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 6f 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.

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

July 25, 1975

Tesoro Petroleum Corporacion 8320 Crownil 1 San Antonio, Texas 76209

Attentions in a car continuate

Administrative under 190-404

Gentiemen:

Peleronce is made to your application for administrative approval of an exception to Bule 203-8 of the Commission wiles and Regulations to Dermit the commission wiles and Regulations to Dermit the commission of Upper Pospah Sand and Lower Hospah Sand oredection on your Ranson Federal Lease in the SW/4 of Section 5, Township i7 North, Range 8 West, South Hospah Field, McKinley Ship i7 Now Mexico, silocating the production on the basis of periodic well test sets. It is our understanding that the product on from north pools is of marginal nature.

It the suchertry vested in me ander the provisional rule is he of the Commission Rules and Regulations, you are hereby authorized to commission the production from the aforesaid pools on said lease in the above-pescriped managery/ded however, that the installation shall be operated in accordance with the provisions of the Commission "Meanual for the Installation and Operation of Commingling Lacilities," and provided nurther, that you shall rotify the Commission at auch time as any well in either of the aforesaid pools is capable on top allowable production.

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 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

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

Tesoro Patroleum Corp.

It is the responsibility of the producer to notify the transporter of the aforessid commingling actionity.

Very truly yours,

A. L. PGGFFR, Jr. secretary-Director

ALF '03W og

co: Oil Conservation Chamission (with enclosure) - Azred Oil & Kas Engineering Committee - Hobbs United States Georgical Janvey - Roswell