

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD

AZTEC, NEW MEXICO

P-1-177-9W

December 22, 1966

C
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P
Y

Mr. Harold Bagtborg, Jr.
Tesoro Petroleum Corporation
533 Busby Drive
San Antonio, Texas 78209

Dear Mr. Vagtborg:

I regret the delay in returning your approved copy of notice of intention to deepen on your Santa Fe #72 well. I have been holding up approval pending the outcome of Tenneco Oil Company's hearing in Case #3505 relating to the establishment of two reservoirs separated on a vertical basis in the Hospah area.

I discussed this matter with Mr. Dan Nutter, who was the examiner in this case and he informs me that your well, if successful when deepened, will be producing in the new deeper reservoir in the lower Gallup. This will necessitate your securing administrative approval of the 53 acre drill tract which, if I understand it, consists of one 40 acre tract and a 13 acre lot. This may be done by making application to Mr. A. L. Porter, Secretary Director of the Commission, and notifying offsets of your application. We are therefore amending your plat to show a 40 acre dedication for the time being so that the well may be produced, if necessary, prior to issuance of an order approving the non-standard unit.

Yours very truly,

Emery C. Arnold
Supervisor, District #3

ECA:mc
Enclosure

cc;

TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

December 8, 1966

*ask him
about post
office*

Mr. Emery C. Arnold
Oil Conservation Commission
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Mr. Arnold:

We are enclosing, in quintuplicate, Form C-101 and Form C-102 covering the proposed deepening of our Santa Fe Well No. 72, Hospah Field, McKinley County, New Mexico. We propose to deepen this well into the Lower Hospah Sand and attempt an open-hole completion using a 3-inch slotted liner.

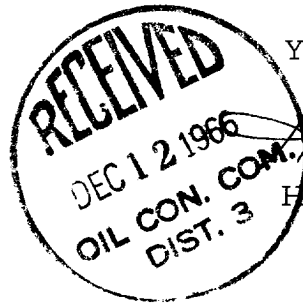
We are somewhat confused as to what is required on Form C-102 for a deepening operation, and hope the attached is correct.

: You will note that we have dedicated 53 acres to the well as this well is located in an odd section containing 687 acres. At some time in the future we may wish to reduce this acreage to 40 and I presume there is some way this can be accomplished.

We would very much appreciate your favorable consideration of this deepening as soon as possible. We would like to start work approximately December 14, 1966, weather permitting.

Best personal regards.

Yours very truly,



Harold Vagtborg Jr.
Harold Vagtborg, Jr.

HV:lt
Enclosures

Dear Mr. Vaytberg,

I regret the delay in returning your approved copy of notice in the two to deepen our your Santa Fe # 72 well. I have been holding up approval pending the court case of ~~Penrose~~ oil Company's hearing in case 5505 relating to the establishment of two reservoirs separated on a vertical basis in the Hozyah Area.

I discussed this matter with Mr. Dan Butler, who was the examiner in this case and he informs me that your well, if successful when deepened, will be producing in the new deeper reservoir in the Lower Gully. This will necessitate your securing administration approval of the 5 1/2 acre drill tract, which, as I understand it, consists of 8 1/4 acre tract & a 13 acre lot. This may be done by making application to Mr. A. L. Porter, Secretary Director of the Commission and notifying officers of your application. We are therefore advising you to show a 40 acre dedication for the time being so that the well may be produced if necessary prior to issuance of an order giving the new standard well.