



Tesoro Petroleum Corporation
July 7, 1982

*NSL - 1560
Rule 104 F
No offsets
Immediate*

RE: Application for Administrative Approval of an Unorthodox Location of the Tesoro Hospah Sand Unit 97, Unit "G" Sec. 1, T17N-R9W, McKinley Co., New Mexico

1975 FNL 2600 FEL

*Hospah
Hospah Upper Sand Pool*

Mr. Joe Ramey
Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

The waterflood orders that indicate that we may receive administrative approval for unorthodox locations are attached.

The reason for requesting this particular well location is to recover oil that we believe may not otherwise be recovered.

The production and log data indicate that a lithological (strand line) change occurs in an area East of the requested location. On the attached plat this "barrier" has been drawn in red. You will note the wells to the West #2, 39, 56, and 24A have relatively good production and cumulatives. On the other hand, those wells to the East #85, 52, and 9 have performed poorly as previously mentioned.

It is our belief that in this instance the requested location would recover oil that has been pushed against this "barrier". This oil could only be recovered by drilling the requested location. It is further believed that the drilling of this location could lead to the recovery of additional reserves by drilling additional wells for similar reasons.

We are also attaching the 104 data required by the Commission and Rule 104. You will note that Tesoro owns 100% of Working Interest in all

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OIL CONSERVATION DIVISION
SANTA FE

- continued -

Mr. Joe Ramey
RE: Application for Administrative Approval
of an Unorthodox Location of the Tesoro
Hospah Sand Unit 97
July 7, 1982

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offset acreage and the acreage has been unitized which would protect
correlative rights.

Please advise me if you require additional information.

Sincerely,

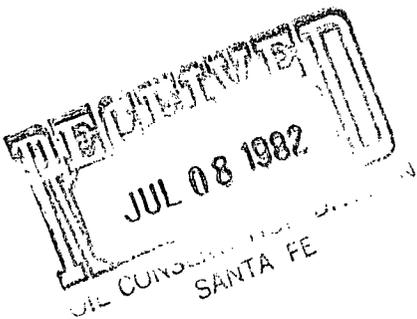


W. F. Parks
District Operations Manager

WFP:p11

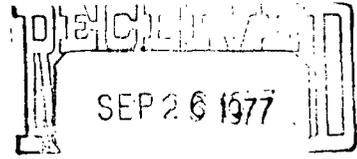
Enclosures

cc: Frank Chavez, Supervisor District #3



PRODUCTION INFORMATION

<u>WELL NUMBER</u>	AVG. DAILY PRODUCTION TO 6-1-82		CUMULATIVE PRODUCTION TO 6-1-82		
	<u>OIL</u>	<u>WATER</u>	<u>OIL</u>	<u>WATER</u>	
2	5.5	541	64,146	3,062,224	(Since 1966)
39	4.4	142	13,538	607,905	(Since 1966)
56	12.0	160	148,011	532,239	(Since 1972)
24A	7.4	240	95,470	1,190,718	(Since 1966)
1Y	9.5	1.7	33,785	5,544	(Since 1971)
9	.65	12.5	2,567	28,996	(Since 1974)
52	1.0	18.8	5,499	45,792	(Since 1971)
85	2.2	1.7	4,856	3,424	(Since 1975)



TESORO DENVER
R.M. PROD. DIST.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF TESORO PETROLEUM CORPORATION FOR AN UNORTHODOX PRODUCING WELL LOCATION AND FOR AMENDMENT OF ORDER NO. R-2807-A, HOSPAN UPPER SAND OIL POOL, MCKINLEY COUNTY, NEW MEXICO

Case No. _____

APPLICATION

Comes now Tesoro Petroleum Corporation and applies to the New Mexico Oil Conservation Commission for approval of an unorthodox producing well location and for amendment of Order No. R-2807-A Hospah Upper Sand Oil Pool, McKinley County, New Mexico, and in support of its application states:

1. By Order No. R-2807-A entered in Case No. 4205 on September 8, 1969, the Commission approved an unorthodox location for applicant's Well No. 59, at a location 1430 feet from the south line and 2625 feet from the east line of Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico.

2. Pursuant to the said Order No. R-2807-A, applicant drilled its Well No. 59 at the aforesaid unorthodox location and completed the said Well as a producing Well in the Hospah Upper Sand Oil Pool. The said Well presently is producing approximately 70 barrels of oil per day, and production in substantial quantities is expected to continue for an indefinite period of time.

3. Applicant seeks approval of its said Well No. 59 at an unorthodox location as a producing Well and further seeks the right to convert the said Well to an injection Well at a later time when its conversion to injection is required in connection with applicant's operation of the waterflood project in the Hospah

R-2807-A to amend the administrative procedure specified therein to apply to unorthodox locations for producing Wells as well as for injection Wells as set forth in the said Order.

5. Inasmuch as the said Well No. 59 and all Wells that may be approved by the administrative procedure of Order No. R-2807-A, as sought to be amended herein, are located within the Hospah unit area that is operated by the applicant, approval of this application will not impair correlative rights and will not cause waste.

WHEREFORE, applicant requests that this application be set for hearing before the Commission or one of its examiners and that the Commission enter its order approving this application.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By Richard S. Morris
P.O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for Tesoro Petroleum
Corporation.

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:

11/25/69
H.S. Utz

CASE No. 4273
Order No. R-2807-B

APPLICATION OF TESORO PETROLEUM CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION AND AMEND-
MENT OF ORDER NO. R-2807-A, MCKINLEY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

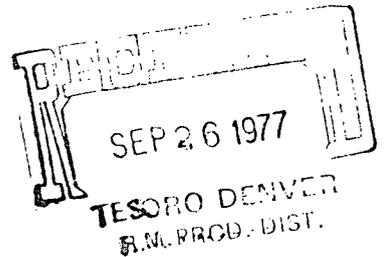
NOW, on this 3rd day of December, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

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 by Order No. R-2807-A, dated September 8, 1969,
the applicant, Tesoro Petroleum Corporation, was authorized to
drill its Well No. 59, among other wells, as a water injection
well in its waterflood project in the Hospah Unit Area, Hospah
Upper Sand Oil Pool, at an unorthodox location 1430 feet from
the South line and 2625 feet from the East line of Section 36,
Township 18 North, Range 9 West, NMPM, McKinley County, New
Mexico.

(3) That the applicant now seeks approval for the unorthodox
location of the aforesaid Well No. 59 as an oil producing well in
its waterflood project in the Hospah Unit Area.



(4) That approval of the unorthodox location of the aforesaid Well No. 59 as an oil producing well in the waterflood project in the Hospah Unit Area should increase the efficiency of the subject waterflood project and result in greater ultimate recovery of oil, thereby preventing waste.

(5) That the applicant further seeks amendment of said Order No. R-2807-A to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional producing wells within its Hospah Unit Area as may be necessary to complete an efficient producing pattern.

(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 producing 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tesoro Petroleum Corporation, is hereby authorized to complete its Well No. 59 as an oil producing well in its waterflood project in the Hospah Unit Area, Hospah Upper Sand Oil Pool, McKinley County, New Mexico, approved by Commission Order No. R-2807, as amended by Order No. R-2807-A, at an unorthodox location 1430 feet from the South line and 2625 feet from the East line of Section 36, Township 18 North, Range 9 West, NMPM, McKinley County, New Mexico.

(2) That Order (2) of Commission Order No. R-2807-A, dated September 8, 1969, is hereby further 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 producing wells and injection wells at orthodox and unorthodox locations within the Hospah Unit Area as may be necessary to complete an efficient production and

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 that portion of Order No. R-2807-A which authorizes the drilling of Well No. 59 as a water injection well is hereby superseded.

(4) 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. ARMIJO, Member

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

S E A L

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

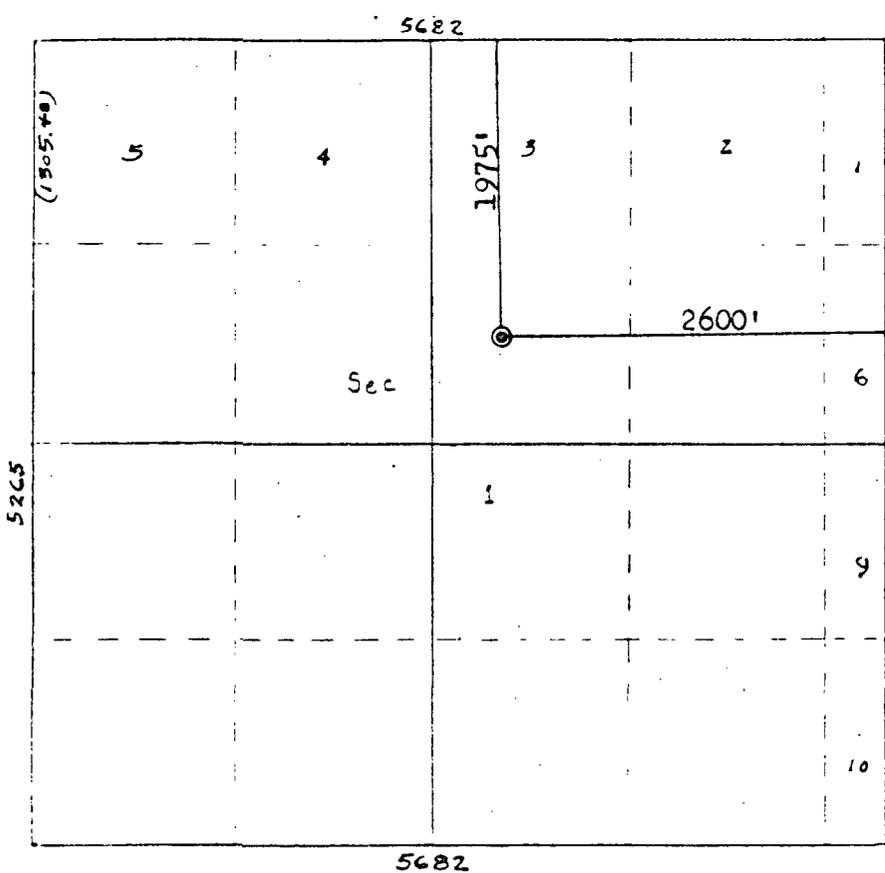
Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator TESORO PETROLEUM CORPORATION			Lease HOSPASH SAND UNIT		Well No. 97
Letter G	Section 1	Township 17N	Range 9W	County McKinley	
Well Footage Location of Well: 1975 feet from the North line and 2600 feet from the East line					
Ground Level Elev: 6921	Producing Formation Upper Hospash		Pool Hospash Sand		Dedicated Acreage: Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1320'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	
Position	
Company	
Date	
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	June 17, 1982
Registered Professional Engineer and Land Surveyor	
Fred B. Kerr, Jr.	
Certificate No.	3950



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

15-60

DATE July 20, 1992

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____ ✓
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

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JUL 26 1982
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated July 9, 1992
for the Tesoro Petro Corp. ASU # 97 15-1-17N-9W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Jeff A. Edmeister