

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 26, 1970

**Tesoro Petroleum Corporation
8520 Crownhill
San Antonio, Texas 78209**

Attention: Mr. O. L. Smith

Administrative Order PC-404

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 303-A of the Commission Rules and Regulations to permit the commingling of Upper Hospah Sand and Lower Hospah Sand production on your Hanson Federal Lease in the SW/4 of Section 6, Township 17 North, Range 8 West, South Hospah Field, McKinley County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the production from both pools is of marginal nature.

By the authority vested in me under the provisions of Rule 303-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner, provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

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P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 26, 1970

Tesoro Petroleum Corporation
8840 Brownhill
San Antonio, Texas 78209

Attention: Mr. J. L. Smith

Administrative Order HC-494

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 103-A of the Commission Rules and Regulations to permit the commingling of Upper Hoshan Sand and Lower Hoshan Sand production on your Hanson Federal Lease in the SW 1/4 of Section 3, Township 17 North, Range 8 West, South Hoshan Field, McKinley County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the production from both pools is of marginal nature.

The authority vested in me under the provisions of Rule 103-A of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner, provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

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Tesoro Petroleum Corp.

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**It is the responsibility of the producer to notify
the transporter of the aforesaid commingling authority.**

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/DSN/og

**cc: Oil Conservation Commission (with enclosure) - Aztec
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell**

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Tesoro Petroleum Corp.

-2-

It is the responsibility of the producer to notify
the transporter of the aforesaid compelling authority.

Very truly yours,

A. L. POWERS, JR.
Secretary-Director

ALP:KXJ

cc: Oil Conservation Commission (with enclosure) - Armed
Oil & Gas Engineering Committee - HOF
United States Geological Survey - Roswell