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April 26, 1973

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, NM 87501

Gentlemen:

Enclosed is the original and two copies of an Application by Tesoro Petroleum Corporation for approval of a secondary recovery project in the south Hospah lower sand pool, McKinley County, New Mexico. We would appreciate having this Application set for hearing before an examiner at the next hearing to be scheduled.

Very truly yours,



RSM:sp
Enc. &

cc: Mr. George O'Brien, Jr.
Tenneco Oil Company
Attention Mr. Steven Cheesbrough

DOCKET MAILED

Date 5-11-73

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF TESORO PETROLEUM
CORPORATION FOR APPROVAL OF A
SECONDARY RECOVERY PROJECT, SOUTH
HOSPAH LOWER SAND POOL, MCKINLEY
COUNTY, NEW MEXICO

Case No. _____

APPLICATION

Comes now Tesoro Petroleum Corporation, by its attorneys, and applies to the New Mexico Oil Conservation Commission for approval of a secondary recovery project in the south Hospah lower sand pool, McKinley County, New Mexico, and the support of its application states:

1. Tesoro Petroleum Corporation is the owner and operator of numerous wells completed and producing from the south Hospah lower sand pool in Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico, which wells are offset by the secondary recovery project presently being conducted by Tenneco Oil Company in Section 12 of the same township. Attached to the application is a plat showing the location of the Tesoro and Tenneco wells in this area.

2. Applicant proposes to institute a secondary recovery project in said Section 1 by injecting water and gas or either of those substances into the lower Hospah sand through its well No. 84 which it proposes to drill five feet from the south line and 2,950 feet from the east line of said Section 1. Applicant seeks approval from the Commission to commence this project, to inject water and gas or either of such substances into the lower Hospah sand, and to locate its proposed injection well at the above described location. Applicant further requests that the Commission establish an administrative procedure whereby the

proposed secondary recovery project can be expanded, including provisions for drilling additional injection wells and producing wells at orthodox or unorthodox locations and the conversion of existing wells to injection.

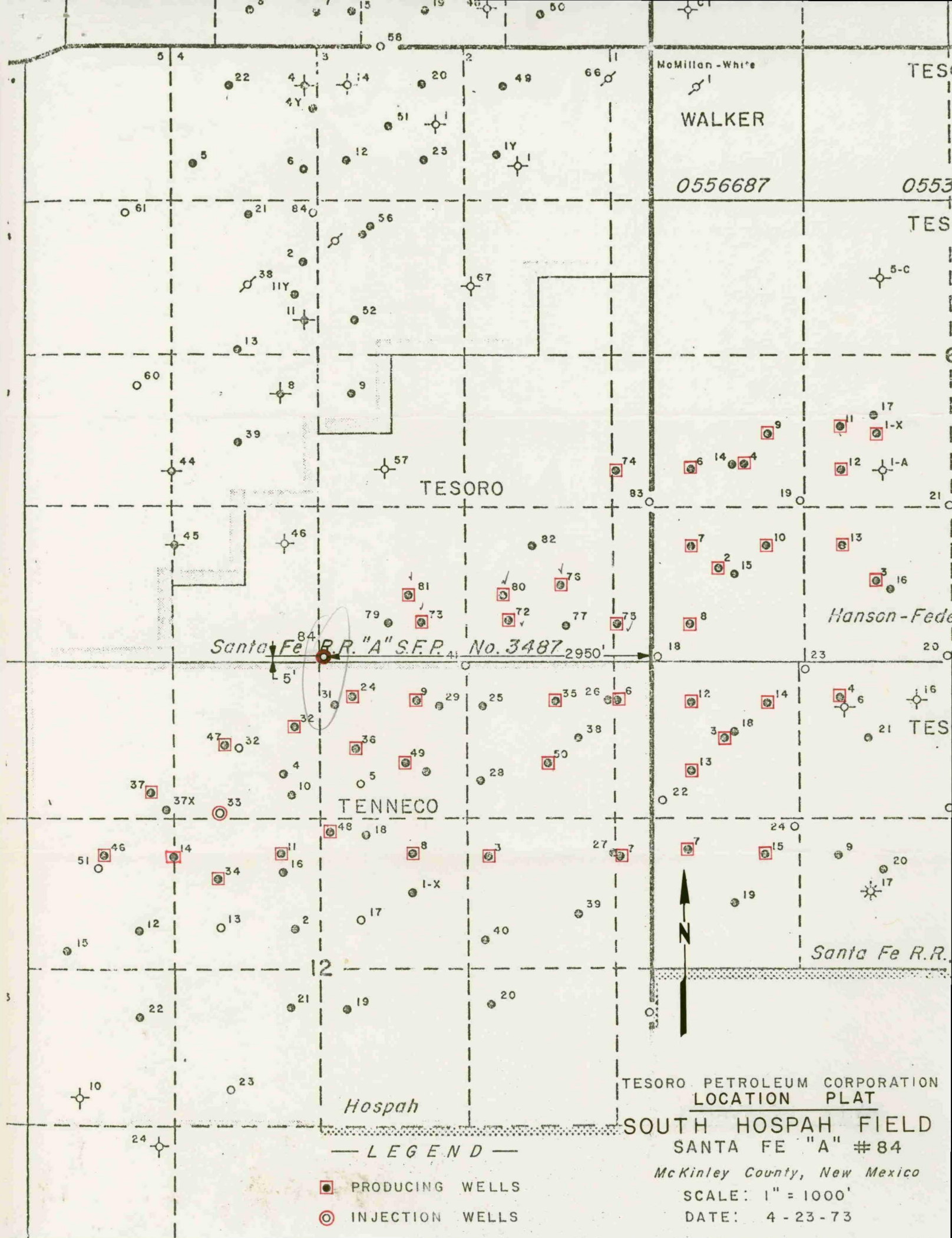
3. Applicant further requests the Commission to establish a project area and special rules and regulations for the project, including provisions permitting the transfer of allowables within the project area.

4. Approval of this application will be in the interest of conservation and will result in greater ultimate recovery of oil, thereby preventing waste. Approval of this application also will protect correlative rights.

WHEREFORE, the 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 the application.

MONTGOMERY, FEDERICI, ANDREWS,
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By *Richard J. Morris*
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McMillan-White

WALKER

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TESORO

Santa Fe R.R. "A" S.F.P. No. 3487

Hanson-Fede

TENNECO

TES

Santa Fe R.R.

TESORO PETROLEUM CORPORATION
LOCATION PLAT

SOUTH HOSPAPH FIELD
SANTA FE "A" #84

McKinley County, New Mexico

SCALE: 1" = 1000'

DATE: 4-23-73

— LEGEND —

- PRODUCING WELLS
- INJECTION WELLS