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APPLICATION OF TESORO PETROLEUM
CORPORATION TO EXPAND ITS WATER FLOOD
PROJECT IN THE LOWER HOSPAH POOL IN
MCKINLEY COUNTY, NEW MEXICO.

ORDER WFX NO. 480
(Corrected)

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OIL CON. COM.
DIST. 3

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-4558, Tesoro Petroleum Corporation has made application to the Division on January 2, 1980, for permission to expand its Lower Hospah Pressure Maintenance Project in the Lower Hospah Pool in McKinley County, New Mexico.

NOW, on this 4th day of March, 1980, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Order No. R-4558.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-4558.
5. That the proposed expansion of the above referenced pressure maintenance project will not cause waste nor impair correlative rights.
6. 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 Lower Hospah Sand formations through plastic-lined tubing set in a packer at approximately 1550 feet in the following described well for purposes of pressure maintenance, to wit:

Hanson Federal Well No. 28 in Unit J of Section 6, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico and through plastic-lined tubing set in a packer at approximately 1615 feet for purposes of pressure maintenance to wit;

Santa Fe Railroad Well No. 25 in Unit C of Section 7, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico, and through plastic-lined tubing set in a packer at approximately 1570 feet for purposes of pressure maintenance, to wit;

Santa Fe Railroad Well No. 10 in Unit B of Section 7, Township 17 North, Range 8 West, NMPM, McKinley County, N.M., and through plastic lined tubing set in a packer at approximately 1580 feet for purposes of pressure maintenance, to wit;

Hanson Federal Well No. 34 in Unit O of Section 6, Township 17 North, Range 8 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 **315 pounds** per square inch; provided however that the Division Director 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 Division's Aztec District Office before injection is commenced through said well;

That 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 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 herein above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Division Director

SEAL