

APPLICATION OF TESORO PETROLEUM  
CORPORATION TO EXPAND ITS HOSPAH  
UNIT AREA WATER FLOOD PROJECT IN  
THE HOSPAH UPPER SAND OIL POOL IN  
McKINLEY COUNTY, NEW MEXICO.

ORDER WFX NO. 456

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Orders No. R -2807 and A and B, Tesoro Petroleum Corporation has made application to the Commission on September 27, 1977, for permission to expand its Hospah Unit Area WaterFlood Project in the Hospah Upper Sand Oil Pool in McKinley County, New Mexico.

NOW, on this 3rd day of October, 1977, the Secretary-Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that there are no other offset operators.
3. That the proposed injection well is eligible for conversion to water injection under the terms of Orders No. R-3807 and A and B.
4. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
5. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Tesoro Petroleum Corporation, be and the same is hereby authorized to inject water into the Hospah Upper Sand formation through plastic-lined tubing set in a packer at approximately 1530 feet in the following described well for purposes of secondary recovery, to wit:

Hospah Sand Unit Well No. 49, located in Unit A of  
Section 1, Township 17 North, Range 9 West, NMPM,  
McKinley County, New Mexico;

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.

That the casing-tubing annulus 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.

That the injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 320 pounds per square inch; provided however that the Secretary-Director of the Commission may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of confining strata.

That the operator shall notify the supervisor of the Commission's Aztec District Office before injection is commenced through said well;

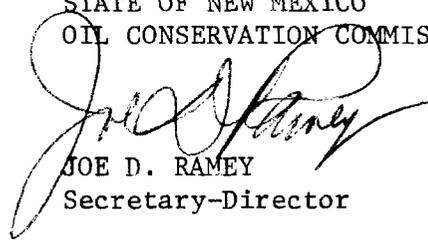
That the operator shall immediately notify the Supervisor of

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the Commission's Aztec District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

A handwritten signature in cursive script, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY  
Secretary-Director

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