



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

November 16, 1982

Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286

ATTENTION: Joe R. Howard

RE: Administrative Order No. DHC-374
Santa Fe Railroad Well No. 20,
SE/4 NW/4, Sec. 7, T-17N, R-8W,
NMPM, McKinley County
South Hospah Upper Sand Oil and
South Hospah Lower Sand Oil Pools

Dear Mr. Howard:

Per your letter dated October 21, 1982, we are unable to amend this application administratively to allow daily water production of 200 barrels. This will need to be brought before an Oil Conservation Division examiner.

If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

Michael E. Stogner
Petroleum Engineer

MES/dp

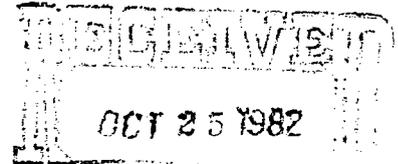
cc: Frank Chavez
Supervisor - Aztec District
Office



Tesoro Petroleum Corporation

Joe R. Howard
Manager, Production Operations

October 21, 1982



Mr. Joe Ramey
Energy & Minerals Department
State of New Mexico
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Administrative Order No. DHC-374
Santa Fe Railroad Well No. 20,
SE/4 NW/4, Sec. 7, T17N, R8W,
NMPM, McKinley County
South Hospah Upper Sand Oil and
South Hospah Lower Sand Oil Pools

Dear Mr. Ramey:

Tesoro Petroleum Corporation is in receipt of the subject administrative order No. DHC-374. This order allows a commingle oil production, from the subject well, of 20 barrels per day and total water production not to exceed 40 barrels per day. Recent well tests indicate that daily oil production is 15 barrels per day and 175 barrels of water per day.

In order to efficiently produce the subject well it is requested that administrative order No. DHC-374 be ammended to allow daily water production of 200 barrels.

For your information, attached is correspondence outlining the original commingling request.

Very truly yours,


Joe R. Howard