Rec'd Hay 5. 1960



BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF RALPH LOWE FOR THE APPROVAL OF THE NORTHEAST MALJAMAR UNIT AGREE-MENT COMPRISING APPROXIMATELY 800.12 ACRES, MORE OR LESS, IN TOWNSHIPS 16 AND 17 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

CASE NO.

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Comes the applicant, Ralph Lowe, and hereby makes application for the approval of a Unit Agreement for the Development and Operation of the Northeast Maljamar Unit Area and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 800.12 acres, more or less, more particularly described as follows:

LEA COUNTY, NEW MEXICO Township 16 South, Range 33 East, N.M.P.M. Section 31: SE¹/₄ Section 32: SW¹/₄ <u>Township 17 South, Range 33 East, N.M.P.M.</u> Section 5: Lots 3, 4, S¹/₂NW¹/₄, N¹/₂SW¹/₄ Section 6: Lots 1, 2, S¹/₂NE¹/₄, N¹/₂SE¹/₄ That the proposed unit area is composed of 800.12 acres of State of New Mexico lands. There are no lands of other types in the proposed unit area.

2. That Ralph Lowe 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 said unit agreement provides for the

drilling of a test well to a depth sufficient to test the Pennsylvanian Formation, or to the discovery of unitized substances in paying quantities at a lesser depth, provided that the Unit Operator shall not in any event be required to drill the well to a depth in excess of 10,800 feet.

3. That a copy of the unit agreement will be introduced at the hearing on this matter. Said agreement will be identical to the standard form of unit agreement covering all State lands heretofore approved by the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission, and it is believed 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 agreement, to the end that the maximum recovery will be obtained. Said agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

4. Application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

5. That upon the entry of an order by the Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

6. The proposed unit area is in an area suitable and proper for unitization and operations under the unit agreement will permit the producing area to be developed and operated in the interest of conservation and the protection of correlative rights.

-2-

WHEREFORE, applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement and that upon said hearing, it be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

> Respectfully submitted, RALPH LOWE

sell By Dow & Hinkle Hervey, Dow & Hinkle Box 547 Roswell, New Mexico