LAW OFFICES

A.J. LOSEE EDWARD B. STEWART LOSEE AND STEWART CARPER BUILDING - P. O. DRAWER 239 ARTESIA, NEW MEXICO

AREA CODE 505 746-3508

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January 18, 1965

Mr. Elvis A. Utz, Examiner Oil Conservation Commission of New Mexico P. O. Pox 2088 Santa Fe, New Mexico

> Re: Case No. 3193 Application of International Oil & Gas Corporation for Approval of the High Lonesome Penrose Unit Area

Dear Mr. Utz:

Enclosed herewith you will please find three copies of the Application in the subject case, and one copy of the proposed Unit Agreement.

Very truly yours, A. J. Losee

AJL/jc

Enclosure:

cc: John A. Anderson Regional Supervisor United States Geological Survey Drawer 1857 Roswell, New Mexico BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF INTERNATIONAL OIL & GAS CORPORATION FOR APPROVAL OF A UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE HIGH LONESOME PENROSE POOL UNIT AREA, : COMPRISING 320 ACRES OF STATE AND FEDERAL LANDS IN THE E/2 OF SECTION 15, TOWNSHIP 16 SOUTH, RANGE 29 EAST, : N.M.P.M., EDDY COUNTY, NEW MEXICO :

No. 3193

APPLICATION

COMES INTERNATIONAL OIL & GAS CORPORATION, by its attorneys, Losee and Stewart, and states:

1. The applicant proposes to operate and develop the entire E/2 of Section 15, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, as a unitized area for the secondary recovery of oil from the Penrose Sand of the Queen formation under and by virtue of the terms of a Unit Agreement, a copy of which said agreement is filed herewith and by reference made a part hereof.

2. The applicant is proposed to be the operator of the unitized area, and all of the interest owners except the United States and the State of New Mexico have executed the Unit Agreement that is submitted for approval with this application.

3. On September 28, 1964, the United States Geological Survey advised the applicant that the E/2 of said Section 15 is a logical unit area for secondary recovery operations, and the proposed form of Unit Agreement will be acceptable if modified as required by the survey. The attached Unit Agreement bears all changes required by the United States Geological Survey. The State of New Mexico has tentatively given its approval to the unit area and to the Unit Agreement.

4. The proposed plan for the development and operation of the Penrose Sand underlying the E/2 of said Section 15 will prevent waste, and the method of allocating production among the various tracts within the unit area is fair to all of the royalty owners having interests underlying the same.

WHEREFORE, applicant prays that an order be entered approving the combining of the contiguous developed proration units within the E/2 of Section 15, Township 16 South, Range 29 East into a unitized area under and pursuant to the terms of the attached Unit Agreement.

> INTERNATIONAL OIL & GAS CORPORATION

Bv: Α. of

A. C. Losee of Losee and Stewart Attorneys at Law P. O. Drawer 239 Artesia, New Mexico