

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application
of RALPH A. JOHNSTON for the Ap-
proval of the Rincon Unit Agree-
ment, embracing 20,642.70 Acres
of Land in Townships 26 and 27
North, Ranges 6 and 7 West,
N.M.P.M., Rio Arriba County, New
Mexico.)

Case No. 299

APPLICATION

Application is hereby made by RALPH A. JOHNSTON, whose post-office address is 1453 Esperson Building, Houston 2, Texas, for the approval by the Commission of the Unit Agreement for the development and operation of the Rincon Unit Area in the County of Rio Arriba, State of New Mexico, and entered into between the Applicant herein, as Unit Operator, 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 Rincon Unit Area embraces the following described lands, all located in the County of Rio Arriba, State of New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 26 N., R. 6 W.
Sec. 6, all

T. 27 N., R. 6 W.
Secs. 16-23, inclusive, all
Secs. 26-32, inclusive, all

T. 26 N., R. 7 W.
Secs. 1 and 2, all
Secs. 11 and 12, all

T. 27 N., R. 7 W.
Secs. 13 and 14, all
Sec. 15, E $\frac{1}{2}$
Sec. 22, E $\frac{1}{2}$
Secs. 23-26, inclusive, all
Sec. 27, NE $\frac{1}{4}$, S $\frac{1}{2}$
Sec. 28, S $\frac{1}{2}$
Secs. 33-36 inclusive, all

The total area embraced in said Unit Area is 20,642.70 acres, of which total 17,921.26 acres are lands of the United States, 2,561.44 acres are lands of the State of New Mexico, and 160 acres are lands heretofore patented to individuals.

II.

At the hearing hereafter 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 your 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 Agreement will be filed in the office of the Commissioner of Public Lands. An unsigned copy of the Agreement is filed herewith for temporary record, pending the receipt of the completely signed copy.

III.

The form of Unit Agreement follows forms that have previously been considered and approved by the Commissioner of Public Lands. Geological evidence concerning the structure affected by the unitization will be submitted to the Commissioner of Public Lands and at the hearing hereinafter requested.

IV.

With reference to the lands embraced in this Unit, there is attached to the form of Unit Agreement, as Exhibit A, a map of the unit area on which is shown the ownership of the various lands

embraced in said Unit, and there is also attached hereto as Exhibit B, a list on which is shown the ownership of the oil and gas interests in all lands embraced in said Unit. The Applicant is continuing efforts to obtain commitments to the Unit Agreement from those owners of interests who have not yet joined in such unitization, and a full showing as to such commitments will be made at the time of the hearing hereinafter requested. Up to the present time, more than 85 per cent of the working and royalty interests have been committed to this Unit Agreement.

V.

Within six months after the Unit Agreement is made effective, the Unit Operator is obliged 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 conducted in accordance with best overall reservoir practices. The development and operation will be conducted in accordance with plans having the joint approval of State and Federal authorities. Under the proposed 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 on any and all participating areas which may be established. This Unit Agreement is in all respects to the best interests of the State, and tends to promote the conservation of oil and gas and the elimination of waste.

VI.

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

This Commission is hereby requested to set this Application down for hearing, and after such hearing to give its form approval to this Unit Agreement. The attached Unit Agreement has been

approved as to form and area involved by the United States Geological Survey.

Respectfully submitted, this 27th day of July, 1951.

RALPH A. JOHNSTON

By *Oliver SETH*
His Agent and Attorney.

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

OLIVER SETH, being first duly sworn, says that he is the agent and attorney for the Applicant in the foregoing Application; that he has read the foregoing Application, knows the contents thereof, and the matters and things therein set forth are true, to the best of his information and belief.

Oliver SETH

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

Catherine Beers
Notary Public.

My Commission Expires:

May 27th. 1954