

*Entered September 8, 1969
O.S.P.*

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. 4205
Order No. R-2807-A

APPLICATION OF TESORO PETROLEUM CORPORATION
FOR FOUR UNORTHODOX INJECTION WELL LOCATIONS
AND AMENDMENT OF ORDER NO. R-2807, MCKINLEY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 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 the applicant, Tesoro Petroleum Corporation, is
the operator of a waterflood project in its Hospah Unit Area,
Hospah Upper Sand Oil Pool, McKinley County, New Mexico, approved
by Commission Order No. R-2807.

(3) That the applicant now seeks authority to expand said
waterflood project by the injection of water into the Upper Hospah
Sand through four additional injection wells at orthodox and
unorthodox locations in Section 36, Township 18 North, Range 9
West, NMPM, McKinley County, New Mexico, as follows:

Well No. 62 located 1900 feet from the South
line and 1140 feet from the West line;

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Well No. 63 located 1980 feet from the North line and 2310 feet from the West line;

Well No. 59 to be drilled 1430 feet from the South line and 2625 feet from the East line;

Well No. 58 to be drilled 30 feet from the South line and 2350 feet from the East line.

(4) That the proposed orthodox and unorthodox locations are necessary to provide an efficient water injection pattern.

(5) That the applicant further seeks the amendment of said Order No. R-2807 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within the Hospah Unit Area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

(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 injection 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.

(7) That said waterflood 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 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tesoro Petroleum Corporation, is hereby authorized to expand its waterflood project in the Hospah Unit Area, Hospah Upper Sand Oil Pool, McKinley County, New Mexico, approved by Commission Order No. R-2807, by the injection of water into the Upper Hospah Sand through the following additional water injection wells at orthodox and unorthodox locations in Section 36,

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Township 18 North, Range 9 West, NMPM, McKinley County, New Mexico:

Well No. 62 located 1900 feet from the South line and 1140 feet from the West line;

Well No. 63 located 1980 feet from the North line and 2310 feet from the West line;

Well No. 59 to be drilled 1430 feet from the South line and 2625 feet from the East line;

Well No. 58 to be drilled 30 feet from the South line and 2350 feet from the East line.

(2) That Order (2) of Commission Order No. R-2807 is hereby 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 injection wells at orthodox and unorthodox locations within the Hospah Unit Area as may be necessary to complete an efficient injection pattern; provided said 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, 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 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. ARMSTRONG, Member

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

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