## BEFORE THE OIL CONSERVATION COMMISSION

## STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF FAIR OIL COMPANY FOR PERMISSION TO INSTITUTE A WATERFLOOD PROJECT IN THE LOCO HOLLS POOL, EDDY COUNTY, NEW MEXICO, AND FOR SPECIAL ALLOWABLES. APPLICANT SEEKS PERMISSION TO PRO-DUCE WELLS IN SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST, AS PART OF A WATERFLOOD PROJECT.

No. 2240

1995 - 1997 - 19

## APPLICATION

COMES NOW Fair Oil Company, by its Attorneys, Campbell & Russell, and for its application states:

1. It is the owner and operator of certain oil producing properties situated in the  $S_2^1NE_2^1$  and  $N_2^1SE_2^1$  of Section 36, Township 17 South, Range 29 East, in the Loco Holls Pool in Eddy County, New Mexico.

2. The Commission has heretofore issued its order approving a waterflood project in said pool, which project is now a operated by Newmont Oil Company.

3. In order to protect its correlative rights and to prevent waste of oil, Applicant must immediately institute a waterflood project upon its above-described properties.

4. To further protect its correlative rights, Applicant should receive special allowables for its producing wells in said project.

5. Simultaneously herewith, there is being filed by General American Oil Company of Texas an Application in Cause No. <u>2238</u> before the Commission, and Applicant respectfully requests the Commission to consider the exhibits attached to the application of General American Oil Company of Texas as if said exhibits were attached to this application, and to consolidate the hearing in this cause with the hearing in Cause No. <u>2738</u> for the purpose of the presentation of testimony and evidence.

6. It attaches hereto as additional exhibits the production records on its producing oil wells upon its properties.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before one of its Examiners, to publish notice as required by law, and, after hearing, to enter its order authorizing the instituting of the proposed waterflood project and the granting of special allowables therefor.

> Respectfully submitted, FAIR OIL COMPANY

Jack M. Campbell for CAMPBELL & RUSSELL P. O. Box 766 Roswell, New Mexico

Its Attorneys

DATED: March 17, 1961