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



TONY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

September 17, 1985

APPLICATION OF TESORO PRODUCTION CORPORATION  
TO EXPAND ITS POLYMER WATERFLOOD INJECTION  
PROJECT IN THE UPPER HOSPAH SAND OIL POOL IN  
MCKINLEY COUNTY, NEW MEXICO.

ORDER No. WFX-550

**RECEIVED**  
APR 21/1982  
OIL CON. DIV.

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2807-B, Tesoro Production Corporation has made application to the Division on September 3, 1985, for permission to expand its Upper Hospah Sand Unit Polymer Waterflood Injection Project in the Upper Hospah Sand Oil Pool in McKinley County, New Mexico.

NOW, on this 18th day of September, 1985, the Division Director finds that:

1. The application has been filed in due form.
2. Satisfactory information has been provided that all offset operators have been duly notified of the application.
3. No objection has been received within the waiting period as prescribed by Rule 701B.
4. The proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. The proposed expansion of the above referenced Polymer Waterflood Injection project will not cause waste nor impair correlative rights.
6. The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Tesoro Production Corporation, be and the same is hereby authorized to inject water into the Upper Hospah formation through plastic-lined tubing set in a packer at approximately 100 feet above the injection interval in the

wells described for purposes of Polymer Waterflood Injection in Exhibit "A" attached hereto and made a part hereof.

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.

The casing-tubing annulus (in each well) 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.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 320 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Upper Hoshah formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said wells.

The operator shall immediately notify the Supervisor of the Division's Aztec District Office of the failure of the tubing, casing, or packer in said wells or the leakage of water from or around said wells and shall take such steps as may be timely or necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-2807-C and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

TELEORO PRODUCTION CORPORATION  
UPPER HOSFAH SAND UNIT POLYMER  
WATERFLOOD INJECTION PROJECT EXPANSION

<u>WELL NUMBER</u>	<u>LOCATION</u>
17	1650' FNL and 330' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
27	990' FSL and 1650' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
37	990' FSL and 990' FEL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
71	1310' FSL and 2000' FWL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
100	1190' FEL and 2505' FNL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
101	600' FEL and 2050' FSL, Sec. 36, T-18-N, R-9-W, McKinley County, N.M.
104	204' FEL and 1280' FNL, Sec. 1, T-17-N, R-9-W, McKinley County, N.M.