



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

December 8, 1981

Kellahin and Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

Re: Administrative Order No.
WFX-493

Gentlemen:

Enclosed herewith please find Administrative Order No.
WFX-493 for Tesoro Santa Fe Hanson, Waterflood, Santa Fe "B"
Well No. 39, Unit M, Section 5, Township 17 North, Range 8
West, NMPM, McKinley County, New Mexico.

Very truly yours,

JOE D. RAMEY
Division Director

JDR/OS/og

cc: Mr. Bill Parks
First of Denver Plaza
Suite 2000
33-17th St.
Denver, Colorado

APPLICATION OF TESORO PETROLEUM CORPORATION
TO EXPAND ITS WATERFLOOD PROJECT IN THE
SOUTH HOSPAH-UPPER SAND OIL POOL IN
MCKINLEY COUNTY, NEW MEXICO.

ORDER No. WFX-493

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-6227, Tesoro Petroleum Corporation has made application to the Division on December 8, 1981, for permission to expand its Tesoro Santa Fe Hanson Waterflood Project in the South Hospah-Upper Sand Oil Pool in McKinley County, New Mexico.

NOW, on this 8th day of December, 1981, 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-6227.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-6227.
5. That the proposed expansion of the above referenced waterflood 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 Corp., be and the same is hereby authorized to inject water into the Upper Hospah Sand formation through plastic-lined tubing set in a packer at approximately 1550 feet in the following described well for purposes of secondary recovery to wit:

Tesoro Santa Fe Hanson, Waterflood, Santa Fe
"B" Well No. 39, Unit M, Section 5, Town-
ship 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 in the 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.

That the injection well or system shall be equipped with a pressure limiting 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 the confining strata.

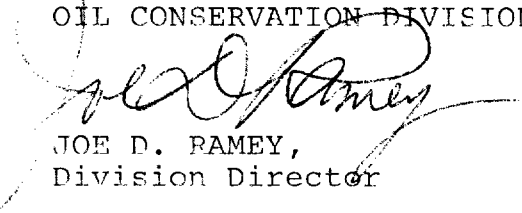
That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well.

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.

That the subject well shall be governed by all provisions of Division Order No. R-5227 not inconsistent herewith.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Division Director

S E A L