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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3194 Order No. R-2864

APPLICATION OF INTERNATIONAL OIL & GAS CORPORATION FOR EXPANSION OF A WATER-FLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>llth</u> day of February, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, International Oil & Gas Corporation, seeks permission to expand its High Lonesome Waterflood Project authorized by Order No. R-2458 in the High Lonesome Pool by converting to water injection three wells located in Units A, B, and J of Section 15, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the proposed project area are in an advanced state of depletion and should properly classified as "stripper" wells.

(4) That the proposed expansion of the High Lonesome Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste. -2-CASE No. 3194 Order No. R-2864

(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, International Oil & Gas Corporation, is hereby authorized to expand its High Lonesome Waterflood Project in the High Lonesome Pool by converting to water injection the following-described wells in Section 15, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico:

McCallister Federal Well No. 3, located in Unit A McCallister Federal Well No. 6, located in Unit B McCallister Federal Well No. 5, located in Unit J

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

W B. HAYS, Member GUYTON

SEAL

A. L. PORTER, Jr., Mémber & Secretary

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