



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator American Exploration Company	
Address 2100 RepublicBank Center, Houston, Texas 77002	
Reason(s) for filing (Check proper box)	Other (Please explain)
<input type="checkbox"/> New Well <input type="checkbox"/> Recompletion <input checked="" type="checkbox"/> Change in Ownership	Change in Transporter of: <input type="checkbox"/> Oil <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Dry Gas <input type="checkbox"/> Condensate

If change of ownership give name and address of previous owner: Tesoro Petroleum Corporation, 8700 Tesoro Drive, San Antonio, Texas 7821

II. DESCRIPTION OF WELL AND LEASE

Lease Name Hanson	Well No. 28	Pool Name, including Formation Hospah Lower South Sand	Kind of Lease State, Federal or Fee Federal	Lease No. 052931
Location Unit Letter J : 2310 Feet From The South Line and 2310 Feet From The East Line of Section 6 Township 17N Range 8W, NMPM, McKinley County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)			
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)			
If well produces oil or liquids, give location of tanks.	Unit L	Sec. 6	Twp. 17N	Rge. 8W
Is gas actually connected?		When		

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Roy Quiroga
(Signature) Roy Quiroga
Production Administrator
(Title)
August 19, 1988
(Date)

OIL CONSERVATION DIVISION

APPROVED SEP 09 1988, 19
BY [Signature]
TITLE SUPERVISION DISTRICT # 8

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.

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APPLICATION OF TESORO PETROLEUM
CORPORATION TO EXPAND ITS WATER FLOOD
PROJECT IN THE LOWER HOSPAP POOL IN
MCKINLEY COUNTY, NEW MEXICO.

ORDER WFX NO. 480
(Corrected)

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

RECEIVED
JUL 21 1982
OIL CON. COM.
DIST. 3

Under the provisions of Order No. R-4558, Tesoro Petroleum Corporation has made application to the Division on January 2, 1980, for permission to expand its Lower Hospah Pressure Maintenance Project in the Lower Hospah Pool in McKinley County, New Mexico.

NOW, on this 4th day of March, 1980, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Order No. R-4558.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-4558.
5. That the proposed expansion of the above referenced pressure maintenance project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Tesoro Petroleum Corporation, be and the same is hereby authorized to inject water into the Lower Hospah Sand formations through plastic-lined tubing set in a packer at approximately 1550 feet in the following described well for purposes of pressure maintenance, to wit:

Hanson Federal Well No. 28 in Unit J of Section 6, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico and through plastic-lined tubing set in a packer at approximately 1615 feet for purposes of pressure maintenance to wit;

Santa Fe Railroad Well No. 25 in Unit C of Section 7, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico, and through plastic-lined tubing set in a packer at approximately 1570 feet for purposes of pressure maintenance, to wit;

Santa Fe Railroad Well No. 10 in Unit B of Section 7, Township 17 North, Range 8 West, NMPM, McKinley County, N.M., and through plastic lined tubing set in a packer at approximately 1580 feet for purposes of pressure maintenance, to wit;

Hanson Federal Well No. 34 in Unit O of Section 6, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico.

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 315 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of confining strata.

That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well;

That the operator shall immediately notify the Supervisor of the Division's Aztec District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Division Director

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