

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application of)
BLACKWOOD & NICHOLS COMPANY, a part-)
nership, for the Approval of the)
NORTHEAST BLANCO UNIT AGREEMENT,)
Embracing 32,991.40 Acres in Town-)
ships 30 and 31 North, Ranges 6, 7)
and 8 West, in the Counties of San)
Juan and Rio Arriba, State of New)
Mexico,)

Case No. _____

APPLICATION

Application is hereby made by BLACKWOOD & NICHOLS COMPANY, a partnership composed of F. G. Blackwood, Dola Blackwood, W. J. Hilseweck, Helen Hilseweck, John W. Nichols, Mary D. Nichols and John W. Fisher, for the approval by the Oil Conservation Commission of the State of New Mexico of the Unit Agreement for the development and operation of the Northeast Blanco Unit Area, in the Counties of San Juan and Rio Arriba, State of New Mexico, and entered into between the Applicants herein as Unit Operators, and certain working interest owners and certain royalty owners, and such other working interest owners and royalty owners as may hereafter subscribe or consent to the Agreement.

I.

The Northeast Blanco Unit embraces the following described land in the Counties of San Juan and Rio Arriba, State of New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN

Township 31 North, Range 6 West

Sec. 6 - Lots 8, 9, 10 and 11, S/2
Sec. 7 - All
Sec. 18 - All
Sec. 19 - All
Sec. 20 - All
Sec. 30 - All

Township 30 North, Range 7 West

Sec. 2 - All
Sec. 3 - All
Sec. 4 - All
Sec. 5 - All
Sec. 6 - Lots 8 to 21, incl., SE/4 NW/4,
NE/4 SW/4
Sec. 7 - Lots 5 to 16, incl., E/2 NE/4
Sec. 8 - Lots 1, 2 and 3, N/2, SE/4
Sec. 9 - All
Sec. 10 - All
Sec. 16 - All
Sec. 17 - Lots 1 to 8, incl., N/2 NE/4,
SE/4 NE/4, E/2 SE/4
Sec. 18 - Lots 5 to 14, incl., SW/4 NE/4,
E/2 W/2
Sec. 19 - Lots 5 to 13, incl., E/2 W/2,
S/2 SE/4
Sec. 20 - Lots 1 and 2, NE/4, E/2 NW/4 S/2
Sec. 21 - All
Sec. 22 - W/2 W/2
Sec. 29 - N/2
Tracts 39, 40, 41, 42, 43, 44, 45, and 46 - All

Township 31 North, Range 7 West

Sec. 1 - Lots 5, 6, 7 and 8, S/2
Sec. 9 - S/2
Sec. 10 - S/2
Sec. 11 - All
Sec. 12 - All
Sec. 13 - All
Sec. 14 - All
Sec. 15 - All
Sec. 16 - All
Sec. 19 - All
Sec. 20 - All
Sec. 21 - All
Sec. 22 - All
Sec. 23 - All
Sec. 24 - All
Sec. 25 - All
Sec. 26 - All
Sec. 27 - All
Sec. 28 - All
Sec. 29 - All
Sec. 30 - Lots 5 to 12, incl., NE/4, E/2 W/2
Sec. 31 - Lots 5 to 14, incl., E/2 W/2
Sec. 32 - Lots 1, 2, 3 and 4, E/2, E/2 W/2
Sec. 33 - All
Sec. 34 - All
Sec. 35 - All
Sec. 36 - All
Tracts 49, 50, 51 and 52 - All

Township 30 North, Range 8 West

Sec. 1 - All
Sec. 12 - All
Sec. 13 - All
Sec. 24 - All

Township 31 North, Range 8 West

Sec. 25 - All
Sec. 36 - All

Said area embraces a total of 32,991.40 acres of land, of which 26,076.90 acres are Federal lands, 3,753.11 acres are lands of the State of New Mexico, and 3,161.39 acres are lands in private ownership.

II.

At the hearing hereinafter requested, the requisite number of signed copies of the Unit Agreement will be submitted for approval, and it is requested that the same be returned to this Applicant to the end that said Applicant may file the necessary counterparts with the Department of the Interior of the United States for the purpose of obtaining the final approval of the Agreement by the Secretary of the Interior. After approval of the Agreement by the Secretary of the Interior, a complete and signed copy of the Unit Agreement will be filed in the office of the Commissioner of Public Lands. An unsigned copy of the Unit Agreement is filed herewith for temporary record, pending the receipt of the completely signed copy.

III.

The form of Unit Agreement has heretofore been submitted to the Commissioner of Public Lands and approved by him as to form. Geological evidence concerning the structure affected by this unitization will be submitted to the Commissioner of Public Lands and to this Commission at the hearing hereinafter requested.

IV.

With reference to the lands embraced in this Unit, there is attached to this Application, as "Exhibit A," to the form of Unit Agreement, a plat on which is shown the ownership of the various lands embraced in said Unit, and there is also attached as "Exhibit B" to the form of Unit Agreement a schedule showing the ownership

of the oil and gas interests in the lands embraced in said Unit. The Applicant is continuing its efforts to obtain commitments to the Unit Agreement from those owners of interests who have not yet joined in this Agreement, and the full showing as to such commitments will be made at the time of the hearing hereinafter requested.

V.

Within six months after the Unit is made effective, the Unit Operator is obligated to commence drilling operations on a test well. Should commercial production be discovered, unitized operations will assure an orderly development program, based on structural position, and will enable production operations to be continued in accordance with the best overall reservoir practice. Development and operation will be conducted in accordance with plans having the joint approval of State and Federal authorities. Under this Agreement, the State of New Mexico will receive its fair share of the oil and gas which will be allocated to it on an acreage basis in any and all participating areas which may be established. The Unit Agreement is in all respects to the best interests of the State and of the United States, and tends to promote the conservation of oil and gas and to eliminate waste.

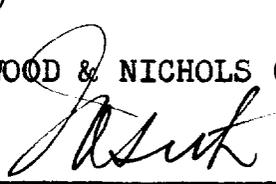
VI.

The Unit Agreement makes provision for additional parties to join and subject their interests thereto after final approval.

The Oil Conservation Commission is hereby requested to set this Application down for hearing, and after such hearing, to give its approval to the attached Unit Agreement.

RESPECTFULLY SUBMITTED, this 27th day of September, 1951.

BLACKWOOD & NICHOLS COMPANY

By 

Its Agent and Attorney.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

J. O. SETH, being first duly sworn, on oath deposes and says that he is one of the attorneys for the Applicants in the foregoing Application; that he has read said Application, knows the contents thereof, and the matters and things therein stated are true, except as to those things stated on information and belief, and as to those he verily believes them to be true.

J. O. SETH

Subscribed and sworn to before me this 27~~th~~ day of September, 1951.

Catherine Beers

Notary Public.

My Commission Expires:

May 27th, 1954