

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

April 6, 1966

C  
O  
P  
Y  
Tesoro Petroleum Corporation  
533 Busby Drive  
San Antonio, Texas 78209

Attention: Mr. G. M. Andreen

Gentlemen:

Reference is made to your letter of March 17, 1966, concerning the maximum allowable which your Hospah Unit Waterflood Project will be eligible to receive under the provisions of Rule 701-E.

The maximum allowable, assuming eight injection tracts, 14 producing tracts, and 21 extra producing wells, would be 2030 barrels. No credit, other than a standard 40-acre allowable of 70 barrels, can be given to the six wells in Unit N of Section 36, inasmuch as these wells technically are not in the waterflood project area because this 40-acre tract does not directly nor diagonally offset a 40 with an injection well on it. (These wells will be shown in the lower portion of your monthly Form C-120.) Nor can credit be given the three shut-in wells until such time as they are restored to production.

Requests for allowable and allowable changes, subject to the above maximum, may be made whenever necessary by letter to Aztec office.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

-2-

April 6, 1966

Tesoro Petroleum Corporation  
San Antonio, Texas

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In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

MAR 17 1966

MAR 17 1966

March 17, 1966

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

*File 3-17-66*

Attention Mr. A. L. Porter, Jr., Secretary-Director

Re: Waterflood Allowable, Hospah Sand  
Unit, Hospah Field, McKinley  
County, New Mexico

Gentlemen:

By Oil Conservation Commission Order No. R-2807, dated November 24, 1964, Tesoro Petroleum Corporation was granted permission to install a waterflood on approximately 1,400 unitized acres in the Hospah Field. By Order No. R-3040, dated February 9, 1965, Order No. R-2807 was modified insofar as the location of certain new injection and producing wells were concerned. Insofar as is known, all of the necessary approvals have been obtained for waterflooding the Hospah Sand Unit, and it is now possible to reclassify the Hospah Sand Unit from a prorated to a waterflood status and to establish the allowable for the waterflood project.

By letter dated December 1, 1964, from your office to Mr. Richard S. Morris, of Seth, Montgomery, Federici & Andrews, in Santa Fe, New Mexico, Tesoro was advised that the Conservation Commission calculated the maximum allowable for the Hospah Sand Unit at 1,938 barrels per day. In the last part of 1964 during the development phase of creating the facilities necessary to waterflood the project area, three new producing wells and eight new injection wells were drilled. As of January 1, 1966 there were 44 wells capable of production (three of which were shut in), eight water-injection wells and one water-supply well in the Hospah Sand Unit. Enclosed is a list of the locations of all the producing and injection wells.

We are not quite sure how Rule No. 701-E is to be applied to the Hospah Sand Unit for the purpose of calculating the maximum Waterflood Project allowable. In our opinion there are three ways the maximum daily allowable could be calculated. These are as follows:

- a. There are thirty-five 40-acre units within the unitized area known as the Hospah Sand Unit. Using this figure, the 70-barrel-a-day allowable factor and taking no credit for the injection wells, the maximum project daily allowable is calculated as follows:

	<u>No.</u>	Area Allow- able Factor <u>Bbls/Day</u>	Daily Allowable <u>Bbls/Day</u>
Number of 40-acre units in unitized project area	35	70	2,450
Number of producing wells	44		
Number of producing wells in excess of 4/40-acre tract	<u>3</u> (see attached list)		
Net producing wells	41		
Less: Number of 40-acre units	<u>-35</u>		
Excess wells entitled to allowable	7	23.33	<u>163</u>
Total daily allowable			2,613

- b. Of the thirty-five 40-acre units within the unitized area, 23 units contain either producing and/or injection wells. Using 23 as the number of participating units and the 70-barrel-a-day allowable factor, the maximum daily project allowable is calculated as follows:

	<u>No.</u>	<u>Area Allow- able Factor Bbls/Day</u>	<u>Daily Allowable Bbls/Day</u>
Number of 40-acre units in unitized project area	23	70	1,610
Number of producing wells	44		
Number of producing wells in excess of 4/40-acre tract	<u>3</u> (see attached list)		
Net producing wells	41		
Less: Number of 40-acre units	<u>-23</u>		
Excess wells entitled to allowable	18	23.33	<u>420</u>
		Total daily allowable	2,030

- c. Of the thirty-five 40-acre units within the unitized area, 15 contain wells which are currently productive. Using 15 as the number of 40-acre units and the 70-barrel-a-day allowable factor, the maximum daily project allowable is calculated as follows:

	<u>No.</u>	<u>Area Allow- able Factor Bbls/Day</u>	<u>Daily Allowable Bbls/Day</u>
Number of 40-acre units in unitized project area	15	70	1,050
Number of pro- ducing wells	44		
Number of pro- ducing wells in excess of 4/40- acre tract	<u>3</u> (see attached list)		
Net producing wells	41		
Less: Number of 40-acre units	<u>-15</u>		
Excess wells entitled to al- lowable	26	23.33	<u>607</u>
		Total daily allowable	1,657

It is our understanding that the calculated total daily project allowable represents the maximum which the project will be allowed to produce, unless special permission is obtained. In order to keep the current assigned allowable in line with the ability of the project to produce, it is assumed that increases in allowable can be approved administratively upon request until such time as the calculated daily allowable rate is reached. It appears that a note on the Operators Monthly Report C-115 would serve as the means for requesting an increase in allowable. If such procedure is satisfactory, it is thought that the allowable for March would be requested on the C-115 covering the operations for January. As an example, there is enclosed a C-115 covering the operations for both January and February which includes all the new wells, incorporates the change in status from a prorated field to a waterflood project and shows the requested allowable.

State of New Mexico

Oil Conservation Commission -5-

March 17, 1966

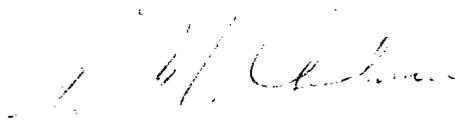
We would appreciate knowing what the correct procedure is for calculating the maximum project allowable and also whether the enclosed Forms C-115 and the method for handling requests for allowable increases are acceptable. Should the C-115's be in order, please accept them as the official filings (the one for January will be a corrected copy), and the official date of waterflood status for the Hospah Sand Unit will become January 1, 1966.

Also enclosed are monthly injection forms C-120 covering the Hospah Sand Unit for the months of January and February. If these forms are not in order, please advise.

To help expedite the change from a prorated to a waterflood status, there is also enclosed a sample proration schedule which incorporates all changes in new wells. We have also made the following corrections to the proration schedule for January, 1966: (1) Well No. 53, located O 36-18-9, was converted from a producer to a water-supply well and should have been removed from the schedule; (2) Well No. 23, located I 36-18-9, should be Well No. 32; and (3) Wells Nos. 24 and 52, located G 36-18-9, should be carried as being located in G 1-17-9.

If we can supply additional information, please advise.

Very truly yours,



Gilbert M. Andreen

GMA:nbd  
Attachment

cc: District I Office, Hobbs, New Mexico  
District III Office, Aztec, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION  
MONTHLY INJECTION REPORT

Form C-120  
(Revised 5-1-60)

Submit this report in triplicate to the District Office, Oil Conservation Commission.

Company Tesoro Petroleum Corporation

Pool Hospah Sand Unit

County McKinley

Month January, 1966

INJECTION WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				MCF GAS INJECTED	CUMULATIVE GAS INJ.	BBLs. WATER INJECTED	CUMULATIVE WATER INJ.	AVG. INJ. PRESSURES
		UL	S	T	R					
Hospah Sand Unit	66	A	1	17	9	NONE	NONE	1,458	5,888	780
	61	E	1	17	9			13,222	25,933	740
	67	H	1	17	9			1,525	6,042	790
	60	L	1	17	9			26,268	45,390	780
	68	B	36	18	9			7,176	16,515	680
	69	E	36	18	9			25,337	47,184	660
	64	H	36	18	9			12,166	27,263	660
	65	P	36	18	9			1,479	5,265	740
TOTAL	8						88,631	179,480	729	

PRODUCING WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				BBLs. OIL PRODUCED	MCF GAS PRODUCED	GOR	BBLs. WATER PRODUCED	% WATER PRODUCED
		UL	S	T	R					
Hospah Sand Unit	SEE ATTACHED LIST									
	TOTAL					7,194	Nil	Nil	35,431	83

PRODUCING WELLS OUTSIDE A PRORATED WATERFLOOD PROJECT AREA WHICH ARE PRODUCING INTO COMMON FACILITIES WITH WELLS INSIDE A PRORATED WATERFLOOD PROJECT AREA (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				DATE OF TEST	LENGTH OF TEST	BARRELS PRODUCED	BARRELS PER DAY
		UL	S	T	R				
NONE									

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Remarks: \_\_\_\_\_

NAME G.M. Andreen

TITLE Vice-President

Hospah Sand Unit  
Hospah Field  
McKinley County, New Mexico

Producing and Injection Wells

<u>Well No.</u>	<u>Location</u>	<u>Status</u>	<u>Well No.</u>	<u>Location</u>	<u>Status</u>
1	A 1-17-9	S	30-A	H 36-18-9	S
49	A 1-17-9	S	64	H 36-18-9	I
66	A 1-17-9	I			
			32	I 36-18-9	P
12	B 1-17-9	P	37	I 36-18-9	P
14	B 1-17-9	P			
20	B 1-17-9	P	28	J 36-18-9	P
23	B 1-17-9	P	33	J 36-18-9	P
51	B 1-17-9	P	34	J 36-18-9	P
			36	J 36-18-9	P
4	C 1-17-9	P			
5	C 1-17-9	P	35	K 36-18-9	P
6	C 1-17-9	P			
22	C 1-17-9	P	62	L 36-18-9	P
61	E 1-17-9	I	3	N 36-18-9	P
			7	N 36-18-9	P
2	F 1-17-9	P	10	N 36-18-9	P
11	F 1-17-9	P	15	N 36-18-9	P
21	F 1-17-9	P	17	N 36-18-9	P
38	F 1-17-9	P	71	N 36-18-9	P
24	G 1-17-9	P	16	O 36-18-9	P
52	G 1-17-9	P	19	O 36-18-9	P
			25	O 36-18-9	P
67	H 1-17-9	I	48	O 36-18-9	P
9	J 1-17-9	P	27	P 36-18-9	P
			50	P 36-18-9	P
8	K 1-17-9	P	65	P 36-18-9	I
13	K 1-17-9	P			
39	K 1-17-9	P	54	L 31-18-8	P
60	L 1-17-9	I			
68	B 36-18-9	I	3 copies sent to District III office at Aztec, 1 copy to District I office at Hobbs and 1 to office at Santa Fe for their information.		
69	E 36-18-9	I			
63	F 36-18-9	P			
29	G 36-18-9	P			

NEW MEXICO OIL CONSERVATION COMMISSION  
MONTHLY INJECTION REPORT

Form C-120  
(Revised 5-1-60)

Submit this report in triplicate to the District Office, Oil Conservation Commission.

Company Tesoro Petroleum Corporation Pool Hospah Sand Unit  
County McKinley Month February, 1966

INJECTION WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				MCF GAS INJECTED	CUMULATIVE GAS INJ.	BBLs. WATER INJECTED	CUMULATIVE WATER INJ.	AVG. INJ. PRESSURES
		UL	S	T	R					
Hospah Sand Unit	66	A	1	17	9	NONE	NONE	5,727	7,185	740
	61	E	1	17	9			24,449	37,671	760
	67	H	1	17	9			1,320	7,344	760
	60	L	1	17	9			24,201	69,591	740
	68	B	36	18	9			6,098	22,613	680
	69	E	36	18	9			31,050	78,234	640
	64	H	36	18	9			13,174	40,437	500
	65	P	36	18	9			1,126	6,391	760
TOTAL	8							107,145	269,466	700

PRODUCING WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				BBLs. OIL PRODUCED	MCF GAS PRODUCED	GOR	BBLs. WATER PRODUCED	% WATER PRODUCED
		UL	S	T	R					
Hospah Sand Unit	SEE ATTACHED LIST									
TOTAL						6,375	Nil	Nil	31,125	83

PRODUCING WELLS OUTSIDE A PRORATED WATERFLOOD PROJECT AREA WHICH ARE PRODUCING INTO COMMON FACILITIES WITH WELLS INSIDE A PRORATED WATERFLOOD PROJECT AREA (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				DATE OF TEST	LENGTH OF TEST	BARRELS PRODUCED	BARRELS PER DAY
		UL	S	T	R				
NONE									

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Remarks: \_\_\_\_\_ NAME G. M. Andreen  
TITLE Vice-President

Hospah Sand Unit  
Hospah Field  
McKinley County, New Mexico

Producing and Injection Wells

<u>Well No.</u>	<u>Location</u>	<u>Status</u>	<u>Well No.</u>	<u>Location</u>	<u>Status</u>
1	A 1-17-9	S	30-A	H 36-18-9	S
49	A 1-17-9	S	64	H 36-18-9	I
66	A 1-17-9	I			
12	B 1-17-9	P	32	I 36-18-9	P
14	B 1-17-9	P	37	I 36-18-9	P
20	B 1-17-9	P	28	J 36-18-9	P
23	B 1-17-9	P	33	J 36-18-9	P
51	B 1-17-9	P	34	J 36-18-9	P
			36	J 36-18-9	P
4	C 1-17-9	P			
5	C 1-17-9	P	35	K 36-18-9	P
6	C 1-17-9	P			
22	C 1-17-9	P	62	L 36-18-9	P
61	E 1-17-9	I	3	N 36-18-9	P
			7	N 36-18-9	P
2	F 1-17-9	P	10	N 36-18-9	P
11	F 1-17-9	P	15	N 36-18-9	P
21	F 1-17-9	P	17	N 36-18-9	P
38	F 1-17-9	P	71	N 36-18-9	P
24	G 1-17-9	P	16	O 36-18-9	P
52	G 1-17-9	P	19	O 36-18-9	P
			25	O 36-18-9	P
67	H 1-17-9	I	48	O 36-18-9	P
9	J 1-17-9	P	27	P 36-18-9	P
			50	P 36-18-9	P
8	K 1-17-9	P	65	P 36-18-9	I
13	K 1-17-9	P			
39	K 1-17-9	P	54	L 31-18-8	P
60	L 1-17-9	I			
68	B 36-18-9	I			
69	E 36-18-9	I			
63	F 36-18-9	P			
29	G 36-18-9	P			

Hospah Sand Unit  
Hospah Field  
McKinley County, New Mexico \*

Proration Schedule

Top Unit Allowable 70

GOR Limit 2,000/1

Tesoro Petroleum Corporation	Hospah Sand Unit	1-49	A 1-17-9	S. I.
"	"	,66	A 1-17-9	I
"	"	12-14-20-23-51	B 1-17-9	P
"	"	4-5-6-22	C 1-17-9	P
"	"	61	E 1-17-9	I
"	"	2-11-21-38	F 1-17-9	P
"	"	24-52	G 1-17-9	P
"	"	67	H 1-17-9	I
"	"	9	J 1-17-9	P
"	"	8-13-39	K 1-17-9	P
"	"	60	L 1-17-9	I
"	"	68	B 36-18-9	I
"	"	69	E 36-18-9	I
"	"	63	F 36-18-9	P
"	"	29	G 36-18-9	P
"	"	30-A	H 36-18-9	S
"	"	64	H 36-18-9	I
"	"	32-37	I 36-18-9	P
"	"	28-33-34-36	J 36-18-9	P
"	"	35	K 36-18-9	P
"	"	62	L 36-18-9	P
"	"	3-7-10-15-17-71	N 36-18-9	P
"	"	16-19-25-48	O 36-18-9	P
"	"	27-50	P 36-18-9	P
"	"	65	P 36-18-9	I
"	"	54	L 31-18-8	P

Company Total

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\* This schedule is for January, 1966 with corrections.

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

(Company or Operator) **Tesoro Petroleum Corporation** (Address) **1533 Busby Dr., San Antonio, Texas** for month **January, 1966** Page **1** of **4**

STATEBID FORM C-115 REV. 10-1-61  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIT, OPM  
 ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RNG.	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DATE PROD.	DISPOSITION OF GAS				DISPOSITION OF OIL			
		MONTHLY OIL ALLOWABLE	ACTUAL BARR. PRODUCED	BARR. OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	OIL ON HAND BEG. OF MONTH	BARR. TO TRANS. PORTER	OTHER
Hospah Sand Unit														
Waterflood														
1 A 1-17-9	S													
49 A 1-17-9	S													
66 A 1-17-9	I													
12 B 1-17-9	P													
14 B 1-17-9	P													
20 B 1-17-9	P													
23 B 1-17-9	P													
51 B 1-17-9	P													
4 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE												
5 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE												
6 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE												
22 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE												
61 E 1-17-9	I													
2 F 1-17-9	P													
11 F 1-17-9	P													
21 F 1-17-9	P													
38 F 1-17-9	P													

I copy of this sent to Santa Fe office, Hobbs District I office and Aztec District III office.

Copy to transporter will be forwarded when approval of form is received.

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

*[Signature]*  
 (SIGNATURE) \_\_\_\_\_ (DATE) \_\_\_\_\_

**STATUS CODE**  
 F - FLOWING  
 P - PLUGGING  
 G - GAS LIFT  
 S - SHUT IN  
 T - TEMP ABANDONED  
 I - INJECTION

**"OTHER" GAS DISPOSITION CODE**  
 X - USED OFF LEASE  
 D - USED FOR DRILLING  
 G - GAS LIFT  
 L - LOST (NCF ESTIMATED)  
 E - EXPLANATION ATTACHED  
 R - REPRESSURING OR PRESSURE MAINTENANCE

**"OTHER" OIL DISPOSITION CODE**  
 C - CIRCULATING OIL  
 L - LOST  
 S - SEDIMENTATION (BARR)  
 E - EXPLANATION ATTACHED

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

Operator: **Tesoro Petroleum Corporation** (Address) **533 Busby Dr., San Antonio, Texas** for month **January, 1966** Page **2** of **4**

STATEBIDE FORM C-113 REV. 10-1-61  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TRP. RND.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			DATE PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL							
			MONTHLY OIL ALLOWABLE	ACTUAL BARRLS PRODUCED	BARRLS OF WATER PRODUCED		GAS PRODUCED MCF	VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRLS TO TRANS- PORTER	OTHER	C O D D E	TRANS- PORTER	OIL ON HAND END OF MONTH
<b>Hospah Sand Unit</b>																			
<b>Waterflood</b>																			
24	G 1-17-9		P																
52	G 1-17-9		P																
67	H 1-17-9		I																
9	J 1-17-9		P																
8	K 1-17-9		P																
13	K 1-17-9		P																
39	K 1-17-9		P																
60	L 1-17-9		I																
68	B 36-18-9		I																
69	E 36-18-9		I																
63	F 36-18-9		P																
29	G 36-18-9		P																
10-A	H 36-18-9		S																
64	H 36-18-9		I																

WATERFLOOD PROJECT  
ALLOWABLE

OTHER GAS DISPOSITION CODE  
 X - USED OFF LEASE  
 D - USED FOR DRILLING  
 C - GAS LIFT  
 L - LOST (MCF ESTIMATED)  
 E - EXPLANATION ATTACHED  
 R - REPRESSURING OR PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE  
 C - CIRCULATING OIL  
 L - LOST  
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

*[Signature]*  
 (SIGNATURE)

(DATE)

(POSITION)

STATUS CODE  
 F - FLOWING  
 P - PLUGGING  
 G - GAS LIFT  
 S - SHUT IN  
 T - TEMP ABANDONED  
 I - INACTIVE

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

(Company) **Tesoro Petroleum Corporation** (Address) **533 Busby Dr., San Antonio, Texas** for month **January, 1966** Page **3** of **4**

STATEWIDE FORM C-115 REV. 10-1-61  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RNS.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					OIL ON HAND REG. OF MONTH	DISPOSITION OF OIL			OIL ON HAND END OF MONTH		
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER		C O D E	BARRELS TO TRANS-PORTER	OTHER		C O D E	TRANS-PORTER
32 I 36-18-9																			
37 I 36-18-9																			
28 J 36-18-9																			
33 J 36-18-9																			
34 J 36-18-9																			
36 J 36-18-9																			
35 K 36-18-9																			
62 L 36-18-9																			
3 N 36-18-9																			
7 N 36-18-9																			
10 N 36-18-9																			
15 N 36-18-9																			
17 N 36-18-9																			
71 N 36-18-9																			
16 O 36-18-9																			
19 O 36-18-9																			
25 O 36-18-9																			
48 O 36-18-9																			

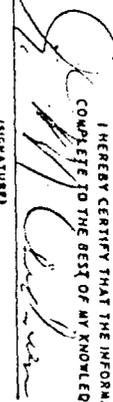
WATERFLOOD PROJECT  
ALLOWABLE

STATUS CODE  
 F.....Flowing  
 P.....Pumping  
 G.....Gas Lift  
 S.....Shut In  
 T.....Temp Abandoned  
 I.....Injection

OTHER GAS DISPOSITION CODE  
 A.....USED OFF LEASE  
 D.....USED FOR DRILLING  
 C.....GAS LIFT  
 L.....LOST IN/CE ESTIMATED  
 E.....EXPLANATION ATTACHED  
 R.....REPRESSURING OR PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE  
 C.....CIRCULATING OIL  
 L.....LOST  
 S.....SEDIMENTATION (BS&W)  
 E.....EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

  
 (SIGNATURE)

(DATE)

(POSITION)

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

STATE OF NEW MEXICO  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

(Company or Operator) **Tesoro Petroleum Corporation** (Address) **533 Busby Dr., San Antonio, Texas** for month **January, 1966** Page **4** of **4**

WELL NO. UNIT SEC. TRP. RND.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL							
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS. PORTER	OTHER	C O D D E	TRANS. PORTER	OIL ON HAND END OF MONTH	
27 P 36-18-9																				
50 P 36-18-9																				
65 P 36-18-9																				
54 L 31-18-8																				
Totals				7,502	7,194	35,341														
				WATERFLOOD PROJECT ALLOWABLE																

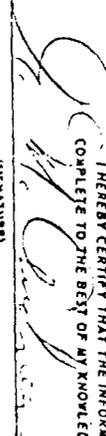
Note: Waterflood Allowable requested for March, 1966 is 7,502 Barrels.

STATUS CODE  
 F - FLOWING  
 P - PLUGGING  
 G - GAS LIFT  
 S - SHUT IN  
 T - TEMP. ABANDONED  
 I - INJECTION

OTHER GAS DISPOSITION CODE  
 A - USED OFF LEASE  
 B - USED FOR DRILLING  
 C - GAS LIFT  
 L - LOST AND P ESTIMATED  
 E - EXPLANATION ATTACHED  
 R - REPRESENTING OR PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE  
 C - CIRCULATING OIL  
 L - LOST  
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

  
 (SIGNATURE)  
**Vice-President**  
 (POSITION)  
 3-18-66 (DATE)

NEW MEXICO OIL CONSERVATION COMMISSION  
 BOX 2088 SANTA FE, NEW MEXICO  
 OPERATOR'S MONTHLY REPORT

Company of Tesoro Petroleum Corporation  
 Address: 533 Busby Dr., San Antonio, Texas for month February, 1966. 1 4

WELL NO. UNIT SEC. TWP. RND.	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL					
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS. PORTER	OTHER	C D E	TRANS. PORTER
Hospah Sand Unit																	
Waterflood																	
1 A 1-17-9	S																
49 A 1-17-9	S																
66 A 1-17-9	I																
12 B 1-17-9	P																
14 B 1-17-9	P																
20 B 1-17-9	P																
23 B 1-17-9	P																
51 B 1-17-9	P																
4 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE															
5 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE															
6 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE															
22 C 1-17-9	P	WATERFLOOD PROJECT ALLOWABLE															
61 E 1-17-9	I																
2 F 1-17-9	P																
11 F 1-17-9	P																
21 F 1-17-9	P																
38 F 1-17-9	P																

STATUS CODE  
 F - FLOWING  
 P - PUMPING  
 G - GAS LIFT  
 S - SHUT IN  
 T - TEMP ABANDONED  
 I - INJECTION

"OTHER" GAS DISPOSITION CODE  
 A - USED OFF LEASE  
 D - USED FOR DRILLING  
 G - GAS LIFT  
 L - LOST IN/G ESTIMATED  
 E - EXPLANATION ATTACHED  
 R - REPRESSURING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE  
 C - CIRCULATING OIL  
 L - LOST  
 S - SEDIMENTATION (B&E)  
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

(SIGNATURE) \_\_\_\_\_ (DATE) \_\_\_\_\_

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

Company of **Tesoro Petroleum Corporation**  
 Address: **533 Busby Dr., San Antonio, Texas** for month **February, 1966** Page **2** of **4**

STATE OF NEW MEXICO  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

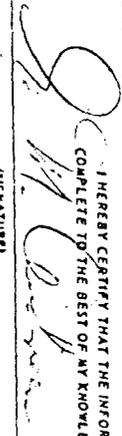
WELL NO. UNIT . SEC. TRP. RNO.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
				MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS. PORTER	OTHER	C D E
<b>Hospah Sand Unit</b> <b>Waterflood</b>																		
24	G 1-17-9		P															
52	G 1-17-9		P															
67	H 1-17-9		I															
9	J 1-17-9		P															
8	K 1-17-9		P															
13	K 1-17-9		P															
39	K 1-17-9		P															
60	L 1-17-9		I															
68	B 36-18-9		I															
69	E 36-18-9		I															
63	F 36-18-9		P															
29	G 36-18-9		P															
0-A	H 36-18-9		S															
64	H 36-18-9		I															

**WATERFLOOD PROJECT**  
**ALLOWABLE**

OTHER GAS DISPOSITION CODE  
 X - USED OFF LEASE  
 D - USED FOR DRILLING  
 G - GAS LIFT  
 L - LOST (MCF ESTIMATED)  
 E - EXPLANATION ATTACHED  
 R - REPRESSURING OR PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE  
 C - CIRCULATING OIL  
 L - LOST  
 S - SEDIMENTATION (BURN)  
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

  
 (SIGNATURE)

(DATE)

# NEW MEXICO OIL CONSERVATION COMMISSION

## BOX 2088 SANTA FE, NEW MEXICO

### OPERATOR'S MONTHLY REPORT

(Company of) **Tesoro Petroleum Corporation** (Address) **533 Busby Dr., San Antonio, Texas** FOR MONTH **February, 1966** Page **3** of **4**

STATE OF NEW MEXICO  
 SUBMIT ORIGINAL TO OCC SANTA FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RND.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL					
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C D E	TRANS- PORTER
<b>Hospah SandUnit</b>																		
<b>Waterflood</b>																		
32	I 36-18-9		P															
37	I 36-18-9		P															
28	J 36-18-9		P															
33	J 36-18-9		P															
34	J 36-18-9		P															
36	J 36-18-9		P															
35	K 36-18-9		P															
62	L 36-18-9		P															
<b>WATERFLOOD PROJECT ALLOWABLE</b>																		
3	N 36-18-9		P															
7	N 36-18-9		P															
10	N 36-18-9		P															
15	N 36-18-9		P															
17	N 36-18-9		P															
71	N 36-18-9		P															
16	O 36-18-9		P															
19	O 36-18-9		P															
25	O 36-18-9		P															
48	O 36-18-9		P															

**STATUS CODE**  
 F - FLOWING  
 P - PLUMBING  
 G - GAS LIFT  
 S - SHUT IN  
 T - TEMP. ABANDONED  
 I - INJECTION

**OTHER - GAS DISPOSITION CODE**  
 \* - USED OFF LEASE  
 D - USED FOR DRILLING  
 G - GAS LIFT  
 L - LOST (MCF ESTIMATED)  
 E - EXPLANATION ATTACHED  
 R - REPRESENTING OR PRESSURE MAINTENANCE

**OTHER - OIL DISPOSITION CODE**  
 C - CIRCULATING OIL  
 L - LOST  
 S - SEDIMENTATION (ASST)  
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

  
 (SIGNATURE)

\_\_\_\_\_  
 (DATE)

# NEW MEXICO OIL CONSERVATION COMMISSION

## OPERATOR'S MONTHLY REPORT

Company of Tesoro Petroleum Corporation (Address) 5333 Busby Dr., San Antonio, Texas for month February, 1966 Page 4 of 4  
 BOX 2038 SANTA FE, NEW MEXICO

STATEWIDE FORM C-115 REV. 10-1-64  
 SUBMIT ORIGINAL TO OCC SANITARY FE  
 ONE COPY TO OCC DIST. OFFICE  
 ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TYP. RNO.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL						
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E	TRANS-PORTER	OIL ON HAND END OF MONTH
27 P 36-18-9	F	WATERFLOOD PROJECT																	
50 P 36-18-9	F	WATERFLOOD PROJECT																	
65 P 36-18-9	I	ALLOWABLE																	
54 L 31-18-8	F																		
Totals			7,502	6,375	31,125														

Note: Waterflood Allowable requested for April 1966 is 7,502 Barrels.

STATUS CODE  
 F..... FLOoding  
 P..... Pumping  
 C..... GAS LIFT  
 S..... SHUT IN  
 T..... TEMP ABANDONED  
 I..... INJECTION

"OTHER" GAS DISPOSITION CODE  
 A..... USED OFF LEASE  
 B..... USED FOR DRILLING  
 C..... GAS LIFT  
 D..... LOST (MCF ESTIMATED)  
 E..... EXPLANATION ATTACHED  
 F..... REPRESSURING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE  
 C..... CIRCULATING OIL  
 L..... LOST  
 S..... SEDIMENTATION (BIBER)  
 E..... EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

(SIGNATURE) [Signature]  
 Vice-President  
 (POSITION)  
 3-18-66 (DATE)

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

February 9, 1966

Mr. Richard S. Morris  
Seth, Montgomery, Federici & Andrews  
Attorneys at Law  
Post Office Box 2307  
Santa Fe, New Mexico

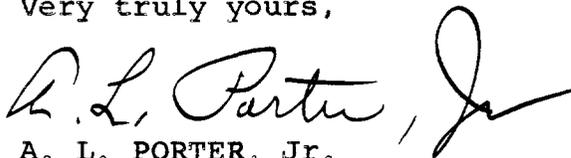
Re: Case No. 3353  
Order No. R-3040  
Applicant:

Tesoro Petroleum Corp.

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,



A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC     x      
Artesia OCC             
Aztec OCC     x    

Other Mr. James C. Vandiver, 1801 Chaco Avenue, Farmington, N.M.

Mr. Philip A. Hogan, Tidewater Oil Company, Box 1960, Durango, Colo.



MAIL ROOM

FEB 25 AM 7:50

February 24, 1966

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Ida Rodrigues

Gentlemen:

I am returning your copy of the transcript in Case No. 3353  
(Tesoro Petroleum Corporation) that you sent to me February 11, 1966.

You have been most helpful and we thank you again for your  
cooperation.

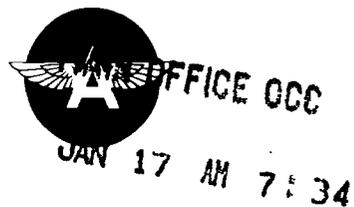
Very truly yours,

TIDEWATER OIL COMPANY

Harold G. Vest

HGV:csw

Enclosure



January 13, 1966

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Ida Rodrigues, Secretary to Director

Gentlemen:

Please send a copy of the transcribed proceedings of Case #3353 (Tesoro Amendment to Waterflood Order No. R-2807), which was presented at the January 5, 1966 Examiner Hearing in Santa Fe. Upon receipt we will make a print and return your copy to you immediately.

For your convenience we are enclosing a self-addressed stamped envelope.

Thank you for your sincere cooperation.

Very truly yours,

TIDEWATER OIL COMPANY

A handwritten signature in cursive script that reads 'Harold G. Vest'.

Harold G. Vest

HGV:csw

Enclosure

*Send transcripts when they  
come in.*

**OIL CONSERVATION COMMISSION**

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 29, 1965

**Mr. Philip A. Hogan  
Tidewater Oil Company  
Post Office Box 1960  
Durango, Colorado**

**Dear Sir:**

With reference to your letter of December 28, 1965, please be advised that Case No. 3353 (Tesoro Petroleum Corporation Waterflood) is scheduled to be heard at the January 5, 1966 examiner hearing. If there should be a change in this schedule, we will notify you.

I am enclosing a copy of the docket for the above-mentioned hearing.

Very truly yours,

**J. M. DURRETT, Jr.  
Attorney**

**JMD/ir  
Enclosure**

C  
O  
P  
Y



December 28, 1965

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

ATT: Mr. A. L. Porter

Gentlemen:

Regarding Case #3353 (Tesoro Petroleum Corp. Waterflood of Hospah Field), which was continued from the scheduled date of December 14, 1965 to January 5, 1966, Tidewater Oil Company is planning to have representatives attend this hearing from the Durango Exploration Office and our Midland, Texas Production Office.

Please notify the following if any change from the scheduled date of January 5th is planned:

Tidewater Oil Company  
P. O. Box 1960  
Durango, Colorado  
ATT: Mr. Philip A. Hogan

Tidewater Oil Company  
P. O. Box 1231  
Midland, Texas  
ATT: Mr. Harold Vest

Very truly yours,

TIDEWATER OIL COMPANY

*Philip A. Hogan*  
Philip A. Hogan  
District Geologist

PAH:dp



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

November 15, 1965

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, NEW MEXICO 87501

*Case 3353*

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Tesoro Petro. Corp. which seeks an amendment to Order R-2807 by adding two new injection wells Nos. 68 and 69. Applicant also seeks authorization for two unorthodox locations for producing wells which is no concern of this office. Applicant also seeks permission to produce from Well No. 63 and requests the authorization to inject water into a well located 1600' from the south line and 1640' from the west line of Sec. 36, T. 18 N., R. 9 W. be rescinded.

{ This office offers no objection to the granting of the application provided the well construction and equipment specifications for the injection wells are equal to, or are better than, those in the original plan.

FEI/ma  
cc-Mr. Richard S. Morris

Yours truly,

S. E. Reynolds  
State Engineer

By: *Frank E. Irby*  
Frank E. Irby  
Chief  
Water Rights Div.

J. O. SETH (1883-1963)

A. K. MONTGOMERY  
WM. FEDERICI  
FRANK ANDREWS  
FRED C. HANNAHS  
RICHARD S. MORRIS

JOHN G. JASPER  
SUMNER G. BUELL  
SETH D. MONTGOMERY

**SETH, MONTGOMERY, FEDERICI & ANDREWS**

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE  
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307  
AREA CODE 505  
TELEPHONE 982-3876

November 8, 1965

Mr. Frank Irby  
Chief, Water Rights Division  
Office of the State Engineer  
Capitol Building  
Santa Fe, New Mexico

Re: Tesoro Petroleum Corporation application  
to N.M.O.C.C. for an amendment of Order  
No. R-2807, Hospah unit area, McKinley  
County, New Mexico

Dear Mr. Irby:

Enclosed is a copy of Tesoro Petroleum Corporation's application for an amendment to Order No. R-2807 entered in Case No. 3132 on November 24, 1964 which order approved a waterflood project in the Hospah unit area, McKinley County, New Mexico.

Since Order No. R-2807 was entered it has become necessary to convert several wells which were intended to be injection wells into producing wells and to drill additional injection wells as replacements. This application seeks approval for these changes but does not seek to alter the method of operation of the waterflood project in any substantial sense.

If you need additional information concerning Tesoro's plans for this area please advise and I will do my best to get the information for you.

Very truly yours,



RSM:LHS  
Encl.

cc: New Mexico Oil Conservation Commission ✓

Mr. G. M. Andreen  
Tesoro Petroleum Corporation

COPY

J. O. SETH (1883-1963)

A. K. MONTGOMERY  
WM. FEDERICI  
FRANK ANDREWS  
FRED C. HANNAHS  
RICHARD S. MORRIS  
JOHN G. JASPER  
SUMNER G. BUELL  
SETH D. MONTGOMERY

SETH, MONTGOMERY, FEDERICI & ANDREWS  
ATTORNEYS AND COUNSELORS  
350 EAST PALACE AVENUE  
SANTA FE, NEW MEXICO 87501  
MAIN OFFICE OCC

January 17, 1966

JAN 18 AM 7:52

POST OFFICE BOX 2307  
AREA CODE 505  
TELEPHONE 982-3876

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter

Re: Application of Tesoro Petroleum Corporation, Case No. 3353, January 5, 1966, Hospah Sand Unit, Hospah Field, McKinley County, New Mexico

Gentlemen:

In accordance with examiner Nutter's request for additional information at the hearing of the subject case, we hand you herewith Mr. Andreen's letter dated January 14, 1966, to which is attached his summary of each well drilled in the Hospah Sand Unit and a structure map showing the locations of all wells and the original and present oil-water contact.

Also enclosed are copies of letters written to Tidewater Oil Company and Whigham Drilling Company in compliance with the requests made by representatives of those companies at the hearing on the subject case.

Based upon this additional information we request that the Commission enter its order approving the locations of all wells and approving the injection of water to all wells presently designated as injection wells.

Very truly yours,



RSM:LHS  
Encls.

cc: Tesoro Petroleum Corporation  
533 Busby Drive  
San Antonio, Texas 78209

TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

January 14, 1966

MAIN OFFICE 000

JAN 18 AM 7 53

Whigham Drilling Company  
Petroleum Plaza Building  
Farmington, New Mexico 87401

Re: Oil Conservation Commission Case  
No. 3353, Hospah Sand Unit, Hospah  
Field, McKinley County, New Mexico

Gentlemen:

At the referenced hearing held January 5, 1966 at Santa Fe, New Mexico your representative requested some additional information on injection wells Nos. 60 and 61 of the Hospah Sand Unit.

The Hospah Sand Unit well No. 60 was drilled in Unit L, 2310 feet from the South line and 1060 feet from the West line of Section 1, Township 17 North, Range 9 West. The well was spudded August 12, 1965 and 4 1/2-inch casing run on August 17, 1965. The well was cored, and a copy of the analysis is attached for your information. The well was perforated from 1559-70, 1570-90 and 1600-01 and tested six days with a 1 1/2-inch pump, 36-inch stroke, 14 strokes per minute. Final test was 110 barrels per day of water with a rainbow of oil. The well was considered noncommercial and equipped as an injection well.

Hospah Sand Unit well No. 61 was drilled in Unit E, 3650 feet from the South line and 1000 feet from the West line of Section 1, Township 17 North, Range 9 West. This well was spudded August 12, 1965 and 4 1/2-inch casing was run August 17, 1965. The sand section was cored, and a copy of the core analysis is attached for your information. The well was perforated from 1632-34, 1636-38 and 1640-56 and tested six days with a 1 1/2-inch pump, 36-inch stroke, 10 strokes per minute. The final test was 75 barrels a day of water with a trace of oil. The well was considered noncommercial and equipped as an injection well.

At the secondary-recovery hearing on the Hospah Field (Case No. 3132) held October 28, 1964, a structure map on top of the Hospah Sand was prepared

January 14, 1966

by the Engineering and Consulting Department of Core Laboratories, Inc. and was submitted in evidence. A copy of this structure map is attached, and reference to it will show that the original oil-water contact on the southwest portion of the Unit area was thought to be at 5350 feet above sea level. The drilling of wells Nos. 60 and 61 did very little to alter the geological concepts insofar as this portion of the field is concerned. From the new development in the Hospah Sand Unit area there is evidence that the original oil-water contact has moved upstructure at least 5 feet and that its present position is approximately 5355 feet above sea level.

Attached is a structure map of the Hospah Sand Unit area which incorporates all of the new data obtained from the recent drilling, and it is evident from this map and the production tests on Nos. 60 and 61 that there is no commercially-productive Hospah Sand contiguous with that underlying the Hospah Sand Unit lying outside the Unit boundaries.

If there is any additional information we can supply, please advise.

Very truly yours,



Gilbert M. Andean

GMA:nb  
Attachment

cc: New Mexico Oil Conservation Commission