6 West

Section 3: W\frac{1}{2}

Section 11: W}

Section 12:  $E_2^{\frac{1}{2}}$ 

#### Township 25 North, Range 6 West

Section 1:  $E_{\frac{1}{2}}^{\frac{1}{2}}$ 

Section 4:  $E_{\overline{2}}^{\frac{1}{2}}$ 

Section 5:  $SE_{\frac{1}{4}}$ ; Lot 2;  $S_{\frac{1}{2}}$   $NE_{\frac{1}{4}}$ ;  $W_{\frac{1}{2}}$ 

Section 7:  $E_2^{\frac{1}{2}}$ 

Section 11: All

Section 12: E3

Section 13: All

Section 19: All

Section 20:  $W_{\frac{1}{2}}$ 

Section 29: All

Section 30: All

Section 33:  $W_{\frac{1}{2}}$ 

#### Township 25 North, Range 7 West

Section 3: All

Section 11:  $E_2^{\frac{1}{2}}$ 

Section 13:  $E_2^{\frac{1}{2}}$ 

Section 24: All

Section 25: Eb

Section 28:  $W_{\frac{1}{2}}$ 

STATE OF CALIFORNIA ) ss.

S. H. DURKEE, being first duly sworn, deposes and says:

That he is an officer, to-wit, Vice President of The

Superior Oil Company, a corporation, the applicant herein;

that he has read the foregoing application for approval and

permission to abandon the sale of gas to El Paso Natural Gas

Company; that the same is true of his own knowledge except

as to the matters which are therein stated on his information

or belief, and as to those matters he believes it to be true.

A Durke

SUE	SCRIBED	and	SWORN	to	bef	ore
me	this	IST	<del></del>	d	lay	of
	mar	eh)	)		,	1957

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires March 3, 1957

I, DAVID SCOTT, an Assistant Secretary of The Superior Oil Company, certify that I have this day served the foregoing document upon all parties of record in this proceeding by mailing a copy thereof as registered matter, properly addressed to:

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

United States Department of the Interior Geological Survey P. O. Box 6761 Roswell, New Mexico

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

	DATED	at	Los	Angeles	this	1st	_ day
of			Da	ieh)		e	1957.

Assistant Secretary

#### SUPPLEMENT TO RATE SCHEDULE NO. 20

Federal Power Commission Washington, D. C.

The Superior Oil Company proposes to sell, effective April 10, 1957, to El Paso Natural Gas Company its lease-hold interests in all lands described in Rate Schedule No. 20 (being a contract with El Paso Natural Gas Company, as amended, on file with your Commission) except its leasehold interests in those certain lands situated in Rio Arriba County, New Mexico, described as follows:

Sections 19 and 20, Township 25 North, Range 5 West.

The Superior Oil Company hereby supplements said Rate Schedule No. 20, to eliminate therefrom all lands and the gas sold therefrom, except the said lands hereinbefore particularly described; it being the intent of The Superior Oil Company that said Rate Schedule No. 20 shall remain in force only as to the said lands hereinbefore particularly described and as to the gas produced and sold therefrom.

DATED at Los	Angeles,	California,	this	100		_ day	of
 maren		, 1957.					
			THE	SUPERIOR	OIL (	COMPAN	1Y

By A Sur Kee

STATE OF CALIFORNIA ) ss.

S. H. DURKEE, being first duly sworn, deposes and says:

That he is an officer, to-wit, Vice President of The

Superior Oil Company, a corporation; that he has read the

foregoing Supplement to Rate Schedule No. 20; that the same

is true of his own knowledge except as to the matters which

are therein stated on his information or belief, and as to

those matters he believes it to be true.

J. Surku

SUBSCRIBED and SWORN to before me this /st day of hareh, 1957.

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires March 8, 1957

I, DAVID SCOTT, an Assistant Secretary of The Superior Oil Company, certify that I have this day served the foregoing document upon all parties of record in this proceeding by mailing a copy thereof as registered matter, properly addressed to:

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

United States Department of the Interior Geological Survey P. O. Box 6761 Roswell, New Mexico

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

	DATED	at	Los	Angeles	this	1st	day
of		み	are	h)		وو	1957.

Assistant Secretary

# NOTICE OF PROPOSED CANCELLATION OF RATE SCHEDULE NO. 20.

Federal Power Commission Washington, D. C.

Notice is hereby given that, effective the 10th day of April, 1957, Rate Schedule No. 20, being a contract with El Paso Natural Gas Company dated October 26, 1953, as amended, is to be cancelled by action of the parties as to the gas produced from those certain lands situated in the Canyon Largo Unit, Rio Arriba County, New Mexico, described in the schedule marked Exhibit "A" attached hereto and made a part of this notice.

The said Rate Schedule No. 20 will remain in effect as to the gas produced from those certain lands situated in Rio Arriba County, New Mexico, described as follows:

Sections 19 and 20, Township 25 North, Range 5 West.

The Superior Oil Company proposes to sell and assign, effective as of April 10, 1957, to El Paso Natural Gas Company, in addition to other properties located within the Canyon Largo Unit, The Superior Oil Company's leasehold interests in the lands described in Exhibit "A" attached hereto. The leasehold interests in said lands will be sold and transferred to El Paso Natural Gas Company subject to the reservation to The Superior Oil Company of an overriding royalty of 1/16th of the

value of the gas and gas liquids which may be attributable to said lands (or, in lieu thereof, a production payment equivalent to such 1/16th overriding royalty) until such time as El Paso Natural Gas Company shall have recovered from the net value of gas and gas liquids attributable to said lands its future costs of drilling and development on said lands, at which time The Superior Oil Company shall be entitled to a working interest in and ownership of 50% of the gas and gas liquids in and attributable to said lands. At such time as The Superior Oil Company shall be entitled to a working interest in and ownership of 50% of the gas and gas liquids attributable to said lands, Superior is obligated to sell and El Paso is obligated to purchase The Superior Oil Company's 50% share of said gas and gas liquids at the price and subject to the terms and conditions of said Rate Schedule No. 20.

The leasehold interests in lands which The Superior Oil Company proposes to sell to El Paso Natural Gas Company are the only gas producing properties owned by it within the Canyon Largo Unit and are isolated from other oil and gas properties being developed by it. El Paso Natural Gas Company, in addition to being a purchaser of gas from the Canyon Largo Unit, is also a purchaser and gatherer of large quantities of gas in the San Juan Basin of New Mexico and Colorado and is the operator of a pipeline for the transmission of such gas in interstate commerce. El Paso is in need of additional gas reserves to augment its supply of gas

for sale in interstate commerce. For these reasons, El Paso Natural Gas Company will have every incentive to drill additional wells for gas on the leases to be transferred and to complete the development of additional gas reserves as rapidly as possible, in order to meet the increasing demands for gas in interstate commerce.

DATED at Lo	s Angeles, Cali	fornia, the	day	of
march	, 1957.			

THE SUPERIOR OIL COMPANY

Vice President

#### EXHIBIT "A"

#### Township 24 North, Range 6 West

Section 3:  $W_{\frac{1}{2}}$ 

Section 11:  $W_{2}^{\frac{1}{2}}$ 

Section 12:  $E_{\frac{1}{2}}^{\frac{1}{2}}$ 

#### Township 25 North, Range 6 West

Section 1:  $E_{\overline{2}}^{1}$ 

Section 4: E<sup>1</sup>/<sub>2</sub>

Section 5:  $SE_{\frac{1}{4}}$ ; Lot 2;  $S_{\frac{1}{2}}$   $NE_{\frac{1}{4}}$ ;  $W_{\frac{1}{2}}$ 

Section 7:  $E_{\frac{1}{2}}^{\frac{1}{2}}$ 

Section 11: All

Section 12: E

Section 13: All

Section 19: All

Section 20:  $W_{\frac{1}{2}}$ 

Section 29: All

Section 30: All

Section 33:  $W_{\frac{1}{2}}$ 

#### Township 25 North, Range 7 West

Section 3: All

Section 11:  $E_{\frac{1}{2}}^{\frac{1}{2}}$ 

Section 13:  $E_2^{\frac{1}{2}}$ 

Section 24: All

Section 25:  $E_{\frac{1}{2}}^{\frac{1}{2}}$ 

Section 28: W2

STATE OF CALIFORNIA ) ss.

S. H. DURKEE, being first duly sworn, deposes and says:

That he is an officer, to-wit, Vice President of The Superior Oil Company, a corporation; that he has read the foregoing Notice of Proposed Cancellation of Rate Schedule No. 20; that the same is true of his own knowledge except as to the matters which are therein stated on his information or belief, and as to those matters he believes it to be true.

It Durkee

SUBSCRIBED and SWORN to before me this \_\_\_\_\_\_ day of

Notary Public in and for the County of Los Angeles, State of California.

My Commission Expires March 3, 1957

I, DAVID SCOTT, an Assistant Secretary of The Superior Oil Company, certify that I have this day served the foregoing document upon all parties of record in this proceeding by mailing a copy thereof as registered matter, properly addressed to:

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

٠,

United States Department of the Interior Geological Survey P. O. Box 6761 Roswell, New Mexico

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

	DATED at Los	Angeles	this	12t	_ day
of	Marke			e	1957.

Assistant Secretary

#### THE SUPERIOR OIL COMPANY

P. O. BOX 3015, TERMINAL ANNEX LOS ANGELES 54, CALIFORNIA

February 20, 1957

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

✓ Oil and Gas Conservation Commissioner
P. O. Box 871
Santa Fe, New Mexico

Re: CANYON LARGO UNIT (NO. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND TWELFTH ENLARGEMENT OF PICTURED CLIFFS
PARTICIPATING AREA, EFFECTIVE FEBRUARY 1, 1957

#### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well: Stanolind-Skelly Govt. #1-4

Location of Well: 990' FNL and 990' FWL Sec. 4,

T.25 N., R.6 W., Rio Arriba County,

New Mexico.

Drilling Block: W2 Sec. 4, T.25 N., R.6 W., said

County and State.

Total Depth: 2,410' (Pictured Cliffs formation)

Completion Date: January 17, 1957

It appears from tests made January 22, 1957, that this well has a potential of 3,690,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 825 p.s.i.g.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner February 20, 1957 Page 2

> Name of Well: Skelly-Teel Govt. #1-15

Location of Well: 990' FNL and 990' FWL Sec. 15,

T.24 N., R.6 W., Rio Arriba County,

New Mexico.

Wi Sec. 15, T.24 N., R.6 W., said County and State. Drilling Block:

2,360' (Pictured Cliffs formation) Total Depth:

Completion Date: January 25, 1957

It appears from tests made January 25, 1957, that this well has a potential of 3,803,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 781 p.s.i.g.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

As a result of the completion of the Skelly-Teel Govt. #1-15 well the Wi of Sec. 10, T.24 N., R.6 W., became an intervening drilling block as defined under the Unit and is included in the Participating Area.

Enclosed is allocation schedule effective February 1, 1957, setting forth the allocation of unitized substances for the Pictured Cliffs Participating Area of the Unit as the result of the completion of the above wells.

One other well, the Slagel-Govt. #1-18, located 990' FSL and 990' FEL Sec. 18, T.25 N., R.6 W., was plugged and abandoned at a depth of 2,705' on January 11, 1957, as non-productive in the Pictured Cliffs formation.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Donald

Chief Petroleum Engineer

Encl.

cc w/Schedule: All Working

Interest Owners

In reply refer to: Unit Division

> The Superior Oil Co. P. O. Box 3015 Terminal Annex Los Angeles 54, California

> > Re: 1957 Development Plan - Canyon Largo Unit Adreement

Attention: Mr. Donald E. Roch

Gentlemen:

This is to inform you that the Commissioner of Public Lands grants you an extention of time to August 1, 1957, within which to file a Flan of Development for the Canyon Largo Unit, subject to like approval of the United States Geological Survey and the Oil Conservation Consission.

This extension is granted due to the fact that in your letter of February 5, 1957, you advise that negotiations are in progress under which El Paso Natural Gas Company will acquire Superior's rights in certain oil and gas leases committed to the Canyon Largo Unit Agreement and also become successor Unit Operator.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

By: Ted Bilberry, Supervisor Oil and Gas Department

MEM: MMR/m

cc: USGS-Roswell OCC-Santa Fe In reply refer to:
Unit Division

. . .

The Superior Oil Co. Box 3015 Terminal Annex Los Angeles 54, California

Re: Canyon Largo Unit Area,
Pio Arriba County, N. Max.
Change in 1956 Drilling Program

Attention: Mr. Donald E. Koch

Gentlemen:

This is to advise that the Commissioner of Public Lands has this date approved your proposed change in the 1956 Drilling Program for the above designated Unit, which is dated January 11, 1957.

Approval of this change is subject to like approval from the United States Geological Sur sy and the New Mexico Dil Conservation Commission.

Very truly yours,

MURRAY E. HORGAN Commissioner of Public Lands

By: Ted Bilberry, Supervisor Oil and Gas Department

MEM: MMR/m

cc: USGS-Roswell OCC-Santa Fe

# P. D. BOX 871 SANTA FE, NEW MEXICO

February 11, 1957

1.10

The Superior Oil Company
P. O. Box 3015, Terminal Annex
Los Angeles 54, California

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit Area
Rio Arriba County, New Mexico
1957 Drilling Program

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your drilling program for the subject unit area for the period from January 1, 1957, to and including July 31, 1957. Said drilling program, dated January 15, 1957, calls for the drilling of no wells during the specified period.

Approval of the program is granted contingent to like approval being obtained from the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico, and also contingent upon an additional plan of development being filed on or before August 1, 1957, for the remainder of the calendar year.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, JR. Secretary-Director

ALP:DSN:dea

# P. D. BOX 871 SANTA FE, NEW MEXICO

February 11, 1957

The Superior Oil Company Box 3015, Terminal Annex Los Angeles 54, California

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit Area Rio Arriba County, New Mexico Change in 1956 Drilling Program

+1

#### Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your proposed change in the 1956 Drilling Program for the subject unit area, said change to be the cancellation of the proposed well in the NW/4 of Section 28, Township 25 North, Range 6 West, and the substitution therefor of a well in the NW/4 of Section 4 of the same township.

Approval of this change is granted contingent upon approval also 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 proposed change is returned herewith.

Very truly yours,

A. L. PORTER, JR. Secretary-Director

ALP:DSN:dea Enclosure



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

### P. O. Box 6721 Roswell, New Mexico

February 6, 1957

Superior Oil Company P. O. Box 3015 Terminal Annex Los Angeles 54, California

Attention: Mr. Donald E. Koch

Gentlemen:

Neur letter of January 15 regarding a plan of development for the calendar year beginning January 31, 1957, for the Canyon Large Unit Area, No. 14-08-001-1059, New Mexico, requests that you be granted an extension of time to August 1, 1957, within which to file the required plan. Now advise that negotiations are in progress under which El Paso Natural Gas Company will acquire Superior's rights in certain oil and gas leages committed to the Compon Largo unit agreement and also become the successor unit operator.

An extension of time to August 1, 1957, within which to file the plan of development is hereby granted subject to the approval of a like extension by the appropriate State of New Mexico officials.

Yery truly yours,

J. 1.

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSOF Regional Oil and Gas Supervisor

Copp to: Come. Biv., Wash. (w/copy of Superior's letter)
Commissioner of Public Lands, Santa Fe
Oil Conservation Commission, Santa Fe



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 6721 Rosmall, New Mexico

January 25, 1957

Superior Oil Company New JOHS Terminal Assess Los Angelos Si, California

Attm: Mr. Donald E. Koch

Gentlemen:

Four letter of Jammary 11 to this office, the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission, regarding the Compon Large Dait, No. 14-05-008-1059, New Mexico, advises that you propose to drill a Pictured Cliffs well in the NV sec. h, T. 25 No., R. 6 V., No. No. Po. No. 1 lieu of a well proposed in your approved plan of development for 1956 in the NV sec. 26, T. 25 No., R. 6 V., for reason of land title.

The proposed change in well location is hereby approved subject to the like approval by the appropriate State officials.

Very truly yours,

(Orlg. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON Regional Oil and Gas Supervisor

Copy to: Coms. Div. Wash., w/copy of Superior letter Comm. Public Lends, Santa Fe Oil Cons. Commission, Santa Fe

P. O. BOX 3015, TERMINAL ANNEX LOS ANGELES 54, CALIFORNIA

Jamesy 15, 1957

United States Seclegical Survey Vachington, D. C.

Attention: Supervisor

Conntratement of Public Lands P. D. Ron 792

sente Pe, Nov Hentoo

Attentions Mr. E. S. Valker

Now Number CAL and Gas Conservation Counteston

P. O. Don 872

Sente Per How Houses

Attantions Mr. A. L. Perter/ Jr.

Nes Compon Large Unit Area #14-08-061-1050

dance Lance

The Superior Cil Company, as operator of the Compan Large Unit, submits its plan of development with respect to said unit for the period of Jamessy 1, 1957 to and including July 31, 1957.

Walls to be drilled during said period of time - none.

This plan of development calling for no drilling operations is based on the following facto:

As a result of lampthy aspetiations between The Superior (ill Geopeny and El Pece Sabural Cas Company, an agreement has been approved by each parties contemplating the sale and transfer by Superior to El Pece of Superior's gas lamonhold octate in and to all leases completed to the Compan Lamp Unit, tegether with all field equipment comed by Superior on the leases subject to said Unit Agreement. It is contemplated that upon completion of the deal and upon approval of all necessary agreements by the United States Department of Enterior that El Page shall become

United States Geological Survey Commissioner of Public Lands New Maxico Oil and Gas Conservation Commission

operator of the unit in the place and stead of Superior. Said agreements are presently being submitted to the United States Department of Interior for approval.

The Superior Oil Company, an operator, has filed and by January 31, 1937 will have complied with six plans of development. A total of thirty-seven (37) wills have been drilled to date by this company within the unit area.

That by reason of the foregoing this company, as operator, does not feel that the rights of any party in interest will be prejected as a result of the suspension of drilling operations until July 31, 1957, and request is made that the foregoing plan of development be approved.

Respectfully submitted.

THE SUPERIOR OIL COMPANY

DRICKLAL SIGNED BY

DONALD E. KOCK

Donald V. Lock

Chief Petroleum Engineer

EAP : OE

P. O. BOX 3015, TERMINAL ANNEX
LOS ANGELES 54, CALIFORNIA

January 11, 1957

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission F. O. Box 871 Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Canyon Largo Unit Area #14-08-001-1059

### Gentlemen:

Reference is made to our plan of development dated August 13, 1956, and supplement thereto of august 24, 1956.

It will be noted under subdivision (c) of our supplement of August 24, 1956 that this company proposed the drilling of a well on the NW of Section 26, Township 25 North, Range 6 West, Rio Arriba County, New Mexico.

Satisfactory evidence of title to the lands above described has not been submitted to The Superior Oil Company, as Operator of the Canyon Largo Unit. As a result, this company has elected not to drill on the above described land and proposes in lieu thereof to drill a Fictured Cliffs well on the following described land:

NWL Section 4, Township 25 North, Range 6 West, N. M. P. M., Rio Arriba County, New Mexico,

which well is designated as Stanolind-Skelly Government #1.

Page 2.

January 11, 1957

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

In view of the foregoing, request is made that the plan of development of August 13, 1956, as supplemented by letter of August 24, 1956, be amended and that the drilling of a well on said land last above described be approved as part of said plan of development.

Respectfully submitted.

THE SUPERIOR OIL COMPANY

Ву

Donald E. Koch

Chief Petroleum Engineer

EAP: OE

Approved	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	$(x_1, x_2, x_3, x_4, x_4, x_4, x_4, x_4, x_4, x_4, x_4$
Him time to the	TO AREVADION DRIESAN BRANCH
	D MINECTITO MICE APPROVAL  OVER OF PUBLIC LANOS  WALLOO

December 20, 1956

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

Commissioner of Public Lands P.O. Box 791 Santa Fe. New Mexico

Oil and Gas Conservation Commissioner P.O. Box 871 Santa Fe, New Mexico

Working Interest Owners

Re: Unit Operating Agreement
Canyon Largo Unit Area
No. 14-08-001-1059
Approved September 18, 1953

Gentlemen:

In compliance with paragraph 21 of the above mentioned unit agreement, we give an outline of the Contract and Operating Agreement by and between New Mexico Natural Gas Company and Mike Abraham, 918 Simms Building, Albuquerque, New Mexico. This agreement is on file in the Rio Arriba County Court House and the Federal Land Office in Santa Fe, New Mexico.

In said assignment New Mexico Natural Gas shall reserve and retain unto itself an overriding royalty interest of one-eight (1/8) of seven-eights (7/8) of all oil, gas and other hydrocarbon substances which may be produced, saved, marketed and sold from the Pictured Cliffs Formation only from the subject lands free and clear of any costs or expense except its proportionate part of advalorem, production and/or severance taxes. This shall hold until Mike Abraham receives his money back on the expense of drilling these wells. At this time it is further provided in said assignment that said overriding royalty interest to be retained by New Mexico Natural shall be automatically increased to a working interest of one-half (1/2) of seven-eights (7/8).

Truly yours,

NEW MEXICO NATURAL GAS COMPANY

Theo J. Doerrie, President

Encl: Working Interest Owners

### OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 1, 1956

The Superior Oil Company P. O. Box 3015 Terminal Annex Los Angeles 54, California

> Re: Canyon Largo Unit Area
> Rio Arriba County, New Mexico Plan of Development July 31, 1956 to January 31, 1957

### Gentlemen:

This is to advise that the Plan of Development for the subject unit area dated August 13, 1956, and for the period July 31, 1956 to January 31, 1957, as stated in your letter of August 24, 1956, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the Unites 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:DSN:jh

BCC USQS Comm Pain Ands

### In reply refer to: Unit Division

The Superior Oil Co. P. O. Box 3015, Terminal Annex Los Angeles 54, California

Attention: Mr. Donald 3. Koch

Gentlemen:

The Plan of Development dated August 13, 1956, supplemented by your letter of September 25, 1956, for the Canyon Largo Unit area has been approved by the Commissioner of Public Lands, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission. One approved copy of said plan is enclosed herewith.

Mery truly yours,

D. S. WALKER Commissioner of Public Lanes

MMR/m enc: 1

cc: OCC-Santa Fe USGS-Roswell

# THE SUPERIOR OIL COMPANY P. O. BOX 3015, TERMINAL ANNEX LOS ANGELES 54, CALIFORNIA

Sautamber 25. 1956

New Mexico Cil and Gas Conservation Commission F. C. Box 973 Sants Fe, New Herico

Attaction: Ar. A. I. Porton, Jr.

Re: CLMYON LARGO UNIT REG ARRIBA COUNTY, MEW MESTOC

Cantlamen:

We wish to remind you that the United States Geological Survey approved our proposed plan of levelop-ment dated the 13th day of August, by their August 30, 1955 letter.

Hay we not receive your approved at an early date.

Very troly years,

THE SUPERIUR OIL COMPANY

Edward A. Penjaresa Tegel Dajertwant

Howard & E

EAF:IL

P. O. BOX 3015, TERMINAL ANNEX
LOS ANGELES 54, CALIFORNIA

3-1 tember 25. 1956

New Mexico Gil and Gas Conservation Commission I. O. Box 873 Santa Fe, New Monico

Attention: La. A. I. Forter. Jr.

Re: CANYON LARGO UNIT RIG ARRIBA COUNTY, MEM NEWTOO

Gentlemen:

We wish to remind you that the United States Geological Survey approved Muriceposed plant of Savelup-ment dated the 13th day of August, by their August 30, 1955 letter.

May we not receive your approved at an early dito.

Very trid, years,

THE SUPERIOR OIL COMPANY

Edward A. Panjerosa Tagol Dagartham

EAF:TL

FEDERAL POWER COMMISSION

file

DECEP 1/ G 1:05

In the Matter of the
Application of The Superior
Oil Company, a Corporation,
for the issuance of a Certificate of Public Convenience

and Necessia

Docket No. G-6180

Canyon Largo Unit Area

Rio Arriba County

New Mexico

SUPPLEMENT NO. 3.

Applicant, The Superior Oil Company, respectfully represents:

Applicant has heretofore filed application for the issuance of a certificate of public convenience and necessity in the pending Docket G-6180; that applicant has heretofore filed Supplement No. 1 and Supplement No. 2 to the original application in pending Docket G-6180.

That applicant hereby further supplements said application in Bocket G-6180 by this Supplement No. 3 and requests a certificate of public convenience and necessity embracing the sale of its natural gas from additional acreage as shown and described by the attached photostat copy of letter of agreement between The Superior Oil Company, Applicant, and the El Faso Natural Gas Company, Purchaser. Said letter of agreement supplements and/or amends the gas sales contract on file herein by dedicating and making a part of said contract the acreage described in said letter and by providing that the purchase of gas from the additional dedicated acreage shall be made under the terms and conditions of said contract the same as if included originally therein. Except as hereby specifically supplemented, amended or

modified, all terms and conditions of said gas purchase contract of October 26, 1953 remain in full force and effect.

The attached letter of agreement between The Superior Oil Company, Applicant, and the El Paso Natural Gas Company, Purchaser, hereinabove reserved to, dated August 7, 1956, is incorporated by reference as if set out at length herein.

THE SUPERIOR OIL COMPANY

) flogus -

Assistant Vice President

CITY OF WASHINGTON )

OUTPUT

ROGER E. JOHNSON, being first duly sworn, deposes and says:
That he is an officer, to-wit, Assistant Vice President of The Superior
Oil Company, a Corporation, the Applicant herein; that he has read the
foregoing letter of supplement to the application for a certificate of public
convenience and necessity, Docket G-6180; that the same is true of his
own knowledge except as to the matters which are therein stated on his information or belief, and as to those matters he believes it to be true.

SUBSCRIBED AND SWORN to before me this 24th day of September 1956.

/s/ Anna M. Adams

Notary Public in and for the

City of Washington, District of Columbia

My Commission Expires May 31, 1960

(SEAL)

MIDLAND, TEXAS

August 7, 1956

REGISTERED

El Paso Matural Gas Company 1006 Main Street Houston 2, Texas

Attention: Mr. D. H. Tucker

Re: Gas Purchase Agreement, Rio Arriba County New Mexico, dated October 26/1953.

Gentlemen:

Pursuant to Section 3 of subject contract, you are hereby notified that we elect to add to Exhibit "A" of said contract, our interest in the leases herein listed, insofar as said leases cover and affect the acreage described below.

Lease Name

Home Government (Government Santa Fe #018885)

Alberta Sloan Government (Government Santa Fe 078884)

Sloan et al Government (Government Santa Fe #078877)

Lease Description

Rest half (E/2) of Section 1, T-25-N, R-6-W, Rio Arriba County, New Mexico.

East half (1/2) of Section 12, T-25-H, R-6-W, Rio Arriba County, New Mexico.

East half (E/2) of Section 12, T-24-H, R-6-W, Rio Arriba County, New Mexico.

Wells have been completed on each of the above leases and are now available for connection to your gathering system. Please advise this office the anticipated date of tie-in and initial receipt of gas.

Yours very truly,

THE SUPERIOR OIL COMPANY

SFM: Nmp

I, ROGER E. JOHNSON, an Assista Vice President of The Superior Oil Company, certify that I have this da vived the foregoing document upon all parties of record in this proceeding mailing a copy thereof as registered matter, properly addressed to:

New Mexico Oil and Cas Conservation ommission P. O. Box 871
Santa Fe, New Mexico

Commissioner of Public ; ands P. O. Box 791 Santa fe, New Mexico

United States Department of the Interior Geological Surves
P. O. Box 6761
Roswell, New Mexico

Dated at Washington, D. C. this 24th day of September 1956.

Thogas Johnson

9TH FLOOR EDISON BUILDING LOS ANGELES 17. CALIFORNIA

September 15, 1956

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

Re: CANYON LARGO UNIT (NO. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND ELEVENTH ENLARGEMENT OF PICTURED CLIFFS
PARTICIPATING AREA, EFFECTIVE SEPTEMBER 1, 1956

#### Gentlemen:

11

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well: Schultz, Turner, Fields Govt. #1-24

Location of Well: 990' PSL and 990' PEL Sec. 24, T.25 N.,

R.6 W., Rio Arriba County, New Mexico.

Drilling Block: E2 Sec. 24, T.25 N., R.6 W., said

County and State.

Total Depth: 2,552' (Pictured Cliffs formation)

Completion Date: August 1, 1956

It appears from tests made August 8, 1956, that this well has a potential of 650,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 790 p.s.i.g.

Name of Well: Sloan, et al Govt. #1-12

Location of Well: 990' FSL and 990' FEL Sec. 12, T.24 N.,

R.6 W., Rio Arriba County, New Mexico.

United States Geological Survey Commissioner of Public Lands 011 and Gas Conservation Commissioner September 15, 1956 Page 2

Drilling Block: E2 sec. 12, T.24 N., R.O W., said

County and State.

Total Depth: 2,213' (Pictured Cliffs formation)

Completion Date: August 4, 1956

It appears from tests made August 4, 1956, that this well has a potential of 794,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 730 p.s.i.g.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective September 1, 1956, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells.

One other well, the Schultz, Turner, Fields Govt. #1-9, located 919' FSL and 919' FSL Sec. 9, T.25 N., R.6 W., was plugged and abandoned at a depth of 2,735 feet on August 8, 1956 as nonproductive in the Pictured Cliffs formation.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Donald E. Koch

Chief Petroleum Engineer

incl.

cc w/Schedule: All Working

Interest Owners



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 6721.
Fosswell, New Mexico

Jugust 30, 1956

The Superior Gil Company
P. O. Dox 3015, Serminal Annex
Los ongeles Sh. Colifornia

Attention: Mr. Consld C. Roch

Gentlemen:

The plan of development dated August 13, 1956, supplemented by your letter of August 2h, 1956, for the Canyon Large unit area, New Maxico, No. 1h-08-001-1059, has been approved on this date, subject to like approval by the appropriate State officials.

Two approved copies of said plan are returned herewith.

Very truly yours,

CHN A. COLIFOR

Regional Oil and Cas Supervisor

Encls: h

Copy to: Come. Tiv., see: (w/l copy of when and letter.)

Farmington (w/l copy of plan and letter)

100000, Santa Fe (letter only)

### 9TH FLOOR EDISON BUILDING LOS ANGELES 17, CALIFORNIA

August 24, 1956

United States Declogical Survey P. D. Box 6721 Housell, How Mexico

Attention: Ar. John A. Inderson

14-08-001-1053

### Jentlemen:

be have your letter of august 20, 1956.

the thought that it is precioul to have each plan of development cover a six month period, we would like to have you approve the plan of development for the six month period ending Japuary 31, 1957, rather than on lecember 31, 1956. Through indivertance we neglected to change the date to January 31, 1957 on the first page of our letter to you of ugust 13, 1956.

As requested by you, we submit herewith the location of wells drilled and to be drilled pursuant to the august 13 plan of development.

### Filled wells:

1. Schults, Turner, Fields-Govt. 21-24	04 9 <b>c.</b> 24-25-6
2. Schultz, Turner, Fields-Govt. 31-9	25% Sec. 9-25%-0x
3. /loan, et al - Govt. #1-12	584 Sec. 12-24x-6
wells to be drilled:	
(a) Relly-Teel 1-15	NWA 200. 15-248-66
(b) Unnessed to date	321 Sec. 15-251-6
(c) Umnamed to date	76 3 8 cc - 23 - 254 - to

We wish you to know that the drilling of the wells (a) and (c) above have been requested by the working interest owners on the drilling block in which each well is located.

You will of course appreciate that if for any reason negot tions with said working interest owners fail or are delayed, we will submit to your office substitute locations.

sell (b) is located on an intervening irilling block and must be drilled prior to February 1, 1957.

Respectfully scomitted.

Superior oil company

Ŋ,

Chief Petroleum Engineer

2 12 1 Va

Cumissioner of Public Lands P. G. Box 791

Santa Pe, wer Mexico

attention: are in a salker

New Mexico Oil and Jas Conservation Commission

P. J. BUX 371

Santa Pe, New Mexico

Attention: Ar. A. L. Porter, Jr.

9TH FLOOR EDISON BUILDING

LOS ANGELES 17. CALIFORNIA

August 17, 1956

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

Commissioner of Public Lands P. O. Box 791 Santa Fe. New Mexico

Oil and Gas Conservation Commissioner
P. O. Box 871
Santa Fe, New Mexico

Re: CANYON LARGO UNIT (NO. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND TENTH ENLARGEMENT OF PICTURED CLIPPS
PARTICIPATING AREA, EFFECTIVE AUGUST 1, 1956

Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well: Home Govt. #1-1

Location of Well: 1,120' FSL and 1,145' FEL Sec. 1, T.25 N.,

R.6 W., Rio Arriba County, New Mexico.

Drilling Block: E2 Sec. 1, T.25 N., R.6 W., said

County and State.

Total Depth: 2,955' (Pictured Cliffs formation)

Completion Date: July 15, 1956

It appears from tests made July 16, 1956, that this well has a potential of 614,800 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 780 p.s.i.

Name of Well: Alberta Sloan Gove. #1-12

Location of Well: 1,170' FSL and 1,170' FEL Sec. 12, T.25 A.,

R.6 W., Rio Arriba County, New Mexico.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner August 17, 1956 Page 2

Drilling Block: Ez Sec. 12, T.25 N., R.o W., said

County and State.

Total Depth: 2,883' (Pictured Cliffs formation)

Completion Date: July 29, 1956

It appears from tests made July 29, 1956, that this well has a potential of 1,028,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 725 p.s.i.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

As a result of the completion of the Alberta Sloan Govt. #1-12 well the west one-half ( $\frac{1}{2}$ ) of Sec. 12, T.25 N., R.5 W., became an intervening drilling block as defined under the Unit and is included in the Participating Area.

Enclosed is allocation schedule effective August 1, 1950, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells and intervening drilling block.

One other well, the Schultz, Turner, Fields Govt. #2-24, located 1,050' FNL and 1,050 FWL Sec. 24, T.25 N., R.o #., was plugged and abandoned at a depth of 2,520 feet on July 31, 1956 as nonproductive in the Pictured Cliffs formation.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Chief Petroleum Engineer

ancl.

ce w/Schedule: All Working

Interest Owners

9TH FLOOR EDISON BUILDING LOS ANGELES 17, CALIFORNIA

August 13, 1956

United States declogical Survey Washington, L. C.

Attention: Supervisor

Gentles

Commissioner of Public Lands

P. G. Hex 791
Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission

P. G. Hox 871
Santa Fe, New Mexico

Attention: Mr. G. Borter, Jr.

The Superior all Company, as operator of the Canyon Cargo Unit, hereby submits its plan of development with respect to said unit for the period commencing July 31, 1956 and ending becomes 31, 1956.

2001

Campon Largo Unit rea #14-08-001-1059

Up to end including July 31, 1956, this despary as Unit operator drilled and completed, pursuant to the plan of development dated rebrusry 6, 1956, the following wells:

### Well have

Home-Covernment 2-11	神人		11-254-04
Slagel-Government 1-17	384	See.	17-251-6
Alberta Sloan-Government 2-13	314	800.	13-258-64
Alberta Sloan Government 1-13	m-	30¢.	13-25#-04
Sealy-Government 1-8	SE	3 <b>96</b> .	3-251-6
Slacel-Government 1-20			20-251-6
Insheth Phillips-Government 1-33	ar I	.00.	33-258-6
Shelly-Truby-Government 1-4			4-255-66
Sadler-Government 1-08	HAP		20-258-71
Home Government 1-1	SR	300.	1-254-64
Alberta Sloam Government 1-12	SE	340.	12-258-6
Schultz, Turner, Fields Government 2-24	Mark	3 <b>0</b> 0.	24-251-64

United States declogical Juryey Commissioner of Public Lands New Mexico Dil and Gas Jonesryation commission

metween July 31, 1950 and January 31, 1957, operator requests approval that it be authorised to drill and complete not less than six Pictured Cliffs wells within the unit area. In view of the fact that operator has since July 31 completed or caused to be completed three wells within said unit, request is made that said three wells be credited to this plan of development.

The location of all of said six wells proposed to be drilled will not be submitted at this time, but as soon as a determination is made as to the exact locations, appropriate notice will be furnished you.

within fifteen cays following January 31, 1957, operator will submit for your consideration a further plan of development.

We therefore request that the foregoing plan of development submitted herewith, as required by Section 10 of the Unit Agreement, be approved.

espectfully submitted.

THE SUPERIOR OIL COMPANY

3 12006

Denald K. Koch Chief Fetroleus Engineer

BAPT TO

THE APPROVAL GRANTED SUBJECT TO LIKE APPROVAL CHILD CONTROL OF CEST AND SUBJECT APPROVAL THE CHILD CONTROL OF CEST AND SUBJECT APPROVALED CHILD CONTROL PUBLICIANDS OF THE STATE OF NEW MEXICO.

. 9TH FLOOR EDISON BUILDING
LOS ANGELES 17 CALIFORNIA

July 13, 1956

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

Re: CANYON LARGO UNIT (NO. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND NINTH ENLARGEMENT OF PICTURED CLIFPS
PARTICIPATING AREA, EFFECTIVE JUNE 1, 1956

#### Gentlemen:

Pursuant to the requirements of Section II of the Canyon Large Unit Agreement this letter will serve as notice of completion of the following well which is situated within the Unit Area:

Name of Well: Sadler Govt. #1-28

Location of Well: 1,290' FWL and 940' FNL Sec. 28, T.25 N.,

R.7 W., Rio Arriba County, New Mexico.

Drilling Block: Wa Sec. 28, T.25 N., R.7 W., said

County and State.

Total Depth: 2,378' (Pictured Cliffs formation)

Completion Date: May 8, 1956

It appears from tests made that this well has a potential of 954,000 cubic feet of gas per day through open 2-inch tuoing. Shut-in pressure was 668 p.s.i.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner July 13, 1956 Page 2

In view of the foregoing Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective June 1, 1956, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above well.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Donald F. Koch

Chief Petroleum Engineer

Encl.

cc w/Schedule: All Working

Interest Owners

9TH FLOOR EDISON BUILDING

LOS ANGELES 17. CALIFORNIA

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It oppears from tests made that this well has a potential of 522,000 cubic feet if g s per dry through pec 2-icon tubing. Shut-i prissure wis 7:0 p.s. ..

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990' Fold and 1,035' FEL, Sec. 4, T.21 R., Locati m: A.6 W., 215 First C unty, New Mexic.

E Sec. 4, T.25 N., R.6 W., 8 IC C wity Dr lling m. Ock:

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2,450 (Pictured Coiffs for time) Total Depth:

Completion Date: April 22, 1950

It ipperes in a tests on t this well and a put at I is .,020,000 cubic feet f & s per d y tor ugh pen 2-men tubic. Shut-w or source wis 8.0 p.s. ...

In view of tan foreging open tor hereby actor days to a solu wells r. c prole of producing unitazio substances at paying quantities.

result of the completion of the skelly Truny Govt. # -4 while the west he-tail  $(\sqrt[4]{2})$  of Sec. 4, T.25 N., N.C W., Sec. 4. torvening drilling block is defined under the Unit and is included to the Participating Are .

Enclosed is allocation schedule offective May 1, 1950, satting f rth the dilucation of unitized substances for the Pictura Catiffs participating area of the Unit as the result of the completion f the above wells ind intervening wrilling block.

Jailed James Geological Survey Joamissioner of Public Lands Jules and Gas Conservation Commissioner June 25, 1936 Page A

Die obher Well, Dhe Sealy Gave. Wi-O, Iscaled [50] Fall and Fill Sec. 1, F.25 1., R.6 W., was plugged and alandoned at a deput of 2,000 sect of 4pril 12, 1956 as comproductive in the Pictured Uliffs formally.

Respectively s. mis od,

T. L SUPERIOR USE JUMPARY, UDermout

Donald E. Koca

Jaker Petroleum Englineer

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so w/Sched He: All Working

Inseres swhers

ERIOR OIL COMPANY MY 14 17 8:56 EDISON BUILDING Los axgeles May 10, 1956 United States Geological Survey P. O. Box 6721 Roswell, New Mexico Commissioner of Public Lands P. O. Box 791 Santa Fe. New Mexico Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico Stanolind Oil and Gas Company P. O. Box 1410 Fort Worth, Texas, Re: (CANYON LARGO UNIT (No. 14-08-001-1059) Rio Arriba County, New Mexico Gentlemen: By Ratification and Joinder Agreement dated September 26, 1955, Stanolind Oil and Gas Company committed, among other lands, Lot 4, and SW/4 of NW/4 and W/2 of SW/4, Section 4, Township 25 North, Range 6 West, N.M.P.M., to the Canyon Largo Unit. Stanolind acquired the leasehold estate covering said acreage by reason of being lessee under Federal Oil and Gas Lease Serial No. New Mexico 019400. Said lands consist of a portion of Tract 41 on map marked "Exhibit A" and recapitulation of land marked "Exhibit B" of said Unit Agreement. Please take notice that The Superior Oil Company, as Unit Operator, has designated said portion of Tract 41 as Tract 41A. The balance of said acreage remaining in Tract 41 shall continue to be designated Tract 41. Very truly yours, THE SUPERIOR OIL COMPANY, Operator Ву Donald E. Koch Chief Petroleum Engineer BJR:js All Working Interest Owners

1955 AFR 13 BIH FLOOR EDISON BUILDING

April 17, 1956

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner
P. O. Box 871
Santa Fe, New Mexico

Re: CANYON LARGO UNIT (NO. 14-08-001-1059)
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND SEVENTH ENLARGEMENT OF PICTURED CLIPPS
PARTICIPATING AREA, EFFECTIVE APRIL 1, 1956

### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well: Alberta Sloan Govt. #1-13

Location of Well: 990' FNL and 990' FWL Sec. 13, T.25

N., R.6W., Rio Arriba County, New

Mexico.

Drilling Block: Wg Sec. 13, T.25 N., R.6 W., said

County and State.

Total Depth: 2798 Ft. (Pictured Cliffs formation)

Completion Date: March 1, 1956

It appears from tests made that this well has a potential of 2,685,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 835 p.s.i.

Name of Well: Alberta Sloan Govt. #2-13

Location of Well: 990' FSL and 990' FEL Sec. 13, T.25

N., R.6 W., Rio Arriba County, New

Mexico.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner April 17, 1956 Page 2

Drilling Block: E2 Sec. 13, T.25 N., R.6 W., said

County and State.

Total Depth: 2600 Ft. (Pictured Cliffs formation)

Completion Date: March 7, 1956

It appears from tests made that this well has a potential of 2,684,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 865 p.s.i.

Name of Well: Slagel Govt. #1-17

Location of Well: 1390' FSL and 990' FEL Sec. 17, T.25 N.,

R.6 W., Rio Arriba County, New Mexico.

Drilling Block: E2 Sec. 17, T.25 N., R.6 W., said

County and State.

By\_

Total Depth: 2535 Ft.

Abandoned: March 16, 1956

Enclosed is allocation schedule effective April 1, 1956, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells, excluding well Slagel Govt. #1-17.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

Chief Petroleum Engineer

Loch

Encl.

cc w/Schedule: All Working

Interest Owners

## THE SUPERIOR OIL COMPANY EDISON BUILDING Los Angeles

April 13, 1956

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. W. B. Macey

Re: (Canyon Largo Unit Area)

#### Gentlemen:

This letter will serve to confirm our understanding of the telephone conversation had with Mr. Canfield of the U.S.G.S. on April 13, 1956.

In view of the fact that The Superior Oil Company as operator has drilled and completed seven wells in the Unit and is now drilling the eighth well under the plan of development expiring July 31, 1956, operator shall be relieved of keeping one drilling rig in "continuous use," as set forth in the plan of development dated February 6, 1956. That The Superior Oil Company as operator shall nevertheless drill or cause to be drilled a maximum of twelve Pictured Cliffs wells pursuant to and in accordance with the terms of said plan of development on or before July 31, 1956.

We are most appreciative of the cooperation of Mr. Canfield.

Very truly yours,

THE SUPERIOR OIL COMPANY

hound a telegraph. Edward A. Penprase

Attorney

BAP : OE

### AMIN OFFICE OCC

5362 12 W 3:11

March 26, 1956

In reply refer to: Unit Division

The Superior Oil Co. Edison Building Los Angeles, California

Re: Canyon Largo Unit 1956 Plan of Development

Attention: Mr. Donald S. Koch Chief Petroleum Engineer

Gentlemen:

This is to advise that the 1956 Plan of Development for the Canyon Large Unit, dated February 6, 1956, has this date been approved by the State Land Commissioner.

Inasmuch as we did not receive a copy of the Pian of Development March 20, 1956, and then received only one copy of the plan, an approved copy cannot be returned.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe USGS-Roswell

#### OIL CONSERVATION COMMISSION

P. O. BOX 871

#### SANTA FE. NEW MEXICO

141

March 23, 1956

The Superior Oil Company 9th Floor Edison Building Los Angeles 13, California

Attention: Mr. John T. Isberg

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
1956 Plan of Development

#### Gentlemen:

This is to advise that the 1956 Plan of Development for the subject unit area, dated January 6, 1956, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

Inasmuch as we received only one copy of the plan, an approved copy cannot be returned.

Very truly yours,

W. B. Macey Secretary-Director

WBM:jh

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

LOS ANGELES 17, CALIFORNIA

15 17 mp 23 M 2:18

March 13, 1956

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

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Oil and Sas Conservation Commissioner P. O. Box 871 Santa Pe, New Nexico

> Re: CANYON LARGO UNIT (NO. 14-08-001-1059) NOTICE OF COMPLETION OF ADDITIONAL WELLS AND SIXTH ENLARGEMENT OF PICTURED CLIFFS PARTICIPATING ARKA, EFFECTIVE MARCH 1, 1956

#### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

> Name of Well: Inabeth Phillips Covt. #2-29

Location of Well: 990' FSL and 990' FEL Sec. 29, T.25

N., R.6 V., Rio Arriba County, New

Mexico.

Drilling Block: Et Sec. 29, T.25 N., R.6 W., said

County and State.

Total Depth: 2765 Ft. (Pictured Cliffs formation)

Completion Date: February 8, 1956

It appears from tests made that this well has a potential of 3,375,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 693 p.s.i.

> Name of Well: Inabeth Phillips Covt. #1-29

990' PNL and 700' PWL Sec. 29, T.25 Location of Well:

N., R.6 W., Rio Arriba County, New

Mexico.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner March 13, 1956 Page 2

Drilling Block: Wy Sec. 29, T.25 N., R.6 W., said

County and State.

Total Depth: 2752 Pt. (Pictured Cliffs formation)

Completion Date: February 14, 1956

It appears from tests made that this well has a potential of 4,523,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 710 p.s.i.

Name of well: Home Govt. #2-11

Location of Well: 990' FNL and 1140' FWL Sec. 11, T.25 N.,

R.6 W., Rlo Arriba County, New Mexico.

Drilling Block: W Sec. 11, T.25 N., R.6 W., said

County and State.

Total Depth: 2960 Ft. (Pictured Cliffs formation)

Completion Date: February 22, 1956

It appears from tests made that this well has a potential of 752,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 790 p.s.i.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective March 1, 1956, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Donald E. Koch Chief Petroleum Engineer

Encl.

ce w/Schedule: All Working

Interest Owners



# UNITED STATES MAIN OFFICE PROTECTION GEOLOGICAL SURVEY

1979 MMR 123 MM 8:33 P. 9. Box 6721 Roswell, New Mexico

March 9, 1986

The Superior Oil Company Edison Bldg. Los Angeles, Celifornia

Gentlemen:

The plan of development dated February 6, 1956, for the Campon Large unit area, New Maxiso, No. 14-08-001-1059 has been approved on this date, subject to like approval by the appropriate State officials.

Two approved copies of said plan are returned herewith.

Very truly yours,

JOHN A. ANDERSON

Regional Oil & Gas Superviser

#### Enclosures 2

Copy to: Comm.Div.-Wash (w/l copy of Plan)
Farmington (w/l copy of plan)
BMOCC, Santa Fe (ltr only)

1833 Min 12 M ales Angeles

March 8, 1956

عانوا

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

a M2-22-56

Attention: Mr. W. B. Macey

Re: Canyon Largo Unit Area / #14-08-001-1059

Gentlemen:

By letter of February 27, 1956 the Regional Oil and Gas Supervisor approved our most recent plan of development which bears date of February 6, 1956.

We would appreciate receiving a like approval from your office as soon as possible.

Very truly yours,

THE SUPERIOR OIL COMPANY

By

Donald E. Koch

Chief Petroleum Engineer

EAP: OE

9TH FLOOR EDISON BUILDING LOS ANGELES 17. CALIFORNIA

February 15, 1956

United States Seclogical Survey P. O. Box 6721 Reswell, New Mexico

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

/Oil and Sas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

> Re: CANYON LARGO UMIT (NO. 14-08-001-1059) NOTICE OF CONFLETION OF ADMITIONAL WELLS AND FIFTH ENLARGEMENT OF FIGURED CLIPPS PARTICIPATING AREA, EFFECTIVE FEMALARY 1, 1956

#### Centlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter Will serve as notice of completion of the following wells which are situated within the Unit Area:

Name of Well:

Slagel Govt. #2-19

Location of Well:

990' FSL and 990' FEL Sec. 19, T.25 M., R.6 W., Rie Arriba County, New

Mexico.

**Drilling Block:** 

m Sec. 19, T.25 N., R.6 W., said

County and State.

Total Depth:

2000 Pt. (Pietured Cliffs formation)

Completion Date: January 11, 1956

It appears from tests made that this well has a potential of 2,237,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 635 p.s.i.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner February 15, 1956 Page 2

Name of Well: Inabeth Phillips Govt. #1-30

Location of Well: 965' FML and 990' FWL Sec. 30, T.25

N., R.6 W., Rio Arriba County, New

Mexico.

Drilling Block: W2 Sec. 30, T.25 N., R.6 W., said

County and State.

Total Depth: 2690 Ft. (Pietured Cliffs formation)

Completion Date: January 18, 1956

It appears from tests made that this well has a potential of 3,938,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 725 p.s.i.

Name of Well: Inabeth Phillips Govt. #2-30

Location of Well: 940' FSL and 1040' FEL Sec. 30, T.25

N., R.6 W., Rio Arriba County, New

Mexico.

Drilling Block: Ry Sec. 30, T.25 N., R.6 W., said

County and State.

Total Depth: 2755 Ft. (Pietured Cliffs formation)

Completion Date: January 21, 1956

It appears from tests made that this well has a potential of 3,942,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 700 p.s.i.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective February 1, 1956, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

By

Donald E. Koch

Chief Petroleum Angineer

Enel.

se w/Schedule: All Working Interest Owners

9TH FLOOR EDISON BUILDING LOS ANGELES 13. CALIFORNIA

February 6, 1956

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission / P. O. Box 871 Santa Fe. New Mexico

Attention: Mr. W. B. Macey

Ra: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

The Superior Oil Company, as Operator of the Canyon Large Unit, submitted to you on November 16, 1955 a Plan of Development covering the period of time from the approval of such submission to February 1, 1956. As stated in our letter of November 16, 1955, the Operator proposed to submit, within fifteen days following February 1, 1956, a further Plan of Development for your consideration.

Since the approval of our Meyamber 16, 1955 Plan of Development the Operator has completed three wells; namely, Slagel #2-19 (SEk, Section 19, T. 28M., R. 6W.), Phillips #1-30 (NWk, Section 30, T. 25M., R. 6W.), and Phillips #2-30 (SEk, Section 30, T. 25M., R. 6W.). Phillips #2-29 (SEk, Section 29, T. 25M., R. 6W.) has been drilled and, at the present time, is waiting on spudder for completion. Phillips #1-29 (NWk, Section 29, T. 25M..

United States Geological Survey Commissioner of Public Lands New Maxico Oil and Gas Conservation Commission

R. 6W.) is now drilling.

The above five wells should be considered as part of the Plan of Development filed on November 16, 1955.

The Superior Oil Company, as Operator, proposes the following Plan of Development for the period of time covering February 1, 1956 through July 31, 1956:

- 1. One drilling rig will be kept in continuous use either by the Operator, or other working interest owners who may be designated as Temporary Operators. Subject to weather conditions, accessibility to drilling locations, topography and subsequent completion potentials, it is contemplated to drill as many Pictured Cliff wells as possible, prior to July 31, 1956; consistent, however, with accepted gas field practices.
- 2. Subject to the foregoing, it is contemplated that a maximum of twelve Pictured Cliff wells would be drilled under this Plan.
- 3. Tentative locations, with respect to all drilling contemplated, will not be submitted with this Plan of Development. However, Notices of Intention to Drill have heretofore been filed with the U. S. Department of the Interior, Geological Survey; namely: Home #2-11 (NW\(\frac{1}{2}\), Section 11, T. 25N., R. 6W.), Slean #1-13 (NW\(\frac{1}{2}\), Section 13, T. 25N., R. 6W.), and Slean #2-13 (SE\(\frac{1}{2}\), Section 13, T. 25N., R. 6W.), which wells Operator requests be considered as a part of this Plan of Development.
- 4. Additional locations will be drilled subject to approval of locations, drilling programs, and cost estimates by other working interest owners. The same are now in progress, but we are unable to reach agreements with several interested parties. Notices of Intention to Brill will be duly filed for approval by your Department before drilling is commenced.

#### Page 3

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

5. Within fifteen days following July 31, 1956, Operator proposes to submit for your consideration a further Plan of Development.

Request is made that the foregoing Plan of Development, submitted herewith as required under Section 10 of the Unit Operating Agreement, be approved.

Respectfully submitted,

THE SUPERIOR OIL COMPANY

John T. Isberg Chief Geologist

JTI:cgt

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Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

THE APPROVAL GRANTED SUBJECT TO LINE APPROVAL BEING GRANTED BY THE UNITED STATES GROUDICAL SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO.



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

F. O. Box 6721 hoswell, New Mexico

# 541

November 25, 1955

The Superior Oil Company Edison Building Los Angeles, California file

Gentlemen:

The plan of development dated November 16, 1955, for the Canyon Largo unit area New Mexico, No. 14-09-001-1059, has been approved on this date, subject to like approval by the appropriate State officials.

The plan covers the period from date of approval to February 1, 1956, and contemplates the drilling of an many fictured Cliffs wells as can be drilled with one string of tools during the period provided therein. The tentative locations for ten wells were indicated in the plan.

One approved copy of said plan is returned berewith.

Very truly yours,

JOHN A. ANDERSON Regional 11 & Gas Supervisor

Cary to: Cons.Div., Wash (w/l copy of plan)
Farmington (w/l copy of plan)
HMEXIC, Santa Fe (ltr eply)

ple November 22, 1955 The Superior Oil Company Rinth Floor, Edison Building Los Angeles 13, California Res (Conyon Largo Bait Area ) Attentions Mr. Donald E. Koch Chief Petroleum Magineer Gentlemen: I am approving as of November 22, 1955, the plan of development for the Comyon Largo Unit Area, said plan being submitted to us in your letter dated November 19, 1955, this approval being subject to like approval by the proper officials. Very truly yours, E. S. WALKER Commissioner of Public Lands es: USGS-Boowell OCC-Senta Pe MRA

#### OIL CONSERVATION COMMISSION

P. O. BOX 871

#### SANTA FE. NEW MEXICO

November 21, 1955

The Superior Oil Company 9th Floor, Edison Building Los Angeles 13, California

file

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit

Rio Arriba County, New Mexico

Plan of Development

Gentlemen:

This is to advise that the Plan of Development for the subject unit area, dated November 16, 1955, and covering the period of time from date of approval to February 1, 1956, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the Commissioner of Public Lands of the State of New Mexico and the U. S. Geological Survey.

It is our understanding that The Superior Oil Company plans to drill, one well at a time, as many of the proposed locations as possible before February 1, 1956, and then, within 15 days, submit a plan for future development in the Canyon Largo Unit Area.

Very truly yours,

W. B. Macey Secretary-Director

WBM:jh

cc: U. S. Geological Survey, Roswell Commissioner of Public Lands

EDISON BUILDING

#### Los Angeles

November 16, 1955

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe. New Mexico

attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission P. G. Box 871 Santa Fe, New Mexico

Attention: Mr. W. B. Macey

He: Canyon Largo Unit Area #14-08-001-1059

return to

#### Gentlemen:

The Superior Oil Company, as Operator of the Canyon Largo Unit, submitted to you on October 26, 1955 a request in writing for an extension of time to February 1, 1956 in which to file its plan of development. As yet, we have not received notice of approval or disapproval of such proposal.

Under such circumstances, The Superior Oil Company, as Operator, submits herewith its plan of development covering the period of time from the approval of the following to February 1, 1956:

- 1. Operator proposes to move in and have available at all times one drilling rig in the Canyon Largo Unit Area. Subject to weather conditions, accessibility to drilling locations, topography, and subsequent completion potentials, it is contemplated to drill as many Pictured Cliffs wells as possible prior to February 1, 1956, consistent however, with accepted gas field practices.
- 2. Tentative locations for wells to be drilled on drilling blocks where the working interests are wholly owned by The Superior Oil Company are as follows:

Page 2.

November 16, 1955

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

- (a) Near the center of Nwt, Sec. 11, T. 25N., R. 6W.
  (b) Near the center of Nwt, Sec. 13, T. 25N., R. 6W.
  (c) Near the center of SEt, Sec. 13, T. 25N., R. 6W.
  (d) Near the center of SEt, Sec. 19, T. 25N., R. 6W.
  (e) Near the center of Nwt, Sec. 29, T. 25N., R. 6W.
  (f) Near the center of SEt, Sec. 29, T. 25N., R. 6W.
  (g) Near the center of Nwt, Sec. 30, T. 25N., R. 6W.
  (h) Near the center of SEt, Sec. 30, T. 25N., R. 6W.
- 3. Tentative locations on drilling blocks where The Superior Oil Company is presently the owner of 75% of the working interests are as follows:
  - (a) Near the center of NW+, Sec. 15, T. 25N., R. 6W. (b) Near the center of SE+, Sec. 12, T. 24N., R. 6W.
- 4. The Superior Oil Company, as Operator, wishes to reserve the right to change any of said locations above set forth, depending upon the matters set forth in Section 1 hereof. In the event of a change of any of said locations, this company, as Operator, will first seek approval of the Supervisor of the U.S.G.S., the Commissioner of Public Lands of the State of New Mexico, and the New Mexico Oil and Gas Conservation Commission.
- 5. Within fifteen (15) days following February 1, 1956, Operator proposes to submit for your consideration a further plan of development.

Request is made that the foregoing plan of development submitted herewith, as required by Section 10 of the Unit Agreement, be approved.

Respectfully submitted.

THE SUPERIOR OIL COMPANY

Зy

Donald E. Koch

Chief Petroleum Engineer

Approved //- 2/ 10.55

EAP: OE

Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION
HE APPROVAL ASSENTED SUBJECT TO LIKE APPROVAL
B ING GRANTED BY THE UNITED STATES GEOLOGICAL

#### 9TH FLOOR EDISON BUILDING LOS ANGELES 13. CALIFORNIA

October 26, 1955

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

Attention: Mr. John A. Anderson

Regional Oil and Gas Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. W. B. Macey

Re: Canyon Largo Unit (14-08-001-1059)

#### Gentlemen:

By previous agreement The Superior Oil Company proposed to submit a further Plan of Development for the Canyon Largo Unit on or before November 15, 1955. The same was contemplated until October 20, 1955 when a proposal for farmout of lands under lease to Superior was received. We are now in the midst of negotiations concerning said farmout which will require some little time to complete the details. Rather than submit a Plan of Development, at this time, we request an extension until February 1, 1956 before a submittal of a Plan of Development is filed by the Unit Operator.

whene

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission Page 2

It is probable that a new Unit Operator will be selected should the proposed farmout materialise and, under such conditions, we do not wish to obligate a different Unit Operator with The Superior Oil Company's Plan of Development.

Respectfully submitted,

THE SUPERIOR OIL COMPANY

John T. Isberg Chief Geologist

JTI:cgt

ec-All Working Interest Owners

October 19, 1955

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

Oil and Gas Conservation Commissioner P. O. Box 871 Sante Fe, New Mexico

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Gentlemen:

Re: (Canyon Largo Unit) (No. 14-08-001-1059)
Revision of Fourth Enlargement of
Pictured Cliffs Participating Area,
Effective July 1, 1955

This will advise you that Three States Natural Gas Company concurs in the protests of Malco Refineries, Inc. in their letter addressed to you dated September 21, 1955, which pertained to the inclusion of a well known as Albuquerque State No. 1-36, drilling block E/2 Section 36, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, in the Pictured Cliffs participating area of the Canyon Largo Unit.

Yours very truly,

THREE STATES NATURAL GAS COMPANY

H. S. Bowman VICE PRESIDENT

BCM: bm

cc: Superior Oil Company - Attention: Mr. E. B. Palmer

#### MALCO REFINERIES, INC.

P. D. BOX 660 ROSWELL, NEW MEXICO

September 21, 1955

Inited States Geological Survey P. O. Box 5721 Roswell, New Mexico

Commissioner of P blic Lands F. O. Box 791 Santa Fe, New Mexico

Oil and Gas Conservation Commissioner ... O. Box 871
Santa Fe, New Mexico

Re: Canyon Largo Enit (No. 14-08-001-1059) Revision of fourth enlargement of mictured Cliffs participating area, effective July 1, 1955

Gentlemen:

Reference is made to letters under date of August 9 and 10, 1955 from Superior Oil Company to you concerning the inclusion of a well known as albuquerque State number 1-36, drilling block Eg Section 36, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, under the Picture Cliffs participating area of Canyon Largo Unit, Rio Arriba County, New Mexico.

The Superior of Company, unit operator, advised you that this well has a potential of 196,000 cubic feet of gas per day, through open two inch tubing, and that the shut-in pressure was 630 p.s.i. Based upon these facts, and other data, Superior oil Company determined that said well is capable of producing unitized substances in paying quantities (to-wit, quantities sufficient to repay the cost of drilling, and roducing, with a reasonable profit), as provided by the unit agreement, so that the drilling block upon which the well is located will be included in the participating area, effective July 1, 1955.

However, our knowledge of the unit area and the capabilities of low potential has wells does not justify the inclusion of a well of 196,000 cubic feet of gas per day in the participating area. We feel that it is not equitable, nor according to the terms of the init agreement, to permit such a determination.

We will protest any further determinations of this nature so that we may protect our interest in the Canyon Largo Thit, his Arriba County, New Mexico.

Very truly yours,

Malco Kefineries, Inc.

Donald H. Anderson

DRY/jc

cc: Superior Oil Company tention: E. B. Falmer, Land Department All working interest owners, Canyon Largo Unit

#### OIL CONSERVATION COMMISSION

P. O. BOX 871

#### SANTA FE, NEW MEXICO

fice

August 29, 1955

Superior Oil Company
9th Floor Edison Building
Los Angeles 17, California

Attention: Mr. J. T. Isberg

Re: Canyon Largo Unit
Rio Arriba County, New Mexico

#### Gentlemen:

This is to advise that your proposal of July 21, 1955, to wait until November 15, 1955, to file a plan of development for the subject unit area, has this date been approved by the New Mexico Oil Conservation Commission. It is our understanding that said proposal has already been approved by the Commissioner of Public Lands of the State of New Mexico and by the United States Geological Survey.

Very truly yours,

W. B Macey Secretary-Director

WBM:jh

cc: Commissioner of Publichands, Santa Fe United States Geological Survey, Roswell

):le

Superior Oil Company Edison Building Los Angeles, California

Re: (Genyon Largo Unit) Plan of Development

#### Gentlemen:

Reference is made to your letter of July 21, 1955, requesting an extension of 60 days until November 15, 1955, within which to file a further plan of development for the balance of the calendar year 1755 for the Canyon Largo Unit area. The additional time is requested in order to conduct further deliverability tests of six wells completed earlier in the year. The wells were recently connected to the El Paso Natural Gas Company's line.

We are approving your request subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

Au

E. S. WALKER Commissioner of Public Lands

oc: OCC-Renta Fe

# THE SUPERIOR DIA COMPANY EDISON BUILDING LOS ANGELES

August 22, 1955

answered 8/29

Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

Re: Canyon Largo Unit (14-08-001-1059)

Gentlemen:

Please refer to our letter to you of July 21, 1955, wherein we requested an extension of sixty days within which to file our plan of development.

We wish to advise that the United States Geological Survey has under date of August 19, 1955, granted our request for an extension and we would very much appreciate receiving your approval at the earliest possible date.

Very truly yours,

THE SUPERIOR OIL COMPANY

John T. Isberg walk. Chief Geologist

JTI: iap



# UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Bex 6721 Reguell, New Hexico

August 19, 1955

file

Superior Oil Company Edison Building Los Angeles, California

Contlemen:

Reference is made to your letter of July 21, 1955 requesting an extension of 60 days until Nevember 15, 1955, within which to file a further plan of development for the belance of the calendar year 1955 for the Conyon Large unit area, New Mexico. The additional time is requested in order to conduct further deliverability tests of six walls completed earlier in the year. The wells were recently connected to El Paso Natural Gas Company's line.

Your request is hereby granted provided like approval is obtained from the New Mexico Oil Conservation Commission and the State Commissioner of Public Lands.

Very truly yours.

John A. Anderson

Copy to: Vash., (w/copy of Superior's request)

Farmington (w/copy of Superior's request)

N.M.O.C.C. (letter only)

9TH FLOOR EDISON BUILDING LOS ANGELES 17, CALIFORNIA

August 15, 1955

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

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

/Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Nextee

Re: CANTON LARGO UNIT (NO. 14-08-001-1059)
MOTICE OF COMPLETION OF ADDITIONAL WELL
AND REVISION OF FOURTH ENLARGEMENT OF
PICTURED CLIPPS PARTICIPATING AREA,
EFFECTIVE JULY 1, 1955

#### Gentlemen:

Please refer to our letter of August 9, 1955, giving notice of the completion of Well Albuquerque State #1-36 and Fifth Enlargement of the Pictured Cliffs Participating Area. It will be noted that in said letter we stated the allocation schedule accompanying said letter would be affective August 1, 1955. In view of the fact that this well was completed June 26, 1955, the effective date of said allocation schedule should have been July 1, 1955.

Please consider this letter as an amendment or supplement to our letter of August 9, 1955, and wherever the date August 1, 1955, appears in said letter or allocation schedule you are authorised to change the same to July 1, 1955.

Hereafter the said allecation schedule will be referred to as the "FOURTH ENLARGEMENT OF PICTURED CLIFFS PARTICIPATING AREA, REFECTIVE JULY 1, 1955, AS REVISED."

Yours very truly,

THE SUPERIOR OIL COMPANY, Operator

A \_\_

Chief Petroleum Engineer

se: All Working Interest Owners

9TH FLOOR EDISON BUILDING

LOS ANGELES 17, CALIFORNIA

August 9, 1955

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

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Voil and Cas Conservation Commissioner P. O. Box 871
Santa Fe, New Mexico

Rei CANYON LARGO UNIT (NO. 24-08-003-1059)
NOTICE OF CONFLETION OF ADDITIONAL WILL
AND FIFTH ENLARGEMENT OF PICTURE CLIPPS
PARTICIPATING AREA EFFECTIVE AUGUST 1, 1955

Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following well which is situated within the Unit Area:

Name of Well:

Albaquerque State #1-36

Location of Well:

1053' FSL and 990' FKL Sec. 36, T.25 N., R.7 W., Rio Arriba County, New Mexico.

Drilling Block:

Mè Sec. 36, T.25 N., R.7 W., said County and State.

Total Depth:

2419 Ft. (Pictured Cliffs formation)

Completion Date:

June 26, 1955

It appears from tests made that this well has a petential of 196,000 cubic feet of gas per day through epen 2-inch tubing. Shut-in pressure was 630 p.s.i.

In view of the foregoing Operator hereby determines that said well is eapable of producing unitized substances in paying quantities.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner August 9, 1955 Page 2

Enclosed is allocation schedule effective August 1, 1955, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above well.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Donald E. Koch Chief Petroleum Engineer

Enel.

cc w/Schedule: All Working Interest Owners

# THE SUPERIOR OIL COMPANY 9TH FLOOR EDISON BUILDING COS ANGELES 17. CALIFORNIA July 21, 1955

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Senta Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission

P. O. Box 871

Santa Pe, New Mexico

Attention: Mr. W. B. Macey

Ra: Canyon Largo Unit (14-08-001-1059)

#### Centlemen:

I believe you have previously been advised by Mr. D. E. Koch, our Chief Petroleum Engineer, regarding the completions of the wells in the Camyon Largo Unit, which we were committed to drill and complete by June 30, 1955. Our Plan of Development for the period January 1, 1955 to June 30, 1955, which was submitted on January 11, 1955, has now been completed.

We had previously stated that we would file a further Plan of Development for the balance of 1955 on or before July 30, 1955.

Our recent drilling campaign resulted in wells having potentials of from something over 4 million subic feet of gas per day, through open two inch line, to less than 100 thousand cubic feet of gas per day. We have noticed in provincisly completed wells a marked decline in their deliverability. Such decline and such variations in potentials are of great concern to us. Under the circumstances, we feel these wells should undergo additional testing and observation

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

after being connected to the El Paso line prior to a commitment of further drilling in the Unit by The Superior Oil Company as Unit Operator.

We therefore request a grace period until November 15, 1955 before we file a supplemental Plan of Development. This will allow the Unit Operator to observe the recently completed wells;

Sealy-Government	#2-5
Home-Government	#1-11
Phillips-Government	#1-3
Sadler-Government	#1-25
Sloam- Government	<b>#1-11</b>
Albuquerque State	<b>#</b> 36-1

for a period of sixty days after they have been connected to the El Paso gas line. Such connections, we believe, will be completed by August 30, 1955 with the exception of "Sloan-Government" \$1-11, which does not have sufficient potential to warrant said connection.

Our sixty day observation period should then run from August 30, 1955 to October 30, 1955. Following this period we will submit to you, on or before November 15, 1955, a further Plan of Development for the Canyon Large Unit.

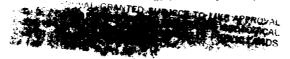
Respectfully submitted,

THE SUPERIOR OIL COMPANY

John T. Isberg Chief Geologist

JTI:cgt

Secretary-Director MEXICO OIL COMMISSION MEXICO OIL CONSERVATION COMMISSION



APPROVAL GRANTED SUBJECT TO LIKE APPROVAL THE UNITED STATES GEOLOGICAL AND BY THE COMMISSIONER OF PUBLIC LANDS THE STATE OF NEW MEXICO.

9TH FLOOR EDISON BUILDING

LOS ANGELES 17. CALIFORNIA

July 8, 1955

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

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

~Oil and Gas Conservation Commissioner P. O. Box 871 Santa Pe, New Nex1eo

> Re: CANYON LARGO UNIT (NO. 14-08-901-1059) MOTIGE OF COMPLETION OF ADDITIONAL WELLS AND POURTH ENLANGEMENT OF PICTURED CLIFFS PARTICIPATING ARRA, EFFECTIVE JULY 1, 1955

#### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Mame of Well:

Phillips-Government #1-3

Location of Well: 990' FML and 990' FML Sec. 3, 7.24 M., R.6 W., Rie Arriba County, New

Mexico.

Drilling Block:

W Sec. 3, T.24 N., R.6 V., said

County and State.

Total Depth:

2227 ft. (Pietured Cliffs formation)

Completion Date: June 15, 1955

It appears from tests made that this well has a potential of 1,841,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 710 p.s.i.

Mame of Well:

Sadler-Government #1-25

Location of Well: 1165' N. of S. line and 990' W. of E. line Sec. 25, T.25 M., R.7 W., Rio Arriba County, New Mexico.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner July 8, 1955 Page 2

Drilling Block: E2 Sec. 25, T.25 N., R.7 W., said

County and State.

Total Depth: 2725 ft. (Pictured Cliffs formation)

Completion Date: June 21, 1955

It appears from tests made that this well has a potential of 500,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 650 p.s.i.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective July 1, 1955, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

Donald K. Koch

Chief Petroleum Engineer

Enel.

cc w/Schedule: All Working Interest Owners

9TH FLOOR EDISON BUILDING LOS ANGELES 13, CALIFORNIA

June 10, 1955

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

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

✓ 011 and Gas Conservation Commissioner EFFECTIVE JUNE 1, 1993 P. O. Box 871 and the second s

Santa Pe, New Mexico

NOTICE OF COMPLETION OF ADDITIONAL WELLS AND THIRD ENLARGEMENT OF PICTURED CLIFFS PARTICIPATING AREA

Re: Canyon Largo Unit Mg. 14-08-001-1059

#### Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement this letter will serve as notice of completion of the following wells which are situated within the Unit Area:

Mame of Well:

Sealy-Government 2-5

Location of Well: 990' S. of N. line and 1115' H. of W. line of Sec. 5, T.25 N., R.6 W., Rio

Arriba County, New Mexico.

Drilling Block:

 $W_2^1$  Sec. 5, T.25 N., R.6 W., said County

and State.

Total Depth: 2855 ft. (Pietured Cliffs formation)

Completion Date: May 6, 1955

It appears from tests made this well has a potential of 4,666,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 830 p.s.i.

Name of Well:

Home-Government 1-11

Location of Well: 990' N. of S. line and 990' W. of E. line of Sec. 11, T.25 N., R.6 W., Rio Arriba

County, New Mexico.

United States Geological Survey Commissioner of Public Lands 011 and Gas Conservation Commissioner June 10, 1955 Page 2

Drilling Block: Bes. 11, T.25 N., R.6 W., said County

and State.

Total Depth: 2840 ft. (Pictured Cliffs formation)

Completion Date: May 13, 1955

It appears from tests made this well has a potential of 2,364,000 cubic feet of gas per day through open 2-inch tubing. Shut-in pressure was 800 p.s.i.

In view of the foregoing Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Enclosed is allocation schedule effective June 1, 1955, setting forth the allocation of unitized substances for the Pictured Cliffs participating area of the Unit as the result of the completion of the above wells.

Respectfully submitted,

THE SUPERIOR CIL COMPANY, Operator

Moula 1.

Chief Petroleum Engineer

Enel.

ce w Schedule: All Working Interest Owners

## OIL CONSERVATION COMMISSIC P. O. BOX 871

#### SANTA FE, NEW MEXICO

February 9, 1955

file syl

Superior Oil Company Edison Building Los Angeles, California

Attention: Mr. Donald E. Koch

Re: Canyon Largo Unit
Rio Arriba County, New Mexico
Plan of Development

Gentlemen:

This is to advise that the Plan of Development for the period from January 1, 1955, to June 30, 1955, dated January 11, 1955, for the subject unit has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the Unites States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

Sim

W. B. Macey Secretary - Director

WBM:jh

cc: U. S. G. S. - Roswell

Commissioner of Public Lands -- Santa Fe

# Trave Supplied Out Company EDISON BUILDING Los Angeles February 8. 1955

Hew Hexico Oil and Gas Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attention: Ar. J. B. Madey

Re: Caryon hargo Unit Area ÷14-08-001-1059

Gentlemen:

Under date of January 11. 1935 we submitted to you our plan of development for the meriod commencing January 1, 1955 and ending June 30, 1966.

We have received approvals from the U.S.G.S.. Roswell, New Mexico, and from the Compissioner of Public Lands, Santa Fe, New Mexico. We would appreciate receiving your reply at your early convenience.

Yery truly yours,

HE SUPERIOR OIL COMPANY

Edward A. Penprase

Attorney

flow A development 9,1955



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 6721 Resuell, New Mexico

Pebruary 4, 1955

Superior Oil Company Edison Building Los Angales, California

Contlement

The plan of development dated January 11, 1955, for the Campun Largo unit area, New Mexico, No. 14-08-001-1059, has been approved on this date, subject to like approval by the appropriate State efficials.

In addition to the proposed wells listed in the plan of development, adequate offset wells must be drilled to protect the unit area from drainage as provided in the unit agreement.

One approved copy of said plan is returned herewith.

Very tmly yours,

JOHN A. ANIERSON

Regional Oil & Gas Supervisor

Copy to:

N.M.O.C.C., Santa Fe (ltr only)

# THE SUPERIOR OIL COMPANY

9TH FLOOR EDISON BUILD NECTOR

January 31, 1955

United States Geological Survey Washington, D. C.

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

P. O. Box 871
Santa Fe, New Mexico

Working Interest Owners

Re: Canyon Largo Unit Area No. 14-08-001-1059 Rio Arriba County, New Mexico

Gentlemen:

The Pictured Cliffs Participating Area of the Canyon Largo Unit, effective November 1, 1954, included the East half (E) of Section 24, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, as an intervening Drilling Block as that term is used in the Unit Operating Agreement.

The requirement imposed on the operator to drill a well on this block within one year from the effective date of the inclusion of the said intervening Drilling Block in the participating area has been fulfilled by the drilling and completion on December 21, 1954, of Hightower Govt. #2-24 Well.

Yours very truly,

THE SUPERIOR OIL COMPANY, Operator

By

Denald E. Koch

Chief Petroleum Engineer

REJ: 1ap

January 27th, 1955

fire

The Superior Oil Company Edison Building Los Angeles, California

Res Canyon Largo Unit Area

# Attention: Donald E. Kooh

# Gentlemen:

This is to advise that we have approved the Flan of Development for the period commencing January 1, 1955 and ending June 30, 1955 under the above unit agreement area, which was submitted January 11, 1955. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

Malke

E. S. WALKER

COMMISSIONER OF PUBLIC LANDS

CC: U. S. Geological Survey Roswell, New Mexico

> Oil Conservation Commission / Santa Fe, New Mexico

- Hu

THE SUPERIOR OIL COMPANY 9TH FLOOR EDISON BUILDING LOS ANGELES 17, CALIFORNIA January 26, 1955 file St1 Commissioner of Public Lands P. O. Box 791 Santa Fe. New Mexico Oil and Gas Conservation Commissioner P. O. Box 871 Santa Pe. New Mexico Working Interest Owners of the Canyon Largo Unit Gentlemen: Herein enclosed are copies of the following documents for your information and files: Ratification and Joinder of the Canyon Largo Unit Agreement and Operating Agreement and Supplement thereto, dated November 24, 1954, executed by R. E. McKenzie, Jr., and Agatha P.

- McKenzie, his wife, covering Section 25, Town-ship 25 North, Range 6 West, N.M.P.M., designated as Tract No. 40 in said unit.
- (2) A consent of December 21, 1954 executed by The Superior Oil Company as Operator on behalf of working interest owners in said unit.

Very truly yours,

THE SUPERIOR OIL COMPANY

Legal Department

# December 21, 1954

United States Department of the Interior Geological Survey P. O. Box 6721 Roswell, New Mexico

Attention: Mr. John A. Anderson

Re: Canyon Largo Unit Agreement and Operating Agreement and Supplement thereto, Rio Arriba County, New Mexico.

## Gentlemen:

Reference is made to your letter of December 17, 1954 enclosing four copies of Ratification and Joinder of the Canyon Largo Unit Agreement executed by R. E. McKenzie, Jr. and Agatha McKenzie, his wife. This interest is the working interest of the McKenzies in Oil and Gas Lease, New Mexico Oi5014. Although the Ratification and Joinder title includes the words. "Unit Agreement" only, you will note from the body of said Ratification and Joinder that it specifically includes a commitment to the Unit Operating Agreement and Supplement thereto.

The Superior Oil Company designated as Operator under the above referred to agreements does hereby consent, both on its own behalf and as Operator on behalf of all the other parties to said agreements, to the joinder in said Unit Agreement and Unit Operating Agreement and Supplement thereto of R. E. McKenzie, Jr. and Agatha McKenzie.

The acreage affected by this joinder is designated as Tract 40 in the Unit Agreement and is described as follows:

Township 25 North, Range 6 West, NMPM

Section 25: All.

United States Department of the Interior

December 21, 1954

Page Two

Herein enclosed are four copies of Ratification and Joinder of the Canyon Largo Unit Agreement and Operating Agreement and Supplement thereto for filling. Please inform us if the above procedures meet the requirements of your letter of December 17, 1954.

Very truly yours,

THE SUPPRIOR OIL COLUMNIY

By (s) S. F. Magor
Vice President

By (s) David Scott
Assistant Secretary

BJR: js

Encl.

cc: Mr. R. E McKenzie, Jr.

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

The undersigned owners of interests in lands covered by Unit Agreement for the development and operation of Canyon Largo Unit Area, County of Rio Arriba, State of New Mexico, dated July 22, 1952, in form approved on behalf of the Secretary of the Interior, and further covered by Unit Operating Agreement and Supplement to Operating Agreement for said unit dated July 22. 1952 and October 20, 1952 respectively, hereby severally, each to the extent of his particular ownership or interest in the lands described below, consent to the inclusion of said lands within the unit area therein defined, and approve, ratify, and adopt the terms of said unit agreement and said unit operating agreement and supplement thereto; agree that the drilling, development, and producing requirements of all leases or other contracts of which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said unit agreement and said unit operating agreement and supplement thereto: and agree that payment for or delivery of oil and gas made at contract rates applied to production allocated under said unit agreement and/or said operating agreement and supplement thereto to the particular lands to which such rights and interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and have set opposite their respective names the date of execution.

Tr. No.	Township 25 North, Ran	nge 6 West, NMPM
40	Section 25: All.	
Date Nove	mber 24, 1954.	(s) R. E. McKenzie, Jr. R. E. McKenzie, Jr.
		(s) Agatha P. McKenzie Agatha P. McKenzie, his wife.
STATE OF NEW	MEXICO SS	319 12th Street, S. W. Albuquerque, New Mexico
COUNTY OF BO	30	
On this	24th day of November	r , 1954, before me
to me known to foregoing ins	to be the person desc	Jr. and Agatha P. McKenzie, his wife ribed in and who executed the ged that they executed the

(s) Grace Moran

Notary Public in and for said County and State.

My Commission Expires: July 28, 1956

# THE SUPERIOR OIL COMPANY

9TH FLOOR EDISON BUILDING
LOS ANGELES 18, CALIFORNIA

January 20, 1955

United States Geological Survey Washington, D. C.

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Oil and das Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

> Re: Canyon Largo Unit Area No. 14-08-001-1059 Pictured Cliffs Participating Area Revision No. 1 and No. 2

# Gentlemen:

At the request and suggestion of the United States Geological Survey we are resubmitting herewith schedules in revising the Pictured Cliffs participating area for the Canyon Largo Unit. We request that our letter of December 29, 1954, and schedule accompanying said letter be disregarded.

The enclosed schedules are based upon the following facts:

The first enlargement of the participating area was as a result of the completion of the following wells which were tested on July 19, 1954. Accordingly, effective August 1, 1954, in accordance with the terms of the unit agreement the respective drilling blocks for each well become part of the participating area.

Drilling Block	Well
T.25 M., R.7 W. Sec. 3: Ed Sec. 13: Ed Sec. 11: Ed Sec. 24: Wg	Hightower Govt. 2-3 House Govt. 1-13 Hightower Govt. 1-11 Hightower Govt. 1-24
T.25 N., R.6 W.	Sealy Govt. 1-7

The second enlargement of the said participating area was as a result of the completion on Getober 30, 1954, of the following well. Accordingly, effective November 1, 1954, the drilling block for this well

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner January 20, 1955 Page 2

together with the tract described as an intervening block became part of the participating area.

Drilling Block

Well

7.25 M., R.6 W.

Slagel Govt. 1-19

Intervening Block

T.25 M., R.7 W.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

By

Chief Petroleum Engineer

REJ: iap Encl.

ee w/Schedules:

All Working Interest Owners

# MAIN OFFICE OCC RIO ARRIBA COUNTY, NEW PEXICO

REVISION NO. 2

1955 JAN (LD) AM 1:34

EFFECTIVE NOVEMBER 1, 1954

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078881 (NM-5017)	T.25 N., R.7 W. Sec. 3: SW:	23	160.00	160.00	Royalty Owner: United States of America	12.5	.70331
					Working Inter- est Owner: The Superior Oil Company	85.0	4.70 <i>25</i> 0
					ORRI Owner: Ina Belle Hightower, et al	2.5	5.626.7 5.4006
SF 078881-A (NM-5017)	T.25 N., R.7 W. Sec. 3: Lots 3,4,	23A	160.80	160.80	Royalty Owner: United States of America	12.5	.70683
					Working Inter- est Owner: The Superior Oil Company	85.0	# .800#1 °
2					ORRI Owner: Ina Belle Hightower, et al	2.5	5.65466

Patented Land (No lease)			SF 078883-A (NM-5013)			SF 078883 (NM-5013)	Serial Number (File Number)
T.25 N., R.6 W. Sec. 5: Lot 1 (MEtNEt)			T.25 N., R.6 W. Sec. 5: SE			T.25 N., R.6 W. Sec. 5: Lot 2, SWHNEY,	Description
71			25A	•		25	Tract Number
40.70			160.00			120.90	Acres
1			160.00			120.90	Committed Acres
Not Committed	ORRI Owner: Mary Velma Sealy, et al	Working Inter- est Owner: The Superior Oil Company	Royalty Owner: United States of America	ORRI Owner: Mary Velma Sealy, et al	Working Interest Owner: The Superior Oil Company	Royalty Owner: United States of America	Lease Ownership and Percentage
	100.0	85.0	12.5	2.5	85.0	12.5	7
0	.1 <sup>4</sup> 066 5.62647	. 78250	.70331	. 10629 4. 25150	3.61377	.53144	Present Participation

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078881 (702-MN)	T.25 N., R.7 W. Sec. 3: Lots 1,2, Sanst,	23	320.80	320.80	Royalty Owner: United States of America	12.5	1.41013
	Ę				Working Inter- est Owner: The Superior Oil Company	85.0	୧୯୫୧୯ ୧
	•				ORRI Owner: Ina Belle Hightower, et al	2.5	11.20203 11.20108
SF 078880 (MM-5016)	T.25 N., R.7 W. Sec. 13: E2	22	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
					Working Inter- est Owner: The Superior Oil Company	85.0	9.56501
				·	ORRI Owner: Helen Fasken House, et al	2.5	.28132 11.25295

Agres	Acres	and Percentage		Participation
320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
		Working Inter- est Owner: The Superior Oil Company	85.0	9.56501
		ORRI Owner: Mary Velma Sealy, et al	2.5	11.25295
320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
		Working Inter- est Owner: The Superior Oil Company	85.0	9.5650i
		ORRI Owner: Ina Belle Hightower, et al	100.0 0.0	11.25295
· · ·	320.00		320.00 Royalty Owner: United States of America  Working Interest Owner: The Superior Oil Company  ORRI Owner: Mary Velma Sealy, et al  Sealy, et al  Working Interest Owner: The Superior Oil Company  ORRI Owner: Ina Belle Hightower, et al	320.00 Royalty Owner: United States of America  Working Interest Owner: The Superior Oil Company  ORRI Owner: Mary Velma Sealy, et al  January Owner: United States of America  Working Interest Owner: The Superior Oil Company  ORRI Owner: Ina Belle Hightower, et al

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078879 (NM-5001)	T.25 N., R.7 W. Sec. 24: W2	13	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
					Working Interest Owner: The Superior Oil Company	85.0	9.56501
					ORRI Owner: C. C. Hightower, et al	2.5	.2813 <u>2</u> 11.25295
SF 078882 (NM-5018)	T.25 N., R.6 W. Sec. 19: Lots 1,2, 3,4, Egwg	2	321.20	321.20	Royalty Owner: United States of America	12.5	1.41189
					Working Inter- est Owner: The Superior Oil Company	85.0	9.60087
					ORRI Owner: H. P. Slagel, et al	2.5	.28238 11.29514

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SP 078879	1.25 N., R.7 W. Sec. 24: Eè	21	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
					Working Inter- est Owner: The Superior Oil Company	85.0	9.56500
•					ORRI Owner: C. C. Hightower, et al	2.5	.281 <u>3</u> 2

100.00000

# RECAPITULATION

Description of land in Participating Area and location of wells therein:

# R.6 W., N.M.P.M.

Sec. Sealy Govt. 1-5 Sealy Govt. 1-7 Slagel Govt. 1-19

# T.25 N., R.7.W., N.M.P.W.

Sec. Sec. Hightower Govt. 1-3
Hightower Govt. 2-3
House Govt. 1-13 Hightower Govt. Hightower Govt. 1-24 Intervening Block

Total Total number acres in Participating number of participating acres Area

PICTURED CLIPPS PARTICIPATING ANEA, CANYON LARGO UNIT,
RIO ANNIBA COUNTY, NEW PEXICO

MAIN OFFICE OCC

でしてか.

REVISION NO. 1

1955 JAN - 2.23 AM 1: 33

EFFECTIVE AUGUST 1, 1954

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078881 (NM-5017)	T.25 N., R.7 W. Sec. 3: SW:	23	160.00	160.00	Royalty Owner: United States of America	12.5	.90806
					Working Inter- est Owner: The Superior Oil Company	85.0	6.17480
					ORRI Owner: Ina Belle Hightower, et	2.5	7.26147
SF 078881-A (NM-5017)	T.25 N., R.7 W. Sec. 3: Lots 3,4,	234	160.80	160.80	Royalty Owner: United States of America	12.5	.932TG
					Working Inter- est Owner: The Superior Oil Company	85.0	6.20568
:	36		; ; ;-	1	ORRI Owner: Ina Belle Hightower, et	0.0 0.0	18252 7:30030

Patented T.			SF 078883-A T.25 (NN-5013)			SF 078883 T. (MM-5013)	Serial Number (File Number) De
T.25 N., R.6 W. Sec. 5: Lot 1 (MINE)			25 N., R.6 W.			Sec. 5: Lot 2 Sec. 5: Swings,	Description
71			25A			N S	Tract Fumber
40.70		•	160.00			120.90	Area Acres
ł	·	•	160.00		: •	120.90	Committed Acres
Not Committed	ORRI Owner: Mary Velma Sealy, et al	Working Interest Owner: The Superior Oil Company	Royalty Owner: United States of America	ORRI Owner: Mary Velma Sealy, et al	Working Inter- est Owner: The Superior Oil Company	Regalty Owner: United States of America	Lease Ownership and Percentage
	2.5	85.0	12.5	2.5	85.0	12.5	
o	7.26447	6.17480	.90806	.13723 5.48922	4.66584	.63615	Present Participation

· | <

36322 14.52895	2.5	ORRI Owner: Helen Fasken House, et al					
12.34961	85.0	Working Inter- est Owner: The Superior Oil Company		·			. ,
1.81612	12.5	Royalty Owner: United States of America	320.00	320.00	8	T.25 N., R.7 W. Sec. 13: E2	SF 078880 (NM-5016)
.36413 14.56527	2.5	ORRI Owner: Ina Belle Hightower, et al	,				
12.38048	85.0	working Inter- est Owner: The Superior Oil Company		•		·	
1.82066	12.5	Ropalty Owner: United States of America	320.80	320.80	8	T.25 M., R.7 W. Sec. 3: Lets 1,2, Sec. 3: Mark,	SP 078861 (NM-5017)
Participation		Ledde Ownership and Percentage	Committed Acres	Area Aores	Tract	Description	Serial Number (File Number)

100円 機構を計画している。

Serial Number (File Number)	Description	Tract	Area Aeres	Committed Acres	Lease Ownership		Present Participation
SF 078883 (384-5013)	7.25 M., R.6 W. Sec. 7: E2	Ŋ	320.00	320.00	Royalty Owner: United States of America	12.5	1.81612
					Working Inter- est Owner: The Superior Oil Company	85.0	12.34960
					ORRI Owner: Mary Velma Sealy, et al	2.5	.36322 14.52894
SF 078881 (NM-5017)	T.25 N., R.7 W. Sec. 11: E	23	320.00	320.00	Royalty Owner: United States of America	12.5	1.81612
					Working Interest Owner: The Superior Oll Company	<b>9</b>	12.34960
	·				ORRI Owner: Ina Belle Hightower, et	100.0	.36322 14.528 <b>94</b>
			•	:	· · · · · · · · · · · · · · · · · · ·	•	

14.52322 35322	100:0	ORRI Owner: C. C. Hightower, et al					
12.34960	85.0	Working Inter- est Owner: The Superior Oil Company		1			,
1.81612	12.5	Royalty Owner: United States of America	320.00	320.00	21	T.25 N., R.7 W. Sec. 24: Wh	SF 078879 (NM-5001)
Present Participation		Lease Ownership and Percentage	Committed Acres	Area Acres	Tract Number	Description	Serial Number (File Number)

Totals

2,243.20 2,202.50

100.00000

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# RECAPITULATION

43

Description of land in Participating Area and location of wells therein:

T.25 N., Sec. 75. E R.6 W., N.M.P.M. Sealy Govt. 1-5 Sealy Govt. 1-7

Sec. Hightower Govt. : House Govt. 1-13 Hightower Govt. 1-3 Hightower Govt. 2-3

T.25 N.,

R.7 W., N.M.P.M.

>Sec. Sec

Hightower Govt. Hightower Govt. 1-24 1-11

Total number acres in Participating Area Total number of participating acres

2,243.20

THE SUPERIOR OIL COMPANY
EDISON BUILDING
LOS ANGELES

January 11, 1955

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

file

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

Attention: Mr. W. B. Macey

Re: Canyon Largo Unit Area #14-08-001-1059

# Gentlemen:

The Superior Oil Company, as Operator, has fully complied with its drilling program for the year 1954, in accordance with the plans of development and amendments or supplements thereto submitted during the year.

Operator submits herewith its plan of development for the period commencing January 1, 1955 and ending June 30, 1955, which contemplates the drilling of six wells. Each of said wells shall be Pictured Cliffs wells and the proposed location for each well shall be as follows:

- 1. SEt of Sec. 4, T. 25N., R. 6W., Rio Arriba Co., N. M.
- 2.  $NW_{4}^{1}$  of Sec. 5, T. 25N., R. 6W., Rio Arriba Co., N. M.
- 3.  $SE_{4}^{1}$  of Sec. 11, T. 25N., R. 6W., Rio Arriba Co., N. M.
- 4. SEt of Sec. 25, T. 25N., R. 7W., Rio Arriba Co., N. M.
- 5. SE1 of Sec. 36, T. 25N., R. 7W., Rio Arriba Co., N. M.
- 6. NW1 of Sec. 3, T. 24N., R. 6W., Rio Arriba Co., N. M.

Page 2.

January 11, 1955

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

Each of said wells shall, as far as practicable, be located in the center of each 160 acre tract. Said wells may but will not necessarily be drilled in the identical order as set forth above.

Subject to the approval of the Supervisor, the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil and Gas Conservation Commission, Operator reserves the right to change any of the locations above set forth for any of the following reasons:

- (a) Topography of the area.
- (b) Inaccessibility to the well site area.
- (c) In order to obtain a location capable of producing greater quantities of unitized substances, based on information obtained as a result of the drilling of any previous well or wells.
- (d) In order to drill a well on lands of any other working interest owner in the Unit who may wish to have a well drilled.

Upon completion or abandonment of six Pictured Cliffs wells on or prior to June 30, 1955, and within thirty days after June 30, 1955, Operator will file a further plan of development with respect to the future development of the Unit.

Request is made that the foregoing plan of development for the period commencing January 1, 1955 and ending June 30, 1955 be approved.

Respectfully submitted.

THE SUPERIOR OIL COMPANY

By Way Donald Chief F

Chief Petroleum Engineer

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A LOPM SECTION AND A SECTION TO LIKE A PROPER OF SECTION OF PUBLIC LAND.

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# THE SUPERIOR OIL COMPANY

9TH FLOOR EDISON BUILDING

LOS ANGELES 13, CALIFORNIA

December 29, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

√011 and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059 Pictured Cliffs Participating Area -- Revision No. 1

## Gentlemen:

This letter will serve as notice of enlargement of participating area and filing of schedule as required by Section 11 of the above-named unit agreement.

Submitted herewith is schedule showing:

- (a) Revised participating area which has been enlarged as a result of the completion of additional producing wells.
- The percentage of unitised substances to (P) be allocated to each unitized tract in said participating area.
- (c) The inclusion of an intervening block in said enlarged participating area. to-wit:

Ed Section 24, Township 25 North, Range 7 West, Rio Arriba County. New Mexico.

hold

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner

Page Two December 29, 1954

Request is hereby made by Operator that the participating area as revised and the allocation of unitized substances as shown in said schedule be approved effective October 30, 1954, which date is the completion date of Slagel Government 1-19 Well.

Respectfully submitted,

THE SUPERIOR OIL COMPANY, Operator

Ву

Chief Petroleum Engineer

Enel.

cc w/schedule:

All Working Interest Owners

# PICTURED CLIPPS PARTICIPATING AREA, CANYON LARGO UNIT, RIO ARRIBA COUNTY, NEW MEXICO

# REVISION NO. 1

Serial Number (File Number)	Description	Tract	Area	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078881		23	160.00	160.00	Royalty Owner:		
(7105-MN)	Sec. J: SWF				of America	12.5	.70331
					Working Inter- est Owner: The Superior Oil Company	85.0	4.7 <i>8</i> 250
					ORRI Owner: Ina Belle Hightower, et al	00 N	5.62647
SF 07@881-A	T.25 N., R.7 N. Sec. 3: Lota 3,4, SANWE	23A	160.80	160.80	Royalty Owner: United States of America	12.5	.70683
H CFFICE					Working Interest Owner: The Superior Oil Company	85.0	4.80641
EU AN	Cu .				ORRI Owner: Ins Selle Highsower, et	100.0	5.65460
de		•					

Serial Number (File Number) SF 078883	riptic	Tract Number 25	Area Aeres 120.90	Committed Acres 120.90	Lease Ownership and Percentage Royalty Owner:	rehip
(MM-5013)	5: Lot 2	;		***************************************		United States of America
	i av la					Working Interest Owner: The Superior Oil Company
		•				ORRI Owner: Mary Velma Sealy, et al
SF 078883-A (NN-5013)	T.25 N., R.6 W. Sec. 5: SE	25A	160.00	160.00		Royalty Owner: United States of America
	المحتمد منوسد ر					Working Inter- est Owner: The Superior Oil Company
		·	•			ORRI Owner: Mary Velma Sealy, et al
Patented Land (No lease)	T.25 M., R.6 W. Sec. 5: Let 1 (Magnet)	71	10.70	:		Not Committed

Serial Number (File Number)	Description	Tract Number	Area Aores	Committed Agree	Lease Ownership and Percentage		Present Participation
SF 078881 (NN-5017)	T.25 M., R.7 W. Sec. 3: Lots 1,2,	23	320.80	320.80	Royalty Owner: United States of America	12.5	1.41013
	5 9 -				Working Interest Owner: The Superior Oil Company	85.0	9.58892
	•				ORRI Owner: Ina Belle Hightower, et al	1000	.28203 11.28108
SF 078880 (NM-5016)	T.25 N., R.7 W. Sec. 13: Et	22	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
		·			Working Inter- est Owner: The Superior Oil Company	85.0	9.56501
	\$: *** = **; #* **			·	ORRI Owner: Helen Fasken House, et al	100 N	.28132 11.25295
	osiaste, .		•	* T	<b>**</b> *******		

Serial Number (File Number)	Description	Tract Number	Area Acres	Committed Acres	Lease Ownership and Percentage		Present Participation
SF 078883 (NM-5013)	T.25 N., R.6 W. Sec. 7: Et	გ5	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
					Working Interest Owner: The Superior Oil Company	85.0	9.56501
					ORRI Owner: Mary Velma Sealy, et al	2.5	.28132 11.25295
SF 078881.	T.25 N., R.7 W. Sec. 11: E2	23	320.00	320.00	Royalty Owner: United States of America	12.5	1.40662
	٠.٠٠				Working Interest Owner: The Superior Oil Company	& .0	9.56501
					ORRI Owner: Ina Belle Hightower, et	2.5	11.25295 11.25295

-

		SF 078882 T. (NM-5018)			SF 078879 T. (NM-5001)	Serial Number (File Number) De
	. Also es	T.25 N., R.6 W. Sec. 19: Lots 1,2, 3,4, Egyz			T.25 N., R.7 W. Sec. 24: W2	Description
		<b>***</b>			Ţ.	Tract Number
		321.20			320.00	Acres
		321.20			320.00	Committed Acres
ORRI Owner: H. P. Slagel, et al	working Interest Owner: The Superior Oil Company	Royalty Owner: United States of America	ORRI Owner: C. C. Hightower, et al	Working Interest Owner: The Superior Oil Company	Royalty Owner: United States of America	Lease Ownership and Percentage
100.5	85.0	12.5	100.0	85.0	12.5	
.20238 11.29514	9.60087	1.41189	20132	9.56501	1,40662	Present Participation

			SF 078879 (NM-5001)	Serial Number (File Number)
Totals			1.25 M., R.7 W. Sec. 24: E	Description
<b>8</b> 2			21	Tract
984.40			320.00	Area Acres
2,884.40 2,843.70			320.00	Committed Acres
	ORRI Owner: C. C. Hightower, et al	Working Inter- est Owner: The Superior Oil Company	Royalty Owner: United States of America	Lease Ownership and Percentage
	100.0	85.0	12.5	
100.00000	.281 <u>3</u> 2 11.25294	9.56500	1.40662	Present Participation

; ;

Description of land in Participating Area:

T.25 N., Sec. R.6 W. N.M.P.M.

T.25 N., R.7 W., N.M.P.M.

of participating acres

# THE SUPERIOR OIL COMPANY

EDISON BUILDING

# Los Angeles

December 29, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. W. B. Macey

Ret Canyon Largo Unit Area #14-08-001-1059

Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement, this letter will serve as notice of the completion of a well situated within the above named unit area.

Name of Well: Hightower-Government #2-24

Total Depth: 2770 ft. (Pictured Cliffs Formation)

Completion Date: December 21, 1954

Location of Well: 990 ft. from the south line and 980 ft. from the east line of Section 24, T. 25 N., R. 7 W., Rio Arriba County, New Mexico

As a result of tests made, it appears that said well has a potential of 7,120,000 cubic feet of gas per day through 3/4 inch choke. Shut-in gas pressure was 685 P.S.I.

Gas producible from this well will probably be sold to El Paso Natural Gas Company pursuant to Gas Contract bearing date of October 26, 1953, which agreement has heretofore been duly filed

July

Page 2.

December 29, 1954

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

with the United States Geological Survey. El Paso Natural Gas Company is, under the terms of said agreement, obligated to pay 10¢ per MCF for gas, plus an amount for liquids, with the result that Operator will receive approximately 11¢ per MCF for all gas sold.

In view of the foregoing, Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

The Drilling Block upon which said well is located is:

 $E_{\frac{1}{2}}^{\frac{1}{2}}$  of Section 24, Township 25 North, Range 7 West, Rio Arriba County, New Mexico

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

By

Donald E. Koch

Chief Petroleum Engineer

EAP: OE

# OIL CONSERVATION COMMISSIC

P. O. BOX 871

# SANTA FE, NEW MEXICO

file

November 29, 1954

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11

The Superior Oil Company Edison Building Los Angeles, California

Attention: Mr. John T. Isberg

Re: Canyon Largo Unit Area
Rio Arriba County, New Mexico

#14-08-001-1059

# Gentlemen:

This is to advise that the supplementary Plan of Development dated November 24, 1954, for the Canyon Largo Unit Area has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the Director of the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

W. B. Macey Secretary - Director

WBM:jh

cc: U. S. Geological Survey Roswell, New Mexico

> Commissioner of Public Lands Santa Fe, New Mexico

Ku

Alexander 1

### November 29, 1954

The Superior Oil Company Edison Building Los Angeles, California

Re: Campon Largo Unit Agreement
Rib Arriba County, New Mexico
# 14-08-001-1059

#### Gentlemen:

~ 1 1 1 /

Reference is made to your supplementary plan of development dated November 24, 1954, for the Canyon Large unit area in Rio Arriba County, New Mexico. We have approved your application on this date provided like approval is obtained from the United States Geological Survey and Oil Conservation Commission.

Very truly yours,

E. S. VALKER Commissioner of imblic Lands

Roswell, New Mexico (3)
Oil Conservation Commission
Sunts Fe, New Mexico (1)



# UNITED STATES IMAGE OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

November 26, 1954

The Superior Oil Company Edison Building Los Angeles, California

Gentlemen:

The supplementary plan of development dated November 24, 1954, for the Canyon Largo unit area, New Mexico, No. 14-08-001-1099 has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of said plan is returned herewith.

Very truly yours,

JOHN A. ANDERSON

Regional Oil and Gas Supervisor

Copy to: Cons.Div., Wash., D.C. (W/1 copy of plan of development)
W.N.O.C.C., Santa Pe (Ltr. caly)

## THE SUPERIOR ON COMPANY

EDISON BUILDING

#### LOS ANGELES

November 24, 1954

file file

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. W. B. Macey

Re: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemens

Under date of September 28, 1954 this company as Operator submitted its plan of development with respect to the Canyon Largo Unit for the balance of the year 1954. Said plan was thereafter approved by all appropriate parties.

Operator, as a result of the drilling and completion of that certain well known as Slagel-Government #1-19, has performed its obligations under said plan of development.

Operator submits herewith a supplement to said plan of development dated September 28, 1954 and proposes to drill a Pistured Cliffs test near the center of the SEt of Section 24, Township 25 North, Range 7 West, Rio Arriba County, New Mexico. This well will be commenced on or before December 15, 1954.

After completion of the above proposed well and on or before January 15, 1955, Operator will present its plan of development for the period commencing January 1, 1955 and ending June 30,

19 1955. Reply 11/29/54

#### THE SUPERIOR OIL G MPANY

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

Page Two

November 24, 1954

Request is made that the foregoing plan of development be approved, all in accordance with the terms and provisions of the Canyon Largo Unit Agreement.

Respectfully submitted.

THE SUPERIOR OIL COMPANY

By

John T. Isberg Chief Geologist

JTI:OB

## THE SUPERIOR OIL COMPANY

EDISON BUILDING

#### LOS ANGELES

November 18, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

Gentlemen:

Pursuant to the requirements of Section 11 of the Canyon Largo Unit Agreement, this letter will serve as notice of the completion of a well situated within the above named unit area.

Name of Well: Slagel-Government #1-19

Total Depth: 2880 ft. (Pictured Cliffs Formation)

Completion Date: October 30, 1954

Location of Well: 990 ft. South of North Line and 990 ft. East of West Line of Section 19, T. 25 N., R. 6 W., Rio Arriba County, New Mexico

As a result of tests made, it appears that said well has a potential of 1,230,000 cubic feet of gas per day through open 2-inch line. Shut-in gas pressure was 675 P.S.I.

Gas producible from this well will be sold to El Paso Natural Gas Company pursuant to Gas Contract bearing date of October 26, 1953, which agreement has heretofore been duly filed with the Page 2.

November 18, 1954

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

United States Geological Survey. El Paso Natural Gas Company is, under the terms of said agreement, obligated to pay 10¢ per MCF for gas, plus an amount for liquids, with the result that Operator will receive approximately 11¢ per MCF for all gas sold.

In view of the relatively minor cost of operation and based on terms of sale above set forth, Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

The Drilling Block upon which said well is located is:

Wa of Section 19, Township 25 North, Range 6 West, Rio Arriba County, New Mexico

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

Bv

J.VC. Cody, Vice President Drilling and Production

EAP: OE

## ALBUQUERQUE ASSOCIATED OIL COMPANY

FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO
November 16, 1954

DUDLEY CORNELL
PRESIDENT

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe. New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission P. C. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Re: Canyon Largo Unit Area # 14-08-001-1059

#### Gentlemen:

This will acknowledge receipt of letter of Superior Oil Company dated November 9, 1954, relative to our protest of August 9, 1954, of the determination of the Hightower Government 2-3 and the Hightower Government 1-11 as producing unitized substances in paying quantities.

Inasmuch as Albuquerque Associated Oil Company is not now the working interest owner of any leases within the participating area, any objection that we have to the determination with respect to these wells is purely academic. For that reason, we herewith withdraw our protest at this time. At such time as we may be admitted to the participating area we will review the situation and submit our views with reference to a proper minimum requirement for the admission of wells into the participating area.

Respectfully yours,

DC:vr

ALBUQUERQUE ASSOCIATED OIL CO.

Dudley Cornell, President

cc: The Superior Oil Company Unit Operator 9th Floor Edison Building Los Angeles 17, California

## THE SUPERIOR OIL COMPANY

### 9TH FLOOR EDISON BUILDING LOS ANGELES 13, CALIFORNIA

November 9, 1954.

United States Geological Survey Washington D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. V. B. Macey

Re: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

1

By letter dated July 27, 1954, copies of which were transmitted to all owners of working interests in the above named Unit, The Superior Oil Company, as Operator made its determination that each of the following wells was capable of producing unitized substances in paying quantities:

Hightower Government 1-24 Hightower Government 2-3 Hightower Government 1-11 House Government 1-13 Sealy Government 1-7

One working interest owner whose interest totals 1.58% of the total unit acreage, to-sit, Albuquarque Associated 011 Company, by letter dated August 9, 1954, protested said

United States Geological Survey Completioner of Public Lands New Namico Oli and She Commercian Commission

determination with respect to the following wells:

Hightower Government 2-3 Hightower Government 1-11

This protestant suggested an initial potential of 500 MIF per day as a minimum requirement for the admission of new wells into the participating area.

Thereafter, by letter dated August 27, 1954, the Asting Director of the United States Geological Survey disapproved the determination by Operator with respect to the two wells show noted. In said letter of disapproval the Acting Director rempeted that Operator and other interested parties in the Buil area, if deemed advisable, "meet and agree on a standard for well segmentiability."

The Superior Oil Company, as Operator, is most willing to except in every my possible so as to serve the best interest of all sensons; in connection with the development and exemption of the Dail. However, it does not look with farm spin the regimetible that a standard for well connectionability be timed and determined at this time. It is believed that the Loting Divertor in his letter of Angust II spily set forth reasons which Counter adopts in superior of the position. The Letter Superior stakes, "It is believed that all spectors realise the transmissions templexities and intengibles involved in evolving such a standard for the Unit." Operator therefore suggests that determination be made for each well or wells as they are completed.

Operator is not adverse to participating in a conference with the interested parties in the Campen Largo Unit area, but in view of the fact that but one working interest owner took exception to the determination made by the Spanning, it would seen that the remaining working interest dummer and matisfied with the determination made by Operator. These parties are vitally affected by much determinations for the reason that the allocation of production and share of costs are determined by the acrease admitted to the participating area.

On August 5, 1954, The Superior Cil Company made additional tests on the Hightower Severament 2-3 and Hightower Severament 1-11 wells in order to shock their capabilities of producing

October 11, 1954

Superior Oil Company Edison Puilding Los Angeles, California

Re: Canyon Largo Unit Agreement # 14-08-001-1059

Gentlemen:

Please be advised that your amended plan of development dated September 28, 1954, for the above captioned unit area in Rio Arriba County, New Mexico, for the remainder of the calendar year 1954, has been approved on this date subject to like approval by the United States Geological Survey and Oil Conservation Commission.

Very truly yours,

E. S. WALKER Commissioner of Fublic Lands

Co: United States Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Sants Fe, New Mexico (1)

## OIL JONSERVATION COMMISSION

P. O. BOX 871

#### SANTA FE, NEW MEXICO

October 8, 1954

The Superior Oil Company Edison Building Los Angeles, California

Re: Canyon Largo Unit Area

#### Gentlemen:

4,1

Reference is made to your letter of September 28, 1954, requesting approval of the Plan of Development for 1954 for the above captioned unit.

The New Mexico Oil Conservation Commission hereby approves this Plan of Development subject to like approval by the U. S. Geological Survey and the Commissioner of Public Lands, State of New Mexico.

Very truly yours,

W. B. Macey Secretary - Director

WBM:jb

ce: U. S. G. S.

Roswell, New Mexico

State Land Office Santa Fe, New Mexico United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission.

unitised substances in paying quantities.

Hightones Covernment 2-3

A test made, indicated a capability of 240.9 MUF of gas per day through open 2" tubing, stabilized shut in pressure was 705 PRI.

Hightoner Government 1-11

A test made, indicated a capability of 253 MCF of gas per day through open 2" tubing, stabilized shut in pressure was 676 PSI.

You well know that operating expenses of dry gas wells are negligible in the industry as a whole. It is a fact that operating expenses per gas well are reduced as the number of producing wells increases. We are confident that the above wells will produce unitised substances in sufficient quantities to pay for their operating costs and return a reasonable profit. The Superior Oil Company respectfully requests that the disapproval of the Acting Director be reconsidered and that a redetermination be had with respect to the two hereinshove named wells. Operator hereby determines that said wells are capable of producing unitized substances in paying quantities.

Very truly yours.

THE SUPERIOR OIL O'MPANY

Chief Geologist

JTI/de

## THE SUPERIOR OIL COMPANY

EDISON BUILDING

## Cos Angeles

September 28, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission P. O. Box 871 Santa Fe. Hew Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

Under date of August 19, 1954, The Superior Oil Company, as Operator, submitted its proposed plan of development calling for the drilling of no further wells during 1954.

In said plan of development Operator gave as its reasons for no further drilling the legal effect and the implications of Order 174-A issued by the Federal Power Commission.

By letter dated September 22, 1954, the United States Geological Survey by and through Mr. John A. Anderson, Regional Oil and Gas Supervisor, advised Operator that the plan of development of August 19, 1954 was disapproved. Said letter of disapproval as we understand it is based on the opinion of Mr. Anderson as a result of a conference with the Chief, Division of Gas Certificates, Federal Power Commission, that The Superior Oil Company, as Operator, would not be required to obtain a Certificate of Public Convenience and Necessity from the Federal Power Commission each time it (Operator) brought in a new productive lease, in view of the provisions of the existing agreement between The Superior Oil Company and its purchaser, El Paso Natural Gas Company.

Page 2.

September 28, 1954

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

Operator at present is undertaking to obtain written approval from the Division of Gas Certificates, Federal Fewer Commission, and will take appropriate steps to obtain whatever clearance if any that is required from the Federal Fower Commission. Fending such approval and/or clearance and due to the heavy and severe penalties involved, The Superior Oil Company has not and does not feel justified or warranted in selling any gas from any wells which have been or will be brought in since the issuance of Order 174-A by the Federal Fower Commission.

The Superior Oil Company, as Operator, submits the following Plan of Development for the balance of the year 1954:

- 1. The drilling of one (1) Pictured Cliffs well to be located in approximately the center of the NWt of Section 19, T-25N, R-6W, or in approximately the center of the SEt of Section 19, T-25N, R-6W, Rio Arriba County, New Mexico.
- 2. That the location to be drilled shall be based on accessibility and topographic conditions.
- 3. That operations for the drilling of said well shall be commenced on or prior to October 15, 1954.
- 4. That within thirty (30) days after completion of said well or within thirty (30) days after receiving satisfactory clearance from the Federal Power Commission, whichever is last to occur, this company as Operator will file a further plan of development.

Request is respectfully made that the foregoing plan of development be approved.

Very truly yours,

THE SUPERIOR OIL COMPANY

Donald B. Koch

By

Chief Petroleum Engineer

EAP: OE

## THE SUPERIOR OIL COMPANY

EDISON BUILDING

## tos Angeles

September 28, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Pe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

Under date of August 19, 1954, The Superior Oil Company, as Operator, submitted its proposed plan of development calling for the drilling of no further wells during 1954.

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## UNITED STATES DEPARTMENT OF THE INTERIOR MAIN OFFICE CCC

GEOLOGICAL SURVEY

1931 CEP 23 All 8:39 Roswell, New Mexico

September 22, 1954

Superior Oil Company Edison Building Les Angeles 17, California

Attentions Mr. John T. Isberg

Gentlemen:

Reference is made to your telegram of September 21, requesting a reply to your letter of August 19, 1954, in which you proposed to drill no additional wells in the Canyon large unit area, New Mexico, during the remainder of the calendar year, 1954. You stated that in the event additional wells were drilled, it has your opinion that the gas could not be sold without a certificate of public convenience and necessity from the Federal Power Commission.

On August 27, 1954, I was informally advised by Mr. Carl T. Kallina, Chief, Division of Gas Certificates, Federal Power Commission, Washington, D. C., that under Order No. 174-A, Superior would not be required to obtain a certificate each time it brought in a new productive lease and entered into a new, separate sales agreement with Kl Paso Natural Gas Company, provided that the sales contract or agreement generally constituted an amendment or enlargement of an already existing sales contract and further provided that it pertained to the same gas field where a similar sales contract existed between the parties involved. The so-called "amended" sales agreements enabling additional tie-ins and sales, which do not require Federal Power Commission certification, are, however, required to be filed with the Division of Bates, F. P. C. for record purposes.

In view of the foregoing, it appears that Superior could sell gas from any additional wells completed in the Canyon Largo unit area under its existing contract with El Paso without obtaining a certificate of necessity from the Federal Pewer Commission. Accordingly, it is believed that additional wells should be drilled in the unit area during the belance of the year and it is requested that you submit an amended plan of development.

Two copies of your plan of development dated August 19, 1954, which provide for no additional wells are returned herewith unapproved. The other two copies have been retained for Survey files.

word to: main 122 contactions with it

Regional Oil and Cas Supervisor

## OIL CONSERVATION COMMISSION P. O. BOX 871

#### SANTA FE, NEW MEXICO

September 3, 1954

Mr. John T. Isberg Chief Geologist Superior Oil Company Edison Building Los Angeles, California

Subject: Canyon Large Unit

Dear Mr. Isberg:

1

Reference is made to your letter of August 23, 1954, in which you request that a decision on the protest filed by the Albuquerque Associated Oil Company, under the above captioned unit, be deferred.

Please be advised that the New Mexico Gil Conservation Commission has no objection to deferring further consideration of the protest until a time subsequent to December 31, 1954.

Very truly yours,

W. S. Macey Secretary-Director

WEMsak

oc: State Land Office Santa Pe, New Mexico

> U. S. C. ... Roswell, Wew Mexico

ALBUQUERQUE ASSOCIATED OIL COMPANY

FIRST NATIONAL BANK BUILDING

ALBUQUERQUE, NEW MEXICO

DUDLEY CORNELL
PRESIDENT

August 24, 1954

The Superior Oil Company
9th Floor Edison Building
Los Angeles 13, California

Attention: Mr. John T. Isberg, Chief Geologist

Gentlemen:

Re: Canyon Largo Unit Area #14-08-001-1059

Receipt is acknowledged of your letter of August 23, 1954 relating to our protest under the above Unit.

We have no objection to deferring further consideration of the protest until after December 31, 1954.

Very truly yours,

DUDLEY CORNELL, President

DC:vr

cc: United States Geological Survey Washington, D. C.

Commissioner of Public Lands P. C. Box 791 Santa Fe, New Mexico

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



THE SUPERIOR OIL COMPANIES 1000

EDISON BUILDING

LOS ANGELES

August 23, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission P. C. Box 871 Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

he: Canyon Largo Unit area #14-08-001-1059

#### Gentlemen:

The Superior Oil Company, as Operator under the above numbered unit agreement, would like to make the following comments regarding the protest filed by Albuquerque Associated Oil Company as to the Operator's determination that the Hightower Government 2-3 and the Hightower Government 2-11 are capable of producing unitized substances in paying quantities.

We believe if it is at all possible that a decision with respect to the establishment of a minimum initial potential as a requirement for admission to a participating area be postponed. We believe that such request is justified, based on the following grounds:

- l. The unit area is substantial in size and to date all wells drilled and completed have been confined to a relatively small area. A decision at this time fixing a minimum potential could well be prejudicial to the working interest owners as a result of future drilling in the unit.
- 2. It does not appear to Operator that the rights of other working interest owners are affected to any great extent as of this date, for the reason that all wells drilled and completed have been on lands controlled by The Superior Oil Company and the cost of drilling the same has been borne solely by The Superior Oil Company.

#### THE SUPERIOR OIL G IPANY

Page 2.

August 23, 1954

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

- 3. Operator has heretofore filed, under date of August 19, 1954, its proposed plan of development calling for no new wells during 1954, a copy of said proposed plan of development has heretofore been mailed to each working interest owner. It is believed that the suggested plan of development should and will be approved. In such event, it is believed that any decision based on the protest of Albuquerque Associated Oil Company should be deferred subsequent to December 31, 1954.
- 4. As a result of the issuance of Order 174-A by the Federal Power Commission, a serious question has arisen as to the implications and effect of said Order. If the sale price of gas and quantities to be sold become subject to regulation by the Federal Power Commission pursuant to said Order 174-1, then whatever action the Commission takes in the future can be determinative as to whether or not a given well is capable of producing gas in paying quantities. There is a serious doubt in the industry as to whether said Order 174-A will stand as is, or whether the same will be further amended or possibly revoked. Many independent gas producers, including The Superior Oil Company have either filed or propose to file applications for a re-hearing with respect to said Order. Generally the Order is being attacked on numerous grounds, among which are that said Order was not enacted in accordance with the terms of the Natural Gas Act, is directly in conflict with State conservation laws with respect to the production of gas, and violates the constitutional rights of producers of natural gas in that it asserts the right to modify and change if necessary gas purchase and sales agreements previously entered into. In addition, it is expected that remedial legislation will be sought and there is a possibility that litigation will be instituted for the purpose of obtaining judicial determination of the problems involved.

The Superior Oil Company, as Operator, therefore requests that a decision on the protest filed by Albuquerque Association Oil Company be deferred until subsequent to December 31, 1954.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

By (John 1. Thry John T. Isberg, Chief Geologist

EAP:OE

cc: Albuquerque Associated Oil Company
First National Bank Building
Libuquerque, New Hettico

## THE SUPERIOR OIL COMPANY

EDISON BUILDING

...\

#### LOS ANGELES

August 19, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico O11 and Gas Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. M. A. Spurrier

ke: Canyon Largo Unit Area #14-08-001-1059

Gentlemen:

The Superior Oil Company, as Operator under the above numbered unit agreement, submits the following plan of development with respect to drilling operations in the Canyon Largo Unit Area, Rio Arriba County, New Mexico:

That no additional wells be drilled during the year 1954.

This plan of development calling for no additional wells during the balance of 1954 is by reason of the implications and legal effect of Order No. 174-A issued by the Federal Power Commission following the decision of the U.S. Supreme Court in the case of Fhillips Petroleum Company vs. Wisconsin, et al, 374 U.S. 672.

This Order purports to declare companies such as The Superior Oil Company subject to the Natural Gas Act. If such is a correct interpretation of the Supreme Court decision above referred to, which is not now conceded by The Superior Oil Company, this company is subject to regulations and orders of the Federal Power Commission. As a result and pursuant to said Order No. 174-A, this company is prohibited from selling and its purchaser is prohibited from accepting gas from future wells until the Federal Power Commission receives and acts on an application for the issuance of

Page 2.

August 19, 1954

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

a Certificate of Public Convenience and Necessity, which application is required to be filed prior to October 1, 1954.

In the event such an application is filed prior to October 1, 1954, this company has no assurance as to whether or when a Certificate of Fublic Convenience and Necessity will be issued. This company thus finds itself in a position of not knowing with any degree of certainty whether or when gas from future wells to be drilled can in fact be sold.

We wish to further point out that it is a matter of common knowledge in the industry that many companies producing gas who have not heretofore been declared subject to the provisions of the Natural Gas act contemplate seeking either an amendment or revocation of Order No. 174-A, an extension of time within which to file Rate Schedules and applications for Certificates of Public Necessity, or legislation exempting independent gas producing companies from the Natural Gas Act, or judicial relief based on constitutional grounds.

The Superior Oil Company, as Operator, respectfully submits that in view of the matters hereinabove set forth that the foregoing plan of development for the balance of the year 1954 be approved. Operator will, on or before December 31, 1954, submit a plan of development for the first six months of 1955.

Yours very truly.

THE SUPERIOR OIL COMPANY, Operator

J. C. Cody, Vice President Drilling and Production

EAP : OE

### ALBUQUERQUE ASSOCIATED OIL COMPANY

FIRST NATIONAL BANK BUILDING ALBUQUERQUE, NEW MEXICO August 9, 1954

DUDLEY CORNELL

United States Geological ourve, Washington, D. G.

editention: bapervisor

Commissioner of Public bunds P. C. Box 791 Santa Fe, New Mexico

extension: M. . . . Walker

New Mexico Cil and Gas Conservation Commission P. C. Box 87: Santa Fo. New Mexico

Attention: Mr. a. A. Sparrier

Re: Canyon Largo Unit Area

#### Gentiemen:

We hereb, protest the determination by the Unit Operator that the Hightower Government 2-3 and the Hightower Government 1-11 are capable of producing unitized substances in paying quantities. The Unit Operator should announce a minimum capacity for admitting new wells to the participating area. The would suggest an initial potential of 500 MCF per day as a minimum requirement for admission to the participating area.

Respectfully jours.

ALBUOU ROUS - SSUCIATED OIL CO.

DC:vr

Dudley Cornell, President

Unit Operator
9th Floor Edison Building
Los Angeles 17, California

## TILE SUPERIOR DIL COMPANY

#### LOS ANGELES

July 27, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

New Mexico Oil and Gas Conservation Commission P. O. Box 871 Santa Pe, New Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

In compliance with Section 11 of the Canyon Largo Unit Agreement, this letter will serve as notice of completion of the following wells, all of which are situated within the unit area:

#### Hightower Government 1-24

Drilling commenced July 5, 1954 and ceased on July 20, 1954. The well was drilled to a total depth of 2,872 feet in the Pictured Cliffs formation. A test made on July 19 indicated a capacity of 2,085 MCF of gas per day through open 2-inch tubing. Stabilized shut-in pressure was 690 P.S.I.

The location of said well is: 990 feet south of the north line and 990 feet east of the west line of Section 24, T-25N, R-7W, N.M.P.M., County of Rio Arriba, New Mexico.

The Drilling Block upon which said well is located is:

Wa of Section 24, T-25N, R-7W, N.M.P.M., Rio Arriba County, New Mexico.

7/27/54

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

#### Hightower Government 2-3

Drilling commenced May 23, 1954 and ceased on June 9, 1954. The well was drilled to a total depth of 2,855 feet in the Pictured Cliffs formation. A test made on July 19 indicated a capacity of 190 MCF of gas per day through open 2-inch tubing. Stabilized shut-in pressure was 650 P.S.I.

The location of said well is: 990 feet north of the south line and 990 feet west of the east line of Section 3, T-25N, R-7W, N.M.P.M.. County of Rio Arriba. New Mexico.

The Drilling Block upon which said well is located is:

Bi of Section 3, T-25N, R-7W, N.M.P.M., Rio Arriba County, New Mexico.

#### Hightower Government 1-11

Drilling commenced June 26, 1954 and ceased July 12, 1954. The well was drilled to a total depth of 2,841 feet in the Pictured Cliffs formation. A test made on July 19 indicated a capacity of 214 MCF of gas per day through open 2-inch tubing. Stabilized shut-in pressure was 625 P.S.I.

The location of said well is: 990 feet north of the south line and 990 feet west of the east line of Section 11, T-25N, R-7W, N.M.P.M., County of Rio Arriba, New Mexico.

The Drilling Block upon which said well is located is:

Et of Section 11, T-25N, R-7W, N.M.P.M., Rio Arriba County, New Mexico.

#### House Government 1-13

Drilling commenced June 12, 1954 and ceased June 23, 1954. The well was drilled to a total depth of 2,935 feet in the Pictured Cliffs formation. A test made on July 19, 1954 indicated a capacity of 1,946 MCF of gas per day through open 2-inch tubing. Stabilized shut-in pressure was 710 P.S.I.

The location of said well is: 990 feet north of the south line and 1,090 feet west of the east line of Section 13, T-25N, R-7W, N.M.P.N., County of Rio Arriba, New Mexico.

United States Geological Survey Commissioner of Public Landa New Mexico Oil and Gas Conservation Commission

7/27/54

The Drilling Block upon which said well is located is:

Et of Section 13, T-25N, R-7W, N.M.P.M. Rio Arriba County, New Mexico.

#### Sealy Government 1-7

This well was a Dakota test and a required well under the terms and provisions of the Canyon Largo Unit Agreement.

Drilling commenced on February 5, 1954 and ceased on May 27, 1954. The well was drilled to a total depth of 8,144 feet. A test was made of the Dakota formation which contained salt water and proved to be nonproductive of oil or gas. Production casing was set at 7,376 feet and the Cliff House, Menefee, and Point Lookout formations were tested through casing perforations and found to be non-productive. The well was plugged back to 4,268 feet and completed in the Pietured Cliffs formation. A test made on July 19 indicated a capacity of 672 MCF per day through 2-inch open tubing. Stabilized shut-in pressure was 850 P.S.I.

The location of said well is: 990 feet north of the south line and 1,650 feet west of the east line of Section 7, T-25N, R-6W, N.M.P.M., County of Rio Arriba, New Mexico.

The Drilling Block upon which said well is located is:

Et of Section 7, T-25N, R-6W, N.M.P.M., Rio Arriba County, New Mexico.

Each of the foregoing wells is as of this date shut in pending connection to available pipe line facilities. All gas producible from each of said wells will be sold to El Pase Natural Gas Company under contract bearing date of October 26, 1953, which agreement has heretofore been duly filed with the United States Geological Survey.

The Superior Oil Company as Operator hereby determines that each of the foregoing wells is capable of producing unitized substances in paying quantities.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

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By J. C. Cody, Vice President Drilling and Production

EAP : OE

7

## MAIN OFFICE OCC

1854 JUL 29 PM 3:27

23 July 1954

The Superior Oil Company Edison Building Los Angeles, California

Attention: Mr. Donald S. Koch

Re: Canyon Large Unit Agreement Rio Arriba County, New Mexico

#### Gentlemen:

We are in receipt of your letter dated July 21, 1954 which has reference to your letter under date of June 10, 1954 requesting that the participating area and allocation of unitized substances as therein set forth be approved for the above captioned Unit Agreement.

We wish to advise that we approve your request on this date provided like approval is obtained from the United States Geolegical Survey and the Oil Conservation Commission.

Yours very truly,

E. S. Valker Commissioner of Public Lands

Roswell, New Mexico (3)

Oil Conservation Commission Santa Fe, New Mexico (1)

### July 6, 1954

The Superior Oil Company Edison Building Les Angeles, California

Attention: Mr. Donald S. Koch

Subject: Campon Large Initial Platured Cliffs
-Participating area.

Grand Plane of DEV.

Gentlemen:

We have your letter dated June 21, 1954, requesting approval of an amendment to your amended 1954 Flam of Development for the above exptioned unit which was previously approved by this office.

Please be advised that we approve your latest amendment as of this date provided like approval is obtained from the United States Geological Survey and Oil Conservation Commission.

Yesy truly yours,

E. S. Walker Commissioner of Public Lands

Rossell, New Mexico (3)

Oil Conservation Commission Senta Fe, Nor Maxieo (1)

#### OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 2, 1954

The Superior Oil Company Edison Building Los Angeles, California

Attention: Mr. Donald S. Koch

Subject: Canyon Largo Initial Pictured Cliffs

Participating area Plan of DEV

12/

Gentlemen:

Reference is made to your letter of June 21, 1954 in which you request approval of an amendment to your amended 1954. Plan of Development for the above captioned unit which was previously approved by this agency.

Please be advised that your latest amendment is approved by the New Mexico Oil Conservation Commission as of this date subject to like approval by the U. S. Geological Survey and the State Land Commissioner.

Very truly yours,

R. R. SPURRIER
Secretary and Director

RRS:vc

cc: Commissioner of Public Lands
Sunta Fe. New Mexico

U. S. Geological Survey Farmington, N. M.

Oil Conservation Commission P O. Box 697
Aztec, N.M.



# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Jule 12

P. O. Box 6721 Roswell, New Maxico

July 1, 1954

Superior Oil Company Edison Building Los Angeles, California

441

Gentlemen:

The amended plan of development dated June 21, 1954, for the Campon Large unit agreement, New Mexico, No. 14-08-001-1059, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

Two approved copies of the plan are returned herewith.

Very truly yours,

- JOHN A. ANDERSON

Regional Oil and Gas Supervisor

Copy to: Commissioner of Public Lunds, Santa Fe Will Conservation Commission, Santa Fe

Cons.Div., Washington D.C. (w/l copy of plan)

THE SUPERIOR OIL COMPANY

LOSANGELES

June 21, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

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

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area
#14-08-001-1059

\*\*Thitial Pictured Cliffs Participating
area - Effective September 18, 1953

#### Gentlemen:

Reference is made to the approved Amended Plan of Development bearing date of March 30, 1954.

The Superior Oil Company as Operator of the above Unit desires to amend said Amended Plan of Development as follows:

Strike from the list of proposed locations on which a well shall be drilled by Operator prior to July 31, 1954, the following:

NWH of Section 11, T-25N, R-7W

and in lieu thereof, insert the following:

 $NW_{\overline{4}}^{1}$  of Section 24, T-25N, R-7W.

The reason for the change of location is based on geological data obtained as a result of the drilling by Operator of Hightower Government Well 2-3 and House Government Well 1-13. Operator is of the opinion that more favorable sand conditions will be encountered at the above location in Section 24, rather than in Section 11.

#### THE SUPERIOR OIL DMPANY

United States Geological Survey Commissioner of Public Lands New Mexico Oil and Gas Conservation Commission

Page 2.

June 21, 1954

The requested amendment submitted herein is pursuant to the suggestion by way of telephone on June 21, 1954 by Mr. Ed Canfield.

The approval of the amendment as herein set forth is hereby requested.

Very truly yours,

THE SUPERIOR OIL COMPANY, Operator

Βv

Chief Petroleum Engineer

EAP: OE

## O.\_ CONSERVATION COMMISS.JN P. O. BOX 871

SANTA FE, NEW MEXICO

June 17, 1954

Superior Oil Company Edison Building Los Angeles, California

Attention: Mr. Donald Koch

Re: Initial Participating Area;

Canyon Largo Unit

Dear Sir:

Your application dated June 10, 1954 requesting approval of the Initial Pictured Cliffs Participating Area for the above captioned unit is approved this date effective as of September 18, 1953.

This approval is subject to like approval by the Commissioner of Fublic Lands of the State of New Mexico and the U.S. Geological Survey.

Very truly yours,

R. R. SPURRIER, Secretary-Director

HNR/ir

#### THE SUPERIOR OIL COMPANY

9TH FLOOR EDISON BUILDING
LOS ANGELES 17, CALIFORNIA

June 10, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

011 and Gas Conservation Commissioner

P. 0. Box 871

Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Res Canyon Lango Unit Area

#14-08-001 1059

Initial Pictured Cliffs Participating area - Effective September 18, 1953

 $V^{V}$ 

Gentlemen:

Pursuant to the provisions of paragraph 11 of the above mentioned Unit Agreement, The Superior Oil Company, as Operator, by letter dated April 5, 1954, advised you of the completion of two wells and its determination that each of said wells was capable of producing unitized substances in paying quantities. Said wells above referred to are known as Hightower Soverment 1-3 and Sealy Government 1-5. The drilling block upon which each well is located was described in said April 5, 1954 letter.

True copies of said April 5, 1954 letter have been mailed by Operator to each owner of working interests committed to the Canyon Largo Unit, and no protests or objections have been received. More than fifteen days have elapsed since the mailing of the copies of said letter.

Accordingly, and pursuant to Paragraph 11 of said Canyon Largo Unit Agreement, the drilling blocks upon which the above named wells were completed, to-wit:

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner

Page 2.

June 10, 1954

E) of Section 5, T-25N, R-6W, N.M.P.M., Rio Arriba County, New Nexico,

W} of Section 3, T-25M, R-7W, N.M.P.M., Rio Arriba County, New Mexico,

constitute the initial Pictured Cliffs participating area, effective September 18, 1953.

Production of unitised substances from said participating area will be allocated as shown in the attached Schedule of Participation.

Request is hereby made that the participating area and the allocation of unitised substances be approved.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

By

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EAP: OE

INTERIOR PROPERTY PARTICIPATE PARTY AND CARTOR LANGO UNIT.

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Description of land in Participating Area

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T. 45 M., R. 7 W., K.M.P.M.

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### OIL CONSERVATION COMMISSION

P. O. BOX 871

### SANTA FE, NEW MEXICO

June 4, 1954

Superior Cil Company Edison Building Los Angeles, California

Attention: Mr Donald Kocn

Gentlemen:

Re: Canyon Largo Unit Area

Your application dated May 17, 1954, for designation of the Farticipating Area for the above captioned unit, is approved as of September 18, 1953, subject to like approval by the Commissioner of Public Lands and the U.S. Geological Survey.

Very traiy yours.

Original Signed By R. R. Spuries

R. R. SEURRIER Secretary and Director

RRS:vc



# UNITED STATES DEPARTMENT OF THE INTERIOR

MAIN OFFICE CCC SURVEY

P. O. Box 6721

Roswell, New Mexico

June 2, 1954

The Superior Cil Company 9th Floor Edison Building Los Angeles 17, California

Gentlemen:

ت بمراجع اراس

There is returned herewith a copy of your letter of May 17, 1954, addressed to the Geological Survey, The Commissioner of Public Lands, State of New Mexico, and the Oil and Gas Conservation Commissioner, State of New Mexico, requesting approval of the initial Pictured Cliffs participating area effective September 18, 1953, for the Canyon Largo unit area, Rio Arriba County, New Mexico. On said copy we have indicated in red pencil certain changes and additions that should be made in the notice to place it in satisfactory condition for approval.

There is enclosed for your guidance a suggested form of schedule of allocation for the initial Pictured Cliffs participating area, Canyon largo unit. The suggested schedule should be checked with your records and a copy of such schedule or similar schedule should be attached to each copy of the notice of the establishment of a initial participating area as discussed in the preceding paragraph.

Five copies of the notice and schedule should be filed with this office for forwarding to the Director, Geological Survey for approval. This will permit the return of one approved copy for your records. If you desire additional approved copies, please increase the number accordingly.

As to your letter of May 19, 1954, calling our attention to the fact that Lot 1 sec. 5, T. 25 N., R. 6 W., N.M.P.M., is not committed to the unit, you are informed that said Lot 1 should be included in the participating area although there will be no allocation of production to such tract.

Very truly yours,

indig Sedi John & ENGERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Oil Conservation Commission
Commissioner of Public Lands

### MARK SUPERIOR OIL COMPANY

EDISON BUILDING

### LOS ANGELES

May 19, 1954

United States Geological Survey Washington, 1. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791
Santa Fe, new Mexico

Attention: Mr. E. S. Walker

011 and Gas Conservation Commissioner P. O. Box 571 Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

### Gentlemen:

Please refer to our letter to you of May 17.

In said letter we omitted reciting that Lot 1 of Section 5. T-25N, R-6W, N.M.P.M., comprising 40.70 acres, is not committed to the Unit. We feel this fact should be called to your attention as we included the entire east half of Section 5 in the participating area.

Very truly yours,

THE SUPERIOR OIL COMPANY, Operator

Chief Petroleum Engineer

EAP: OE

# TILE SUPERIOR OIL COMPANY EDISON BUILDING LOS ANGELES May 17, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe. New Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

Gentlemen:

Pursuant to the provisions of paragraph 11 of the above mentioned Unit Agreement, The Superior Oil Company, as Operator, by letter dated April 5, 1954, advised you of the completion of two wells and its determination that each of said wells was capable of producing unitized substances in paying quantities. Said wells above referred to are known as Hightower Government 1-3 and Sealy Government 1-5. The drilling block upon which each well is located was described in said April 5, 1954 letter.

True copies of said April 5, 1954 letter have been mailed by Operator to each owner of working interests committed to the Canyon Largo Unit, and no protests or objections have been received. More than fifteen days have elapsed since the mailing of the copies of said letter.

Accordingly, and pursuant to Paragraph 11 of said Canyon Largo Unit Agreement, the drilling blocks upon which the above named wells were completed, to-wit:

> $E_{\frac{1}{2}}$  of Section 5, T-25N, R-6W, N.M.P.M., Rio Arriba County, New Mexico,

> $W_2^1$  of Section 3, T-25N, R-6W, N.M.P.M., Rio Arriba County, New Mexico,

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner

Page 2.

May 17, 1954

constitute the participating area, and request is made that said participating area be approved effective September 18, 1953.

Production of unitized substances from said participating area will be allocated as follows:

United States of America 12½% Owners of Overriding Royalty 2½% The Superior Oil Company 85 %

Request is hereby made that the participating area and the allocation of unitized substances as above set forth be approved.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

By

Chief Petroleum Engineer

EAP: OE

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Send the following message, subject to the terms on back hereef, which are hereby egreed to

Santa Fe, New Mexico April 22, 1954

E. A. PENPRASE AND D. E. KOCH SUPERIOR OIL COMPANY 9TH FLOCR EDISON BUILDING LOS ANGELES 17, CALIFORNIA

COMMISSION APPROVED AMENDED PLAN OF DEVELOPMENT APRIL TWENTIETH. LETTER WRITTEN ON THAT DATE.

R. R. SPURRIER Secretary and Director

### OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 20, 1954

Superior Cil Company
9th Floor Edison Building
Los Angeles 17, California

Gentlemen:

Re: Canyon Largo Unit Agreement

This will constitute approval of the Amended Plan of Development dated March 10, 1954 pertaining to the above captioned Unit Agreement.

Very truly yours,

R. R. Spurrier Secretary and Director

RRS:vc

cc: U. S. Geological Servey (3)
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

### April 12, 1954

Superior Oil Company Edison Building Los Angeles, California

Re: Cenyon Largo Unit Area # 14-08-001-1059

Gentleman:

The amended plan of development for the above captioned Unit Agreement dated March 30, 1954 is hereby approved on this date subject to like approval being obtained from the Oil Conservation Commission and United States Coolingical Survey.

Yery truly yours,

E. C. WALKER, Commissioner of Sublic Lands

Rosv 11, New Herico (3) Oil Commervation Commission Santa Fe, New Maxico (1)

THE SUPERIOR OIL COMMANCY April 6, 1954 Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico Attention: Mr. R. R. Spurrier Re: Canyon Largo Unit Area #14-08-001-1059 Gentlemen: Enclosed you will find letter showing completion of our Sealy Government 1-5 well and a determination by the Operator that said well is capable of producing unitized substances in paying quantities. Please accept this letter in lieu of our letter to you of March 31, 1954, which latter letter may be destroyed. The form of said letter was not acceptable to the U. S. G. S. Very truly yours, THE SUPERIOR OIL COMPANY Edward A. Penprase Legal Department EAP: OE

THE SUPERIOR OIL COMPANY OFFICE OCC. April 6, 1954 Oil and Gas Conservation Commissioner P. O. Box 871 Santa Fe, New Mexico Attention: Mr. R. R. Spurrier Re: Canyon Largo Unit Area #14-08-001-1059 Gentlemen: Enclosed you will find letter showing completion of our Hightower Government 1-3 well and a determination by the Operator that said well is capable of producing unitized substances in paying quantities. Please accept this letter in lieu of our letter to you of March 31, 1954, which latter letter may be destroyed. The form of said letter was not acceptable to the U.S.G.S. Very truly yours, THE SUPERIOR OIL COMPANY Edward A. Penprase ₹, Legal Department EAP: OE

### Tald Superson Old Company

EDISON BUILDING

### LOS ANGELES

April 5, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

Oil and Gas Conservation Commissioner
P. O. Box 871
Santa Fe. New Mexico

Attention: Mr. R. R. Spurrier

Re: Canyon Largo Unit Area #14-08-001-1059

### Gentlemen:

This letter will serve as a notice of completion of a well in the unit area above referred to and a determination by the Operator that said well is capable of producing unitized substances in paying quantities in accordance with Section 11 of the Canyon Largo Unit Agreement.

Said well was completed on May 20, 1953 in the Pictured Cliffs formation and located in Section 5, T-25N, R-6W, N.M.P.N., County of Rio Arriba, New Mexico. This well is known as Sealy Government 1-5 and was drilled to a depth of 2397 feet.

The initial gauge on the above well indicated a productive capacity of 850 MCF per day through open 2" tubing. A subsequent test made on June 3, 1953 indicated a capacity of 1500 MCF per day through open 2" tubing. Stabilized shut-in pressure was 921 P.S.I.

Due to lack of market and pipe line facilities, said well was shut-in until March 5, 1954. Since said date gas has been and is being sold to El Paso Natural Gas Company. The initial rate of gas sold was 548 MCF per day. Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner

Page 2.

April 5, 1954

The Drilling Block upon which said well is located is:

Eg of Section 5, T-25N, R-6W, N. M. P. M., Rio Arriba County, New Mexico.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

By Jour of F. Street

EAP: OF

### THE SUPERIOR DIA COMPANY

EDISON BUILDING

### LOS ANGELES

April 5, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

Oil and Gas Conservation Commissioner
P. O. Box 871
Santa Fe. New Mexico

Attention: Mr. R. R. Spurrier

Her Canyon Largo Unit Area #14-08-001-1059

#### Gentlemen:

This letter will serve as a notice of completion of a well in the unit area above referred to and a determination by the Operator that said well is capable of producing unitized substances in paying quantities in accordance with Section 11 of the Canyon Largo Unit Agreement.

Said well was completed on May 14, 1953 in the Pictured Cliffs formation and located in Section 3, T-25N, R-7W, N.M.P.M., County of Rio Arriba, New Mexico. This well is known as Hightower Government 1-3 and was drilled to a depth of 2345 feet.

The initial gauge on the above well indicated a productive capacity of 277 MCF per day through open 2" tubing. A subsequent test made on June 3, 1953 indicated a capacity of 346 MCF per day through open 2" tubing. Stabilized shut-in pressure was 822 P.S.I.

Due to lack of market and pipe line facilities, said well was shut-in until March 15, 1954. Since said date gas has been and is being sold to El Paso Natural Gas Company. The initial rate of gas sold was 140 MCF per day. Operator hereby determines that said well is capable of producing unitized substances in paying quantities.

United States Geological Survey Commissioner of Public Lands Oil and Gas Conservation Commissioner

Page 2.

April 5, 1954

The Drilling Block upon which said well is located is:

Work of Section 3, T-25N, R-7W, N. M. P. M.,

Rio Arriba County, New Mexico.

Respectfully submitted.

THE SUPERIOR OIL COMPANY, Operator

Ву

Chief Petroleum Engineer

EAP: OE



# UNITED STATES DEPARTMENT OF THE INTERIOR

MAIN OFFICE OCC GEOLOGICAL SURVEY

P. Box 6721

1954 APR 5 AM 8: 2 Boswell, Scw Fexico

-pril 2, 1954

Superior Oil Company Edison Fulldby Los Ingeles, California

Gentlemen:

The amended plan of development dated March 30, 1951, for the Compon Largo unit area, New Mexico, No. 11-02-001-1059, has been approved on this date subject to like approval by the Commissioner or sublic lands, State of New Mexico, and the New Mexico Sil Conservation. Commission.

Two approved copies of the plan are enclosed herewith.

Tery truly yours,

JOHN E. MOLESON

Regional Oil and Gas Supervisor

copy to: o. isliener of Public ands Canta Pe
Oil Conservation Commission, Santa Fe

### THE SUPERIOR OIL COMPANNOFFICE OCC

9TH FLOOR EDISON BUILDING

LOS ANGELES 17, CALIFORNIA 1954 MAR 11: 25

March 30, 1954

United States Geological Survey Washington, D. C.

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

011 and Gas Conservation Commissioner

P. O. Box 871

Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Canyon Largo Unit Area **#14-08-001-1059** 

Gentlemen:

Heference is made to our letter to you of February 9, 1954 and letter of March 12, 1954 from Mr. John A. Anderson, Regional 011 and Gas Supervisor, U. S. G. S.

The Superior Oil Company, as Operator under the above numbered Unit Agreement, submits herewith an amended plan of development covering proposed operations in the Canyon Largo Unit Area, Rio Arriba County, New Mexico.

Operator proposes to continue the drilling of the well situated in Section 7, Township 25 North, Range 6 West, Rio Arriba County, New Mexico, so as to adequately test the Dakota formation as required by Section 9 of the Unit Agreement.

Operator proposes to drill prior to July 31, 1954 a minimum of four wells so as to develop the Pictured Cliffs production and to determine to some degree the extent of such production.

The proposed location of each of said wells will be as follows:

- SEt Section 3, T-25N, R-7W NWt Section 11, T-25N, R-7W
- SEt Section 11, T-25N, R-7w, or
- NEt Section 14, T-25N, R-7W as an alternate (d) SEt Section 13, T-25N, R-7W

United States Declogical Survey Commissioner of Public Lands Oil and Cas Conservation Commissioner

March 30, 1954

Each of said wells shall, as far as possible, be located in the center of each 160 agre tract. Said wells may but will not necessarily be drilled in the same order as above set forth.

Subject to the approval of the Supervisor, Commissioner of Public Lands, State of New Mexico, and the New Mexico Cil Conservation Commissioner, Operator requests the right to change any of the above locations for the following reasons:

- 1. Topography of the area.
- 2. Inaccessibility to the well site area.
- 3. In order to obtain a more satisfactory sand section, capable of producing unitized substances as a result of information obtained through the drilling of any previous well or wells.

Should any change in location be made by Operator, a further amendment to this play of development will be duly and timely filed.

Upon the completion or abandonment of four wells prior to July 31, 1954, Sperator will within thirty days after completion of the last of said four wells, file a further plan of development which will outline the activities of Sperator for the balance of the salendar year, which further plan of development shall be limited to Pistured Siffs wells.

Request is made that the foregoing amendment to the plan of development submitted herewith as required by section 10 of the Unit Agreement be approved.

espectfully submitted.

THE SUPERIOR OIL COMPANY

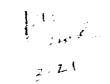
Noval

hier Petroleum Engineer

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# UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY



P. O. Box 6721 Roswell, New Mexico

March 12, 1954

6 (C.)

The Superior Oil Company Edison Building Los Angeles, California

Gentlemens

Reference is made to the plan of development dated February 9, 1954, covering your proposed operations in the Canyon Largo unit area, New Mexico, No. 14-08-001-1059, for the calendar year 1954.

In your plan it is proposed to continue the drilling of the well in sec. 7, T. 25 N., R. 6 W., which was spudded on February 5, 1954, so as to adequately test the Dakota formation and following completion or abandonment of said well you would submit a further plan of development probably allowing six months before the commencement of a second well in order that the results of drilling to the Dakota formation can be fully evaluated.

As far as the Dakota formation is concerned your proposed plan appears to be within the purview of section 9 of the unit agreement. However, as production of unitized substances in paying quantities has been obtained from three wells in the unit area (one of which is on non-committed land) it is believed that reasonable effort should be made to develop the Pictured Cliffs production and to determine to some degree the extent of such production. In view of the large amount of acreage in the unit area, it appears that a reasonable development program for the Pictured Cliffs formation for the calendar year 1954 would require a minimum of nine wells, three of which should be located in T. 24 N., R. 6 W., and two each in T. 24 N., R. 7 W., T. 25 N., R. 6 W., and T. 25 N., R. 7 W.

Accordingly, it is recommended that you submit an amended plan to include the Pictured Cliffs wells mentioned above, such plan to be subject to approved by the Commissioner of Public Lands, State Of New Mexico, and the New Mexico Oil Conservation Commission.

Three copies of your plan of development dated February 9, 1954, are returned herewith unapproved. One copy has been retained for our files.

Very truly yours,

the side

JONN A. ANDERSON Regional Ciland Cas Supervisor

Enclosures Copy to: State Land Comm.

## OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

March 3, 1954

The Superior Oil Company 9th Floor Edison Building Los Angeles 17, California

Attention: Mr. J. C. Cody, Vice President Drilling and Production

### Gentlemen:

This will acknowledge receipt of your proposed Plan of Development for the Canyon Largo Unit Area. We do not feel that in view of the amount of acreage you have in the unit and considering where you are drilling wells, that your Plan is sufficient or proper.

Subject to concurrence of the Land Commissioner and the Supervisor of the U.S. Geological Survey, we suggest that you complete the well currently drilling and that you spud a new well upon completion of the current well to test a new portion in the unit.

Very truly yours,

R. R. Spurrier Secretary and Director

### RRS:vc

cc: Mr. E. S. Walker

Commissioner of Public Lands

P. O. Box 791

Santa Fe, New Mexico

U. S. Geological Survey Roswell, New Mexico

### MEMORANDUM

TO: R. R. Spurrier

FROM: H. N. Rhodes

RE: Canyon Largo Unit Agreement Plan of Development for 1954.

The U.S.G.S. feels - and I agree - that the proposed 195h development program for the Canyon Largo Unit is not satisfactory. The unit consists of 73,381 acres. So far, drilling has been done on the extreme northern boundary of the unit. The well currently drilling is also in the extreme north.

We feel that Superior should make an effort to explore the unit area a bit further during the year.

I recommend that we request a new program in this area, as follows:

- 1. Allow Superior to complete the well currently drilling.
- 2. Request that they spud a new well somewhere on the unit immediately upon completion of the current well.

### THE SUPERIOR OIL COMPANY

9TH FLOOR EDISON BUILDING LOS ANGELES 17, CALIFORNIA

**Pebruary 9, 1954** 

United States Geological Survey Roswell, New Mexico

Attention: Supervisor

Commissioner of Public Lands P. O. Box 791 Santa Fe, New Mexico

Attention: Mr. E. S. Walker

Oil and Cas Conservation Commission

P. O. Box 871

Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

canton Dargo Unit Area 214-08-011-1059

Sentlemen!

The Superior oil Company as Operator under the unit agreement for the development and operation of the Canyon Largo Unit Area submite herewith its plan of development and operation:

Drilling has commenced on a well situated in Section 7. Township 25 North, Range 6 West, Rio Arriba County, New Mexico, said well having been spudded on February 5, 1954. It is planned to drill this well so as to adequately test the Dakota formation. The well is being drilled pursuant to the requirements of Section 9 of the Unit Agreement.

Following completion or abandonment of this well and within a reasonable time thereafter, this company as operator will submit a further plan for the development and operation of the unitized land. Operator believes that six (6) months would be a reasonable time after completion of said well in order that the results of drilling to the Dekota formation can be fully evaluated.

As you are each aware, two wells capable of producing gas have been completed on the unitised land, which wells can produce from the Pictured Cliffs formation. No additional Pictured United States Geological Survey Commissioner of Public Lands Dil and Gas Conservation Commission

Page 2.

February 9, 1954

Cliffs wells are contemplated until completion of the above men-

submitted herewith pursuant to the requirements of Section 10 of the Unit Agreement be approved.

Respectfully substitted.

THE SUPERIOR OIL COMPANY

J. C. Cody, Vice President Unilling and Preduction

EAP: OF

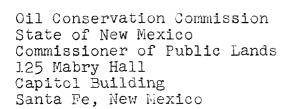
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### THE SUPERIOR OH COMPANY

EDISON BUILDING

### LOS ANGELES

September 24, 1953



WATION CONS

Re: Canyon Largo Area County of Rio Arriba State of New Mexico

Gentlemen:

This letter will serve to advise you that the Unit Agreement with respect to the Canyon Largo Unit Area heretofore approved by you on June 3, 1953, has been approved by Thomas B. Nolan, Acting Director, United States Geological Survey, on September 18, 1953. number assigned to said Unit is 14-08-001-1059.

Yours very truly,

THE SUPERIOR OIL COMPANY

Edward A. Penprase

Attorney

EAP: OE

cc: U. S. Department of the Interior Geological Survey Washington 5, D. C.

Superior 0:1 Company First National Bank Building Denver, Colorado

> Re: Canyon I argo Unit Agreement, Rio Arriba County, New Mexico

#### Gentlemen:

Our records reveal that the Canyon Largo Unit Agreement has been approved by the Oil Conservation Commission.

Please forward a copy of the Oil Conservation Commission Order to this office together with the proper ratifications and joinders. Upon receipt of this information we will proceed to post our leases and tract books accordingly.

Very truly y urs,

E. S. WALKER Commissioner of Fublic Lands

cc: U. S. Geo ogical Survey
Roswell, New Mexico
Oil Conservation Commission 
Santa Fe, New Mexico

### May 6, 1953

Her Proposed Canon Largo "nit Agreement, Rio Arriba County, New Mexico

The Superior Oil Company First National Bank Building Denver 2, Colorado

Attention: Mr. E. B. Jalmer

#### Gentlemen:

I have examined your proposed Unit Agreement Form for the Canon Largo unit area in Rio Arri's County recently submitted for study by this office.

It appears that this proposed form is substantially the form of agreement heretofore approved by me for others, except for Section 23 which possibly can be modified by an Oil Conservation Commission order, and be made acceptable to this office.

I am witholding formal approval pending the outcome of a hearing before the New Yexiso Cil Conservation Commission.

Very truly yours,

E. S. WALKER Consissioner of Fublic Lands

ec: U. S. Geological Survey Roswe 1, New Mexico

Oil Conservation Commission -

### THE SUPERIOR OIL COMPANY

personal bank building denver 2, colorado
May 5, 1953

Oil and Gas Commissioner State of New Mexico Santa Fe, New Mexico

Dear Sir:

Handed to you herewith is the application of The Superior Oil Company for approval of the Canyon Largo Unit, Rio Arriba County, New Mexico.

Very truly yours,

THE SUPERIOR OIL COMPANY

Max L. Campbell

MLC:ph

New Mexico On CONSERVATION COMMISSION

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May 4, 1953

### MEMORANDUM

To: Mr. Spurrier, Mr. Macey and Miss Royal

From: George Graham

Re: Long Distance Telephone Call

Max Campbell of the Superior Oil Company 'phoned this morning from Denver. He will come down tomorrow hoping to clear the Canyon Largo Unit, Rio Arriba County, with the Commissioner of Public Lands and thereafter, if possible, cause proper advertisement in Santa Fe and Rio Arriba Counties to be made in time for the May 19th regular hearing.

He asks consideration of every one mentioned in the caption hereof.

Marine H

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