

SEP 26 1977

TESORO OIL SERVER
WELL PROD. DEPT.

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, HOSPAN 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 Hospah 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 Hospah 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 Hospah 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

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