

Entered May 8, 1969
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4116
Order No. R-2797-A
NOMENCLATURE

APPLICATION OF TESORO PETROLEUM CORPORATION
FOR THE AMENDMENT OF ORDER NO. R-2797 AND FOR
THE EXTENSION OF THE SOUTH HOSPAH UPPER SAND
POOL, MCKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tesoro Petroleum Corporation, seeks
the contraction of the horizontal limits of the Hospah Pool,
McKinley County, New Mexico, by deleting the following area:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 of Lot 6, SE/4 of Lot 7,
Lot 8, Lot 9, S/2 NW/4 SE/4,
NE/4 NW/4 SE/4, S/2 SE/4 SW/4,
and NE/4 SE/4 SW/4

(3) That the applicant seeks the extension of the horizontal
limits of the South Hospah Upper Sand Oil Pool, McKinley County,

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New Mexico, to include the following area:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 SW/4 SE/4

(4) That the applicant also seeks the contraction of the Hospah Unit Area, approved by Order No. R-2797, by deleting therefrom the following area:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 of Lot 6, SE/4 of Lot 7,
Lot 8, Lot 9, Lot 10, Lot 11,
SW/4 SE/4, S/2 NW/4 SE/4,
NE/4 NW/4 SE/4, S/2 SE/4 SW/4,
and the NE/4 SE/4 SW/4

(5) That information presently available establishes that the area described above in Finding No. (2) is separated from the rest of the Hospah Pool by a fault and that the horizontal limits of said pool should, in order to prevent waste and protect correlative rights, be contracted by deleting said acreage.

(6) That said Hospah Pool should be redesignated the Hospah Upper Sand Oil Pool.

(7) That information presently available establishes that the area described above in Finding No. (3) should be included in the South Hospah Upper Sand Oil Pool.

(8) That the proposed contraction of said Hospah Unit Area should promote the prevention of waste and the protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That the Hospah Pool, McKinley County, New Mexico, is hereby redesignated the Hospah Upper Sand Oil Pool.

(2) That the horizontal limits of said Hospah Pool, as redesignated the Hospah Upper Sand Oil Pool, are hereby contracted by the deletion therefrom of the following-described area:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 of Lot 6, SE/4 of Lot 7,
Lot 8, Lot 9, S/2 NW/4 SE/4,
NE/4 NW/4 SE/4, S/2 SE/4 SW/4,
and NE/4 SE/4 SW/4

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(3) That the horizontal limits of the South Hospah Upper Sand Oil Pool, McKinley County, New Mexico, are hereby extended to include the following-described area:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 1: S/2 SW/4 SE/4

(4) That the proposed plan of contraction of the Hospah Unit Area, as described above in Finding No. (4), is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions in the Hospah Unit Agreement, as amended to delete therefrom the area described in Finding No. (4), this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement, as amended to delete therefrom the area described in Finding No. (4), within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement, as amended, reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement, as amended, by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate ipso facto upon the termination of said unit agreement, as amended, and that the last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMijo, Member

A. L. PORTER, Jr., Member & Secretary

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