AFFLICATION OF TESORO PETROLEUM CORFIGATION TO EXPAND ITS WATER FLOIL FEODECT IN THE HOSPAH UPPER SAND OIL POOL IN MCEINLEY COUNTY, NEW MERICO

OEDER WEN NO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. B-2807 B. Tesoro Februleum Corporation has made application to the Division on June 23. 1980, for permission to expand its Bospak Upper Sand Materileod Project in the Hospah Upper Sand Pool in McKinley County, New Mexico.

NOW, on this let day of July, 1980, the Division Direct finds:

- That application has been filed in due form.
- 2. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-1807 E.
- 3. That the proposed expansion of the above referenced water flood project will not cause waste nor impair correlative rights.
 - 4. That the application should be approved.

IT IS THEREFORE ORDIFED:

That the applicant, Tesoro Petroleum Corporation, be an the same is hereby authorized to inject water into the Hospan Upper Sand formations through plastic-lined tubing set in a past approximately 1760 feet in the following described well for purposes of secondary recovery, to wit:

Hospah Sand Unit Well #90° in Unit J of Section 36, Township 18 North, Bange 9 West, MMPM, McKinley County, New Mexico, and through plastic-lined tubing set in a packer at approximately 1690' in the following described well for purposes of secondary recovery, to wit;

Hospat Sand Unit Well of in Unit K of Section 36, Township 18 North, Range 9 West, KMPM, McKinley County, New Mexico, and through plastic-lined tubing set in a packer at approximately 1580' in the following described well for purposes of secondary recovery to wit:

Ebstah Sand Unit of in Unit O of Section 36, Township 18 North, Range 9 West, NPPM, McKinley County, New Mexico, and through plastic-lined tubing set in a packer at approximately 1530' in the following described well for jurposes of secondary recovery, to wit:

Hospith Sand Unit Well *** in Unit K of Section 1, Township 17 North, Range 9 West, RMPM, McKinley County, New Mexico.

That the operator shall properly plug Hospah Sand Unit Well Ro. Il in Unit M of Section 30, Township 18 North, Range 9 West, NMPM, McKinley County, New Mexico, such as to prevent migration or escape of injected fluids from the Hospah Upper Sand. Such procedures shall be done prior to commencement of injection.

That the operator should notify the supervisor of the Aziec district office to approve and witness plugging procedur

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to consure that the injected water enters only the proposed injectinterval 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 lea in the casing, tubing, or packer.

That the injection well or system shall be equipped wife a pop-off valve or device which will limit the wellhead press to a more of 200 and pressure limit, provided however, that the Fivision Director may administratively authorize a pressure limitation in excess of the above upon the operator establishing that such higher pressure will not result in fracturing of confining strata.

That the operator shall notify the supervisor of Division's Aztec District Office before injection is commence, through said well;

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

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY Division Director

SEAL