

April 7, 1983

NSL 1684
Rule 104 F
5-11-83

Oil Conservation Division
c/o R. L. Stamets
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application for
Non-Standard Location:
Hospah Sand Unit Well #100
Unit H, Sec. 36-T18N-R9W
McKinley Co., New Mexico

2025' FNL
1190' FEL

Dear Mr. Stamets,

This is in response to your letter, a copy of which is enclosed. Please find enclosed a plat showing the ownership of the 40 acre tracts directly to the North and Northwest of Unit H. Since the State of New Mexico holds the lease to the North, we have notified Ray Graham - State Land Office by certified mail of our application. The location of the well has been measured from the North line of the section with the appropriate changes noted on the Form C-107 and Form C-101.

I believe this should take care of the additional information you required. Please process the subject application for non-standard location.

If there are any questions, please contact me at 1-800-531-7661. Thank you.

Sincerely yours,

Gavino Perez, Jr.
Area Production Manager

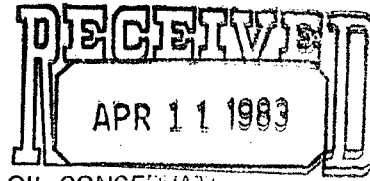
GP/jj



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



OIL CONSERVATION DIVISION
SANTA FE

RL
RECEIVED
FEB 11 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
LAND DEPARTMENT
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286

Re: Application for Non-Standard
Location: Hospah Sand Unit
100, H, Sec. 36-T18N-R9W McKinley Co.,
New Mexico

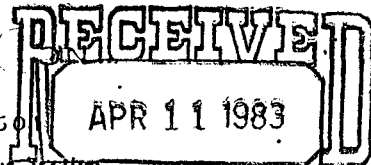
We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

- ☒ A plat must be submitted clearly showing the ownership of the offsetting leases. We need to know the ownership of the 40 acre tracts directly to the North and Northwest of Unit H.
- ☒ A statement must be submitted that offset owners have been notified of the application by certified mail. This is required if Tesoro is not the owner of the Two 40 acre tracts noted above.
- ☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.
- ☒ Other: Please show the location measured from the North line of the section.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr



All distances must be from the outer boundaries of the section.

Operator TESORO PETROLEUM CORPORATION			Lease HOSPAL SAND UNIT			SANTA FE		Well No. 100
Unit Letter H	Section 36	Township 18N	Range 9W	County McKinley				
Actual Footage Location of Well: 2505 feet from the North line and 1190 feet from the East line								
Ground Level Elev: 7135	Producing Formation Hospah Sand		Pool Upper Hospah			Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Sec.	Lease Ownership: Tesoro Petroleum Corporation	Lease Ownership: State of New Mexico
	36	1190'
	2505'	2775'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Gavino Perez, Jr.
Position
Area Production Manager
Company
Tesoro Petroleum Corp.
Date
12/8/82

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 3, 1982
Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
Certificate No. **3950**

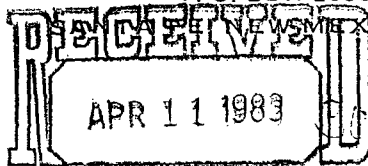
Scale: 1"=1000'

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

P.O. BOX 2088
SANTA FE, NEW MEXICO 87501



RECEIVED

DEC 7 Form C-101
Revised 10-1-78

DISTRICT 5A. Indicate Type of Lease
STATE ☐ FEE
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO CONSERVATION DEEPEN OR PLUG BACK

1a. Type of Work SANTA FE		7. Unit Agreement Name Hospah Sand Unit	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Hospah Sand Unit	
2. Name of Operator Tesoro Petroleum Corporation		9. Well No. 100	
3. Address of Operator 8700 Tesoro Drive, San Antonio, Texas 78286		10. Field and Pool, or Wildcat Hospah, Upper Sand	
4. Location of Well UNIT LETTER H LOCATED 1190' FEET FROM THE East LINE AND 2505' FEET FROM THE North LINE OF SEC. 36 TWP. 18N RGE. 9W NMPM		12. County McKinley	
19. Proposed Depth 1835		19A. Formation Upper Hospah	
20. Rotary or Casing Rotary		21. Elevations (Show whether DF, RT, etc.) 7135 GL	
21A. Kind & Status Plug. Bond NM Blanket		21B. Drilling Contractor Salazar Drilling	
22. Approx. Date Work will start December 20, 1982			

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TO
12 1/4"	8 5/8"	24#	40'	circ. to surface	surface
7 7/8"	5 1/2"	15.5#	1835	80 sk +	1500' +

500' above
uppermost p
Rule 107 (

Proposed Activities:

Drill 12 1/4" hole to 40 ft, run and cement 8 5/8" csg.

Drill 7 7/8" hole to TD. No BOP required.

Run 5 1/2" casing to TD and cement.

Perforate Upper Hospah formation and swab test. Should well appear non-commercial, permission to P & A will be applied for at that time.

APPROVAL BY June 10, 1982
SUPERVISOR DISTRICT 11
APPROVED BY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Steve Taylor Title Area Production Manager Date 12/8/82

(This space for State Use)

APPROVED BY 3rd & 4th TITLE SUPERVISOR DISTRICT 11 DATE 12/8/82

CONDITIONS OF APPROVAL, IF ANY: See cement program

Hold C104 for NSL



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 11, 1983

TONY ANAYA
GOVERNOR

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

Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286

Attention: Gavino Perez, Jr.

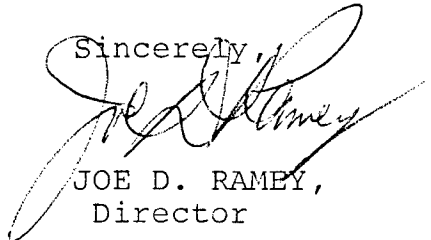
Administrative Order NSL-1684

Gentlemen:

Reference is made to your application for a non-standard location for your Hospah Sand Unit Well No. 100 to be located 2025 feet from the North line and 1190 feet from the East line of Section 36, Township 18 North, Range 9 West, NMPM, McKinley County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,



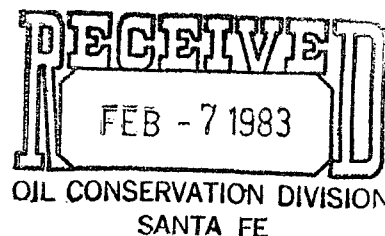
JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Oil and Gas Division - State Land Office - Santa Fe



February 4, 1983



Mr. Joe Ramey
Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Re: Application for
Administrative Approval
of an Unorthodox Location
of the Tesoro Hospah Sand
Unit 100, Unit "H" Sec. 36
T18N, R9W, McKinley Co., N.M.

Dear Sir:

The attached waterflood orders indicate that administrative approval may be obtained for necessary unorthodox locations.

The proposed well #100 is located on the most northern end of the producing area. This well is offset by HSU injection well #90. This well is located in an area that has no producing wells and could be left undrained due to our injection patterns.

The acreage surrounding the Unit "H" is unitized which would protect the correlative rights. We believe this well will be in the best interests of conservation.

Also attached are other data and information required by the Commission under Rule 104.

If additional information is necessary, call me at the number below.

Sincerely,

Gavino Perez, Jr.
Area Production Manager

GP/jj

Attachments

Tesoro Petroleum Corporation

HOSPAH AREA

McKINLEY COUNTY, NEW MEXICO

STRUCTURE MAP

TOP OF UPPER HOSPAH

C.1:10'

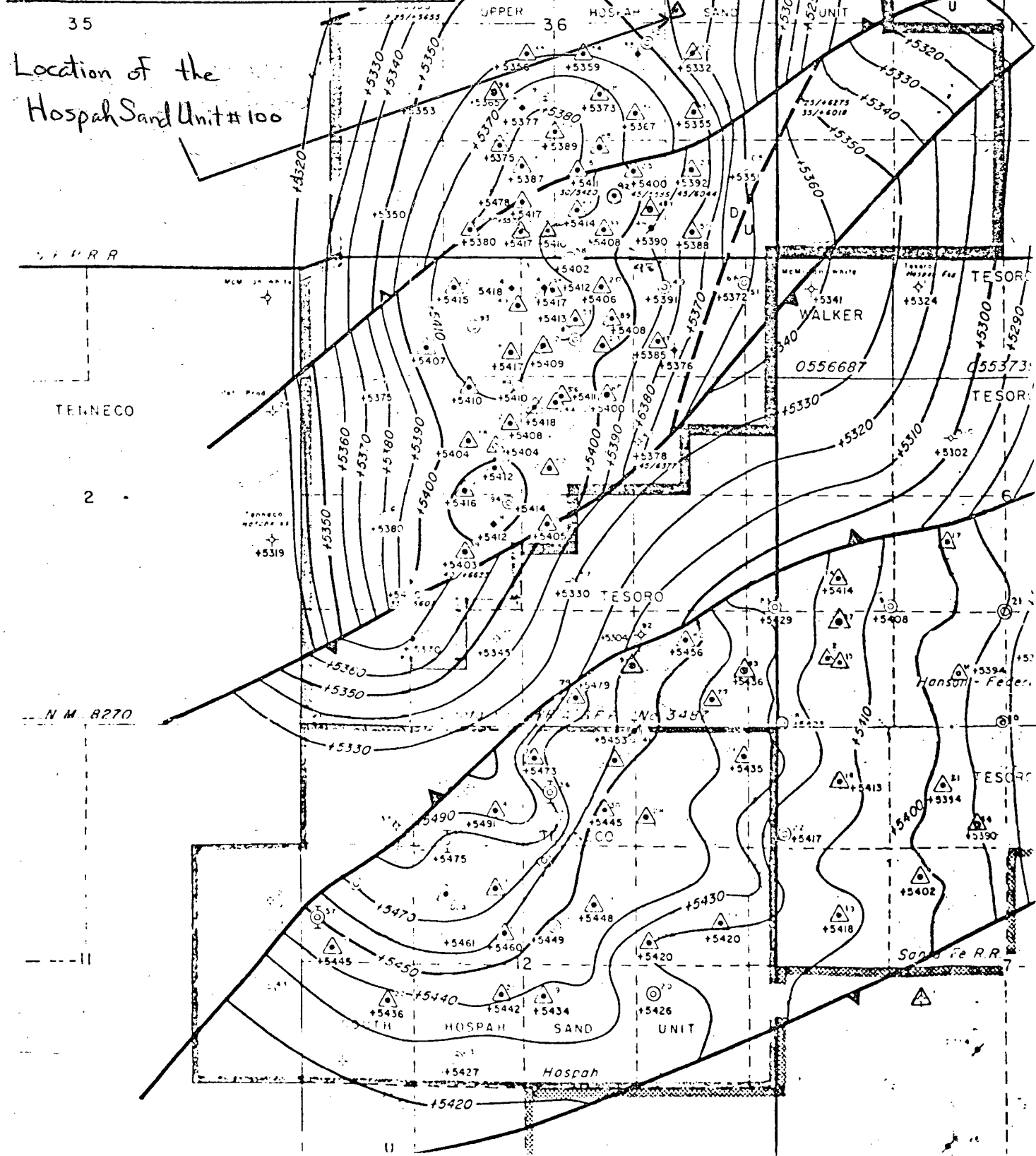
1000 500 0 1000 2000

SCALE FEET

DOERING, BURNS & ASSOCIATES, INC.

DALLAS, TEXAS

JANUARY, 1941



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

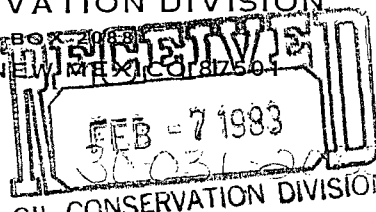
OIL CONSERVATION DIVISION

RECEIVED

Form C-101
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

P. O. BOX 2100
SANTA FE, NEW MEXICO 87501



DISTRICT

5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name Hospah Sand Unit
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Hospah Sand Unit
2. Name of Operator Tesoro Petroleum Corporation		9. Well No. 100
3. Address of Operator 8700 Tesoro Drive, San Antonio, Texas 78286		10. Field and Pool, or Wildcat Hospah, Upper Sand
4. Location of Well UNIT LETTER <u>H</u> LOCATED <u>1190'</u> FEET FROM THE <u>East</u> LINE AND <u>2775</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>36</u> TWP. <u>18N</u> RGE. <u>9W</u> NMPM		12. County McKinley
19. Proposed Depth 1835		19A. Formation Upper Hospah
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 7135 GL	21A. Kind & Status Plug. Bond NM Blanket	22. Approx. Date Work will start December 20, 1982

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	40'	circ. to surface	surface
7 7/8"	5 1/2"	15.5#	1835	80 sx +	1500' ±

500' above
uppermost perf
Rule 107(a)

Proposed Activities:

Drill 12 1/4" hole to 40 ft, run and cement 8 5/8" csg.

Drill 7 7/8" hole to TD. No BOP required.

Run 5 1/2" casing to TD and cement.

Perforate Upper Hospah formation and swab test. Should well appear non-commercial, permission to P & A will be applied for at that time.

APPROVAL EXPIRES June 10, 1982
UNLESS DRILLING IS COMMENCED.
60-DAY NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Kevin Taylor Title Area Production Manager Date 12/8/82

(This space for State Use)

SUPERVISOR DISTRICT # 2

APPROVED BY Frank D. [Signature] TITLE Supervisor DATE DEC 10 1982

CONDITIONS OF APPROVAL, IF ANY: See cement program

Hold C104 for NSL

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-

All distances must be from the outer boundaries of the Section

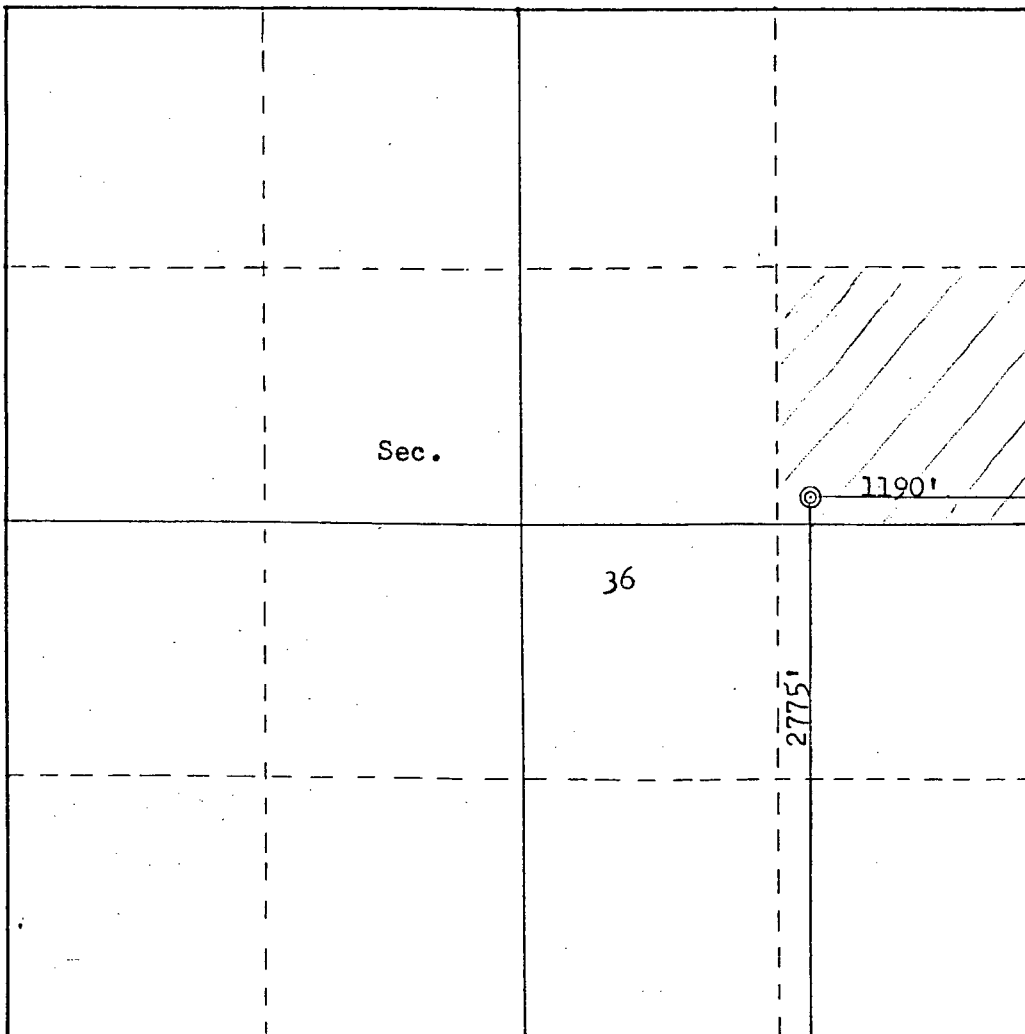
Operator TESORO PETROLEUM CORPORATION			Lease HOSPAS SAND UNIT			Well No. 100	
Unit Letter H	Section 36	Township 18N	Range 9W	County OIL CONSERVATION McKinley SANTA FE			
Actual Footage Location of Well: 2775 feet from the South line and 1190 feet from the East line							
Ground Level Elev: 7135	Producing Formation Hospah Sand		Pool Upper Hospah		Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Gavino Perez, Jr.

Position

Area Production Manager

Company

Tesoro Petroleum Corp.

Date

12/8/82

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

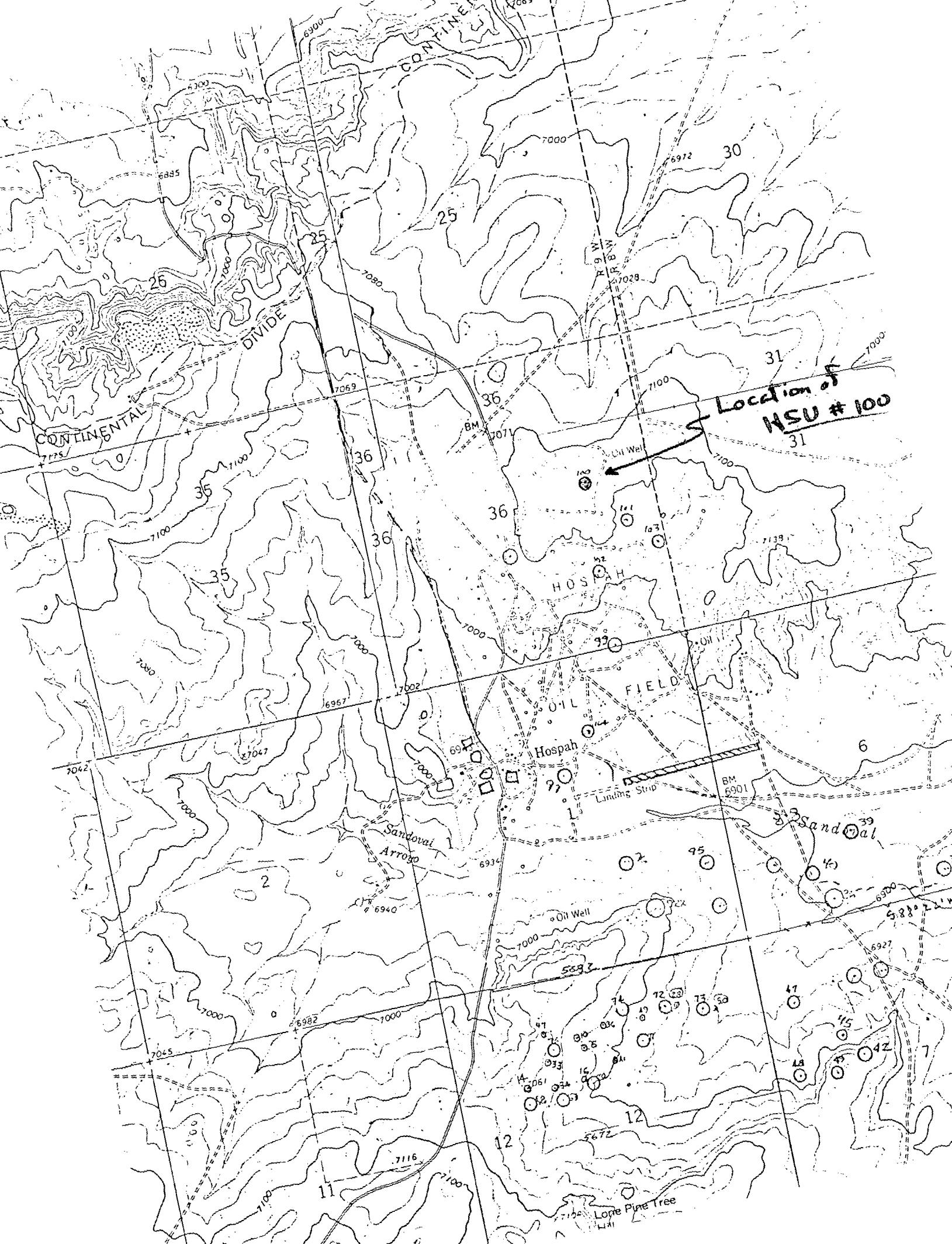
December 3, 1982

Registered Professional Engineer
and Land Surveyor

Fred B. Kerr Jr.

Certificate No. 3950

3950



SEP 26 1977

TESORO PETROLEUM
HOSPAS UPPER SAND OIL POOL

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF TESORO PETROLEUM
CORPORATION FOR AN UNORTHODOX
PRODUCING WELL LOCATION AND FOR
AMENDMENT OF ORDER NO. R-2807-A,
HOSPAS UPPER SAND OIL POOL,
MCKINLEY COUNTY, NEW MEXICO

Case No. _____

APPLICATION

Comes now Tesoro Petroleum Corporation and applies to the New Mexico Oil Conservation Commission for approval of an unorthodox producing well location and for amendment of Order No. R-2807-A Hospas Upper Sand Oil Pool, McKinley County, New Mexico, and in support of its application states:

1. By Order No. R-2807-A entered in Case No. 4205 on September 8, 1969, the Commission approved an unorthodox location for applicant's Well No. 59, at a location 1430 feet from the south line and 2625 feet from the east line of Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico.

2. Pursuant to the said Order No. R-2807-A, applicant drilled its Well No. 59 at the aforesaid unorthodox location and completed the said Well as a producing Well in the Hospas Upper Sand Oil Pool. The said Well presently is producing approximately 70 barrels of oil per day, and production in substantial quantities is expected to continue for an indefinite period of time.

3. Applicant seeks approval of its said Well No. 59 at an unorthodox location as a producing Well and further seeks the right to convert the said Well to an injection Well at a later time when its conversion to injection is required in connection

R-2807-A to amend the administrative procedure specified therein to apply to unorthodox locations for producing Wells as well as for injection Wells as set forth in the said Order.

5. Inasmuch as the said Well No. 59 and all Wells that may be approved by the administrative procedure of Order No. R-2807-A, as sought to be amended herein, are located within the Hespah unit area that is operated by the applicant, approval of this application will not impair correlative rights and will not cause waste.

WHEREFORE, applicant requests that this application be set for hearing before the Commission or one of its examiners and that the Commission enter its order approving this application.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By Richard S. Morris
P.O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for Tesoro Petroleum
Corporation.

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. 4273
Order No. R-2807-B

APPLICATION OF TESORO PETROLEUM CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION AND AMEND-
MENT OF ORDER NO. R-2807-A, MCKINLEY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of December, 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,

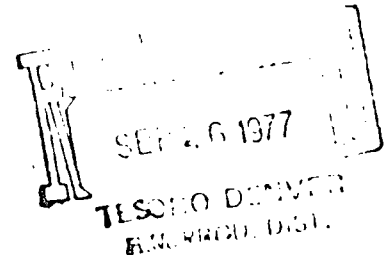
FINDS:

(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 by Order No. R-2807-A, dated September 8, 1969,
the applicant, Tesoro Petroleum Corporation, was authorized to
drill its Well No. 59, among other wells, as a water injection
well in its waterflood project in the Hospah Unit Area, Hospah
Upper Sand Oil Pool, at an unorthodox location 1430 feet from
the South line and 2625 feet from the East line of Section 36,
Township 18 North, Range 9 West, NMPM, McKinley County, New
Mexico.

(3) That the applicant now seeks approval for the unorthodox
location of the aforesaid Well No. 59 as an oil producing well in
its waterflood project in the Hospah Unit Area.

11/25/69
H.S.U.



(4) That approval of the unorthodox location of the aforesaid Well No. 59 as an oil producing well in the waterflood project in the Hospah Unit Area should increase the efficiency of the subject waterflood project and result in greater ultimate recovery of oil, thereby preventing waste.

(5) That the applicant further seeks amendment of said Order No. R-2807-A to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional producing wells within its Hospah Unit Area as may be necessary to complete an efficient producing pattern.

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Hospah Upper Sand Oil Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells are drilled no closer than 330 feet to the outer boundary of said Hospah Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tesoro Petroleum Corporation, is hereby authorized to complete its Well No. 59 as an oil producing well in its waterflood project in the Hospah Unit Area, Hospah Upper Sand Oil Pool, McKinley County, New Mexico, approved by Commission Order No. R-2807, as amended by Order No. R-2807-A, at an unorthodox location 1430 feet from the South line and 2625 feet from the East line of Section 36, Township 18 North, Range 9 West, NMPM, McKinley County, New Mexico.

(2) That Order (2) of Commission Order No. R-2807-A, dated September 8, 1969, is hereby further amended to read in its entirety as follows:

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

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional producing wells and injection wells at orthodox and unorthodox locations within the Hospah Unit Area as may be necessary to complete an efficient production and

CASE No. 4273

Order No. R-2807-B

injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of said Hoshah Unit nor closer than 10 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. 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 that portion of Order No. R-2807-A which authorizes the drilling of Well No. 59 as a water injection well is hereby superseded.

(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. ARMIÑO, Member

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

S E A L

State of New Mexico

NSL
1684



JIM BACA
COMMISSIONER

Commissioner of Public Lands

April 14, 1983

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Mr. Gavino Perez, Jr.
Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286

Mr. R. L. Staments
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Waiver

Re: Application for
Non-Standard Location:
Hospah Sand Unit No. 100
McKinley County, New Mexico

Gentlemen:

This office is in receipt of the above captioned application for a Non-Standard Location which was submitted for the Hospah Sand Unit Well No. 100. Please be advised that this office has no objection to the above mentioned request.

Enclosed is a copy of Tesoro's application for a Non-Standard Location reflecting the date received in this office.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.