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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
INTERNATIONAL OIL & GAS CORPORATION :  
FOR A WATERFLOOD PROJECT IN THE QUEEN, : No. 3202  
GRAYBURG AND SAN ANDRES FORMATIONS OF :  
THE ARTESIA FIELD, EDDY COUNTY, NEW :  
MEXICO. :  
\_\_\_\_\_ :

APPLICATION

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

1. That it is the operator and with Yates Petroleum Corporation the working interest owner of the Queen, Grayburg and San Andres formations underlying the Artesia Field, Eddy County, New Mexico, that is within the proposed project area covered by this application and described as follows:

Township 18 South, Range 28 East, N.M.P.M.

Section 10: N/2 and N/2 SE/4  
Section 11: W/2 NE/4, NW/4 and  
N/2 SW/4

containing 720 acres, more or less.

2. There is attached hereto and by reference made a part hereof, a plat showing the location of the proposed injection wells and the location of all other wells and leases within a radius of one mile from the proposed injection wells and designating the formations from which said wells are producing.

3. That said wells have reached the advanced or "stripper" state of depletion and the applicant proposes to inject water into

the producing Queen, Grayburg and San Andres formations in sufficient quantities and under sufficient pressure to stimulate the production of oil from the producing wells in the project area.

4. That applicant proposes to inject water through the International-Yates-Dunn "B"-Federal wells at the following locations in Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, to wit:

Well No. 13 in the NE/4 NE/4, Section 10  
Well No. 17 in the NE/4 NW/4, Section 10  
Well No. 15 in the SW/4 NW/4, Section 10  
Well No. 19 in the SW/4 NE/4, Section 10  
Well No. 24 in the NE/4 SE/4, Section 10  
Well No. 18 in the NE/4 NW/4, Section 11  
Well No. 21 in the SW/4 NW/4, Section 11  
Well No. 29 in the SW/4 NE/4, Section 11  
Undrilled Well in the NE/4 SW/4, Section 11

5. There is attached hereto, and by reference made a part hereof, copies of all available logs on the proposed injection wells.

6. There is attached hereto, and by reference made a part hereof, a diagramatic sketch of the proposed injection wells showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hope intervals, tubing strings, including diameters and setting depths, and the type and location of all packers.

7. That applicant proposes to contract for the purchase of water from Caprock Water Company or other similar commercial source.

8. That applicant proposes to inject water into each of the injection wells at a pressure of approximately 1200 psi

and at the rate of 300 barrels per day.

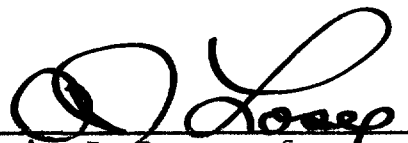
9. That applicant proposes to conduct said secondary recovery project in accordance with the waterflood allowable provisions of Rule 701 of the New Mexico Oil Conservation Commission.

10. That the approval of this secondary recovery project will be in the interest of conservation and will prevent waste and that correlative rights will be protected.

WHEREFORE, applicant prays that an order be entered authorizing the institution of the aforesaid waterflood project by the injection of water into the producing Queen, Grayburg and San Andres formations through the injection wells hereinabove described.

INTERNATIONAL OIL & GAS  
CORPORATION

By: \_\_\_\_\_

A handwritten signature in dark ink, appearing to read 'A. J. Losee', is written over a horizontal line.

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