OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

August 18, 1970

Tesoro Petroleum Corporation 8520 Crownhill Boulevard San Antonio, Texas 78209

Attention: Mr. O. Lewis Smith, Jr.

AMENDMENT
Administrative Order PC-365

Gentlemen:

Reference is made to your request for the amendment of Administrative Order PC-365 which authorizes the commingling of Dakota and Gallup production on your Santa Fe Lease in Section 7, Township 17 North, Range 8 West, Hospah Pool, McKinley County, New Mexico, after separately measuring the production from each pool in tanks prior to commingling. It is our understanding that you now have Upper Hospah as well as Lower Hospah production and the Dakota production on said lease and you wish to commingle the three zones. Further, that you will continue to commingle the production from the Dakota and Lower Hospah zones after separately measuring the production from each pool prior to commingling, then to commingle this commingled production with the Upper Hospah Sand production, allocating production to each well on the basis of periodic well tests.

Administrative Order PC-365 is hereby amended to permit the commingling as described above.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Aztec Oil & Gas Engineering Committee - Hobbs

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Very truly jours,

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