

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
NORTH KIRTLAND UNIT AGREEMENT
SAN JUAN COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, Humble Oil & Refining Company, a corporation with offices at Houston, Texas, and files herewith three copies of the proposed Unit Agreement for the development and operation of the North Kirtland Unit Area, San Juan County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law, and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 11,478.48 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 30 North, Range 14 West

Sections 1 and 2: All
Section 3: SE $\frac{1}{4}$
Sections 10, 11, 12, 13, 14, 15, 16: All
Section 20: E $\frac{1}{2}$
Sections 21, 22, 23: All
Section 24: W $\frac{1}{2}$
Section 26: N $\frac{1}{2}$
Sections 27, 28, 29: All
Section 32: N $\frac{1}{2}$
Section 33: N $\frac{1}{2}$
Section 34: NW $\frac{1}{4}$

2. That of the lands embraced within the proposed unit area, 9,878.48 acres are Federal lands and 1,600 acres are lands of the State of New Mexico. That said area has heretofore, on November 14, 1960, been designated by the Acting Director of the United States Geological Survey as an area suitable

and proper for unitization, a copy of said designation being attached hereto, made a part hereof and for purposes of identification marked Exhibit "A".

3. That applicant is informed and believes, and upon such information and belief states, that the proposed unit area contains all or a substantial part of the geological feature involved, and that in the event of the discovery of oil or gas thereon, that said Unit Agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That the unit area has heretofore been designated by the United States Geological Survey as an area suitable and proper for unitization, and the form of unit agreement has been approved by the United States Geological Survey and is in substantially the same form as unit agreements heretofore approved involving both Federal and State lands.

5. That the Humble Oil & Refining Company is designated as the Unit Operator in said Unit Agreement, and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the unit area for oil and gas, subject to all applicable laws and regulations. That Section 9 of said Unit Agreement provides for the drilling of an initial test well to a depth sufficient to test the Pennsylvanian Madison formation, which is expected to be encountered at approximately 12,000 feet, but that the applicant is not obligated to drill said well in excess of 12,500 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to

the end that the maximum recovery will be obtained of unitized substances and that said Unit Agreement is in the interest of conservation and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

7. That application is being made for approval of said Unit Agreement by the Commissioner of Public Lands of the State of New Mexico.

8. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of the approval of said Unit Agreement, and that upon said hearing, said Unit Agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and the prevention of waste.

DATED this the 22nd day of November, 1960.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By Robert J. Walker Jr.

HERVEY, DOW & HINKLE

By [Signature]

Attorneys for Humble Oil
& Refining Company
Roswell, New Mexico