

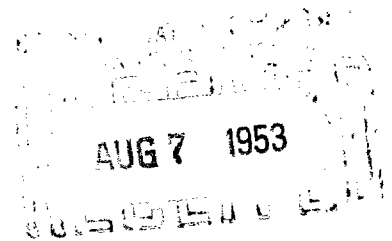
RS

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

August 3, 1953



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: San Juan 28-4 Unit Area
Rio Arriba County, New Mexico
NOTICE OF DISCOVERY

Gentlemen:

Pursuant to Section 11, paragraph 2, of the above unit agreement you are hereby informed of the discovery of unitized substances in paying quantities from the Mesaverde Formation on lands committed to the above numbered unit agreement.

As of July 24, 1953, the effective date of this unit agreement, there was one committed well already completed in the Mesaverde Formation. This committed well is the Valdez #1 Well located 990' south of the north line and 850' west of the east line of Section 18, T-28-N, R-4-W, N.M.P.M. This well was completed on April 14, 1953, at a total depth of 6898'. The pay section between 6188' and 6898' was shot with 2360 quarts of nitroglycerine. The well was gauged 785 MCFGPD on a 6-hour open blow test. Shut in pressure on the casing was 1064#.

The drilling block upon which this well is located is the N/2 (Lots 1, 2, E/2 NW/4, NE/4) of Section 18, T-28-N, R-4-W, and consists of 319.48 acres. This

San Juan 28-4 Unit

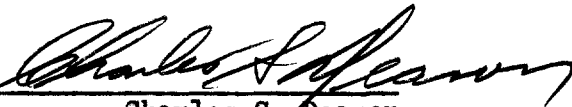
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August 3, 1953

drilling block is fully committed to the unit agreement and pursuant to the above mentioned Section 11 of the unit agreement it is determined by the El Paso Natural Gas Company, Unit Operator, that this well is capable of producing unitized substances in paying quantities.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By 
Charles S. Deason

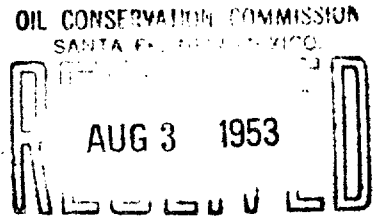
CSD:jaf

cc: Attached List

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas
July 31, 1953



Mr. E. S. Walker
Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

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

Re: San Juan 28-4 Unit Agreement
No. 14-08-001-933

Gentlemen:

This is to advise that the above numbered unit agreement was approved by the Director of the United States Geological Survey on July 24, 1953, and was assigned No. 14-08-001-933. Accordingly we are enclosing a fully executed copy of the unit agreement and the unit operating agreement for your files.

Both the unit agreement and the unit operating agreement are now in the office of the County Clerk and Recorder, Rio Arriba County, New Mexico, for purposes of recordation.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By 
Charles S. Deason

CSD:jaf
encls. - 2
cc: attached list

Re: 28-4 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. R. F. Rood
Phillips Petroleum Company
Bartlesville, Oklahoma

Mr. H. K. Greenleaf
The Chicago Corporation
2101 Continental Life Building
Fort Worth, Texas

Mr. G. B. Jenkinson
Stanolind Oil and Gas Company
Box 591
Tulsa, Oklahoma

Mr. W. H. Sparks
General American Oil Company
1404 Republic Bank Building
Dallas, Texas

Mr. M. A. Romero
134 S. Capitol Place
Santa Fe, New Mexico

Robert Critchfield
Gay Acres Farm
Wooster, Ohio

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 S 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the San Juan 28-4 Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Date: July 24, 1953

s/
acting Arthur H. Parker
Director,
United States Geological Survey

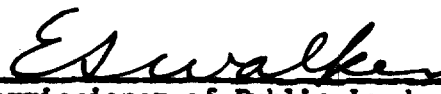
CERTIFICATE OF APPROVAL BY COMMISSIONER OF PUBLIC LANDS,
STATE OF NEW MEXICO, OF UNIT AGREEMENT FOR DEVELOPMENT
AND OPERATION OF SAN JUAN 28-4 UNIT AREA, RIO ARRIBA
COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands in the State of New Mexico, for examination, the attached Agreement for the Development and Operation of the San Juan 28-4 Unit Area, Rio Arriba County, New Mexico, in which El Paso Natural Gas Company is designated as Unit Operator and which has been executed by various parties owning and holding oil and gas leases embracing lands within the Unit Area, and upon examination of said agreement the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area;
- (b) That under the operations proposed the State will receive its fair share of the recoverable oil or gas in place under its lands in the area affected, if and when State lands may be included in the unit by enlargement of the unit area;
- (c) That the agreement is, in other respects, for the best interests of the State;
- (d) That the agreement provides for the unit operation of the area, for the allocation of production and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the Laws of the State of New Mexico, 1943, as amended by Chapter 162 of the Laws of the State of New Mexico, 1951, I, the undersigned Commissioner of Public Lands for the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said agreement and do hereby amend all leases embracing lands of the State of New Mexico committed to said unit agreement, to conform and extend said leases as provided in said agreement so that the provisions of each such lease, so far as they apply to lands within such area, will conform to the provisions of such agreement and so that the length of the secondary term as to lands within such area will be extended to coincide with the terms of such agreement. This approval is subject to all of the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943, as amended by Chapter 162 of the Laws of the State of New Mexico, 1951.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 2nd day of July, 1953.



Commissioner of Public Lands
of the State of New Mexico

Seal

June 30, 1953

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P
Y

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

Attention: Mr. Foster Morrell

Re: San Juan 28-4 Unit Agreement
Rio Arriba County, New Mexico

Gentlemen:

This will acknowledge receipt of your proposed San Juan 28-4 Unit Agreement. I have examined the proposal and find that it is similar to Unit Agreements heretofore approved by this office.

I approve the application as to form but will withhold formal approval until after a hearing before the Oil Conservation Commission of which I am ex-officio a member. Should the testimony offered in support of the Unit warrant its approval and the Oil Commission so decides I will immediately thereafter issue a formal Certificate of Approval.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico (1)

ILLEGIBLE