

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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PRODUCTION OFFICE	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 08-01-83
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)
☐ New Well
☐ Recompletion
☒ Change in Ownership
Change in Transporter of:
☐ Oil
☐ Gashead Gas
☐ Dry Gas
☐ Condensate
Other (Please explain)

If change of ownership give name and address of previous owner Tesoro Petroleum Corporation, 8700 Tesoro Drive, San Antonio, Tex. 78

II. DESCRIPTION OF WELL AND LEASE

Lease Name Hospah Sand Unit	Well No. 101	Pool Name, including Formation Hospah upper Sand	Kind of Lease State, Federal or Fee	Fee	Lease No.
Location Unit Letter <u>T</u> : <u>600</u> Feet From The <u>East</u> Line and <u>2050</u> Feet From The <u>South</u> Line of Section <u>36</u> Township <u>18N</u> Range <u>9W</u> , NMPM, <u>McKinley</u> County					

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input 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 Gashead 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 Sec. Twp. Rge. 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 17, 1988
(Date)

OIL CONSERVATION DIVISION
Aug 26 1988
APPROVED [Signature], 19
BY
SUPERVISION DISTRICT #3
TITLE

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.



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501
(505) 827-5800



TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 17, 1985

APPLICATION OF TESORO PRODUCTION CORPORATION
TO EXPAND ITS POLYMER WATERFLOOD INJECTION
PROJECT IN THE UPPER HOSPAS SAND OIL POOL IN
MCKINLEY COUNTY, NEW MEXICO.

ORDER No. WFX-550

RECEIVED
APR 21/1986
OIL CON. DIV.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

For the provisions of Order No. R-2807-B, Tesoro Production Corporation has made application to the Division on September 3, 1985, for permission to expand its Upper Hospas Sand Unit Polymer Waterflood Injection Project in the Upper Hospas Sand Oil Pool in McKinley County, New Mexico.

NOW, on this 18th day of September, 1985, the Division Director finds that:

1. The application has been filed in due form.
2. Satisfactory information has been provided that all offset operators have been duly notified of the application.
3. No objection has been received within the waiting period as prescribed by Rule 701B.
4. The proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. The proposed expansion of the above referenced Polymer Waterflood Injection project will not cause waste nor impair correlative rights.
6. The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Tesoro Production Corporation, be and the same is hereby authorized to inject water into the Upper Hospas formation through plastic-lined tubing set in a packer at approximately 100 feet above the injection interval in the

wells described for purposes of Polymer Waterflood Injection in Exhibit "A" attached hereto and made a part hereof.

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.

The casing-tubing annulus (in each well) 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.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 320 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Upper Hoshah formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.


The operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said wells.

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 wells or the leakage of water from or around said wells and shall take such steps as may be timely or necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-2807-C and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

TELEORO PRODUCTION CORPORATION
UPPER HOSFAH SAND UNIT POLYMER
WATERFLOOD INJECTION PROJECT EXPANSION

<u>WELL NUMBER</u>	<u>LOCATION</u>
17	1650' FNL and 330' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
27	990' FSL and 1650' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
37	990' FSL and 990' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
71	1310' FSL and 2000' FWL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
100	1190' FEL and 2505' FNL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
101	600' FEL and 2050' FSL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
104	204' FEL and 1280' FNL, Sec. 1, T-17-N, R-9-W, McKinley County, N.M.