

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
RALPH A. JOHNSTON FOR THE APPROVAL)
OF THE RINCON UNIT AGREEMENT, EMBRACING)
20,642.70 ACRES OF LAND IN TOWNSHIPS 26 AND)
27 NORTH, RANGES 6 and 7 WEST, NMPM., RIO)
ARRIBA COUNTY, NEW MEXICO.)

CASE NO. 299
ORDER NO. R-87

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause coming on for hearing at 10 o'clock, a. m., on the 21st day of August, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission, upon the Application of Ralph A. Johnston for approval of the Rincon Unit Agreement embracing 20,642.70 acres situated in Rio Arriba County, New Mexico, and the Commission having considered said Application and the evidence introduced in support thereof, and being fully advised in the premises, finds:

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

IT IS THEREFORE ORDERED BY THE COMMISSION AS FOLLOWS:

SECTION 1. That this order shall be known as the RINCON UNIT AGREEMENT ORDER.

SECTION 2. (a) That the project herein referred to shall be known as the Rincon Unit Agreement, and shall hereafter be referred to as the "Project".

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Rincon Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Rincon Unit Agreement Plan.

SECTION 3. That the Rincon Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operation for exploration and development of any lands committed to said Rincon Unit Agreement, or relative to the production of oil or gas therefrom.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13112 Exhibit No. 2

Submitted by:

PURE RESOURCES, L.P.

Hearing Date: September 18, 2003

SECTION 4. (a) That the Unit Area shall be:

Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.
Sec. 6, All;

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

Secs. 16-23, inclusive, All;

Secs. 26-32, inclusive, All;

STATE OF NEW MEXICO

Twp. 26 N., Rge. 7 W. OIL CONSERVATION COMMISSION

Secs. 1 and 2, All;

Secs. 11 and 12, All; EDWIN L. MECHEM, Chairman

Twp. 27 N., Rge 7 W. GUY SHEPARD, Member

Secs. 13 and 14, All;

Sec. 15, E/2; R. R. SPURRIER, Secretary

Sec. 22, E/2;

Secs. 23-26, inclusive, All;

Sec. 27, NE/4, S/2;

Sec. 28, S/2;

Secs. 33-36, inclusive, All;

SEAL

Embracing 20,642.70 acres, more or less, situate in Rio Arriba County, New Mexico.

(b) The unit area may be enlarged or contracted as provided in said plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Rincon Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public