BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AUTHORITY TO CONDUCT A WATERFLOOD ON ITS GRACE MITCHELL LEASE BY INJECTING WATER INTO THE GRAYBURG-SAN ANDRES FORMATION OF THE MALJAMAR POOL IN WELLS NOS. 2 AND 6 LOCATED IN UNITS "P" AND "J", RESPECTFULLY, IN SECTION 5, TOWNSHIP 17 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO.

Clase 5062

APPLICATION

Applicant, Continental Oil Company, respectfully requests authority to conduct a waterflood operation on its Grace Mitchell lease by injecting water into the Grayburg-San Andres Formation of the Maljamar Pool in Wells No. 2 and 6 located in Units "P" and "J", respectfully, in Section 5, Township 17 South, Range 32 East, Lea County, New Mexico and in support thereof which show:

- Applicant is the owner and operator of the Grace Mitchell lease consisting of the E/2, E/2 NW/4 and NE/4 SW/4 Section
 Township 17 South, Range 32 East, Lea County, New Mexico.
- 2. In cooperation with offset operators, applicant proposes to inject water into Well No. 2, located 660' from the south and east lines, and Well No. 6, located 1980' from the south and east lines, of said Section 5.
- The attached plat shows the lease and wells described above,and an area two miles in radius surrounding said Section 5.

The attached schematic diagram shows the manner in which the wells will be completed for injection and the attached logs show the intervals into which water will be injected.

4. The granting of this application will result in the recovery of oil which otherwise would not be recovered and consequently is in the interest of preventing waste and will not impair correlative rights.

Wherefore, applicant respectfully requests this matter be set for hearing before the Commission's duly appointed examiner and upon hearing, an order be entered authorizing the injection of water into the wells described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY

L. P. Thompson

Division Manager of Production