

TESORO PETROLEUM CORPORATION

ROCKY MOUNTAIN DISTRICT

SUITE 1012, 1776 LINCOLN STREET

DENVER, COLO. 80203

PHONE 303-572-8337

March 26, 1974

Mr. A. L. Porter
Secretary Director
New Mexico Oil
Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Commingling Order PC-468

Dear Sir:

Commingling of Upper Hospah Oil and Hospah Dakota Oil was permitted by the above-captioned order on Tesoro's Santa Fe RR "B" Lease. When permission for this permit was requested, this lease comprised only the W/2 of the SW/4 of Section 5, T. 17 N., R. 8 W. (80 acres, more or less).

Recent development drilling has resulted in an Upper Hospah Oil completion in the SW/4 of the NW/4 of this section. Therefore, Tesoro respectfully requests that the acreage assigned to this new well (40 acres, more or less) be included under the commingling order for this lease. Also, since additional development drilling for Upper Hospah and Hospah Dakota Oil is anticipated for the remainder of the W/2 of Section 5, T. 17 N., R. 8 W., it is requested that this order be amended to include the entire W/2 of the section (320 acres, more or less - see attached plat). Ownership and royalty interest under all of the acreage in the W/2 of Section 5, T. 17 N., R. 8 W., is common for both of these producing intervals.

Respectfully,

TESORO PETROLEUM CORPORATION

L. Charles Marquart
District Engineer

LCM:ds

Enclosure

R 8 W

TESORO
31

S.F.P.R.R.

T 18 N

T 19 N

TESORO

TEXACO

TESORO

3739

0557107

TESORO

Proposed Acreage
to be included
under Commingle
Order PC-468
(320 Ac. More or Less).

35
Upper Hospah

Tank Battery
33
Upper Hospah

Present Acreage
Covered by Permit
(80 Ac. More or Less).

24

32
Dakota 'D'

30

Federal U.S.N.M. No. 052931

23

34
Upper Hospah

S.F.P.R.R. "B"

TESORO

2

29

25

10

26

In Unit
22

C.G. Kennedy
BSX Edno

Tennessee
L1110

Tesoro Petr. Corp.
Santa Fe RR 'B' Lease
Hospah Field
McKinley Co.
New Mexico.
Scale - 1" = 1000'

(Beard Oil Co.)
(V. Toledo)
1 (2)

(12) 2

3 (16)

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PC- 468

Company Tesoro Petroleum Corp.
Address Suite 1012, 1776 Lincoln Street
City, State, Zip Denver, Colorado 80203

Attention: Mr. L. Charles Narquart

Lease Name: Santa Fe Railroad "B"
Description: W/2 SW/4 Sec. 5, T-17-N, R-8-W, McKinley County

The above-named company is hereby authorized to commingle production from the following pools

South Hospah Upper Sand and Hospah Dakota

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

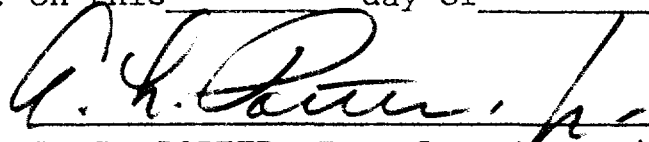
_____ separately metering the production from
and determining the
production by the subtraction method

 x well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS:

DONE at Santa Fe, New Mexico, on this 1st day of February 1974 .


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