

TESORO PETROLEUM CORPORATION

8520 CROWNHILL BOULEVARD

512-824-0261

SAN ANTONIO, TEXAS 78209

October 13, 1969

Mr. Emery Arnold
District No. 3 Supervisor
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Subj: Completion - Hospah Sand Unit No. 59
McKinley County, New Mexico



Dear Emery:

Attached is Form C-103, Report of Subsequent Operations, covering the final phases of drilling and completing the subject well. Also attached is Form C-104, Request for Allowable, and Form C-105, Well Completion Report and Log.

It will be recalled that this well was originally drilled for use as an injection well. At the time of our application, you pointed out to me that the Hospah water injection order did not provide for drilling any additional injection wells. It was your advice at the time that we would have to file our Form C-101, Application to Drill, as a potential producer, and set the matter for a hearing. The Form C-101 was filed accordingly and a hearing was held August 27, 1969 to allow the drilling of this well along with No. 58 to be used for injection purposes.

Order R-2807-A granting permission for these two wells and additional flexibility in converting certain producing wells to injection status was issued effective September 8, 1969 by the New Mexico Oil Conservation Commission. The subject well was completed subsequent to this approval of our application and on test made in excess of 70 barrels of oil per day. While we had anticipated a producing well at this structural position, the testing to date has greatly exceeded our expectations.

While we may still wish to put this well into injection service eventually, we would, for the present, prefer it to remain on producing status. We are, therefore, filing forms C-104 and C-105 accordingly. A Form C-116 will follow in a few days.

Best regards.

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. H. Denman".

R. H. Denman

RHD/rw
Attachments