

-2-

CASE No. 4349  
Order No. R-3957

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed expansion of the Tenneco South Upper Hospah Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That an administrative procedure should be adopted whereby the Secretary-Director of the Commission may authorize additional injection wells and producing wells at orthodox and unorthodox locations within said waterflood project as may be necessary to complete efficient injection and production patterns.

(6) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 should not be necessary before obtaining administrative approval for the conversion of additional wells to water injection, and provided further that said injection and producing wells would be drilled no closer than 5 feet to the outer boundary of the waterflood project area nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized to expand the Tenneco South Upper Hospah Waterflood Project in the South Hospah Unit Area, South Hospah Upper Sand Oil Pool, by the injection of water into the Hospah Sand through the following-described wells at unorthodox locations in Section 12, Township 17 North, Range 9 West, NMPM, McKinley County, New Mexico:

Unit Well No. 41 - 5 feet from the North line  
and 1650 feet from the East line; and

Unit Well No. 42 - 3000 feet from the North  
line and 5 feet from the East line.

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

-3-

CASE No. 4349

Order No. R-3957

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional injection wells and producing wells at orthodox and unorthodox locations within said project area as may be necessary to complete efficient injection and production patterns; provided said wells are drilled no closer than 5 feet to the outer boundary of said waterflood project area nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations and is accompanied by evidence that the operator of any productive lease offsetting the proposed location has assented thereto. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

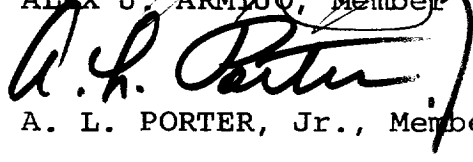
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

S E A L

esr/