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PC-378  
TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

May 23, 1969

Mr. A. L. Porter, Jr.  
State Geologist  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Tesoro Petroleum Corporation is in the process of completing its Santa Fe "A" wells Nos. 77 and 79 in the Southeast Quarter of Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico as shown by the attached plat.

These wells will be completed in the South Hospah Upper Sand Pool, and we are requesting permission herewith to commingle production from these two wells with oil produced from the South Hospah Lower Sand Pool as produced from Santa Fe "A" wells Nos. 72, 73, 74, 75 and 76.

The gravity of the Upper Hospah crude is 31.5° API while the gravity of the Lower Hospah crude is 25.5° API. The value of the Upper Hospah production is \$2.74 per barrel after pipeline charges, and the Lower Hospah oil is valued at \$2.62 per barrel after pipeline charges. At the present time we are producing approximately 6,100 barrels per month from the Lower Hospah wells, and we anticipate that we will produce approximately 1,200 barrels per month from the Nos. 77 and 79 wells combined. Based on this production, the expected gravity of the commingled production is 27.2° API, and the value is \$2.66 per barrel.

A manifold is installed at well No. 72 which permits production of any one well into a test tank. We propose to tie the two Upper Sand Pool wells into the manifold at the No. 72 well, and all production will be allocated to the individual wells by means of monthly well tests.



Mr. A. L. Porter, Jr.

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Tesoro Petroleum Corporation respectfully requests administrative approval of this proposed surface commingling.

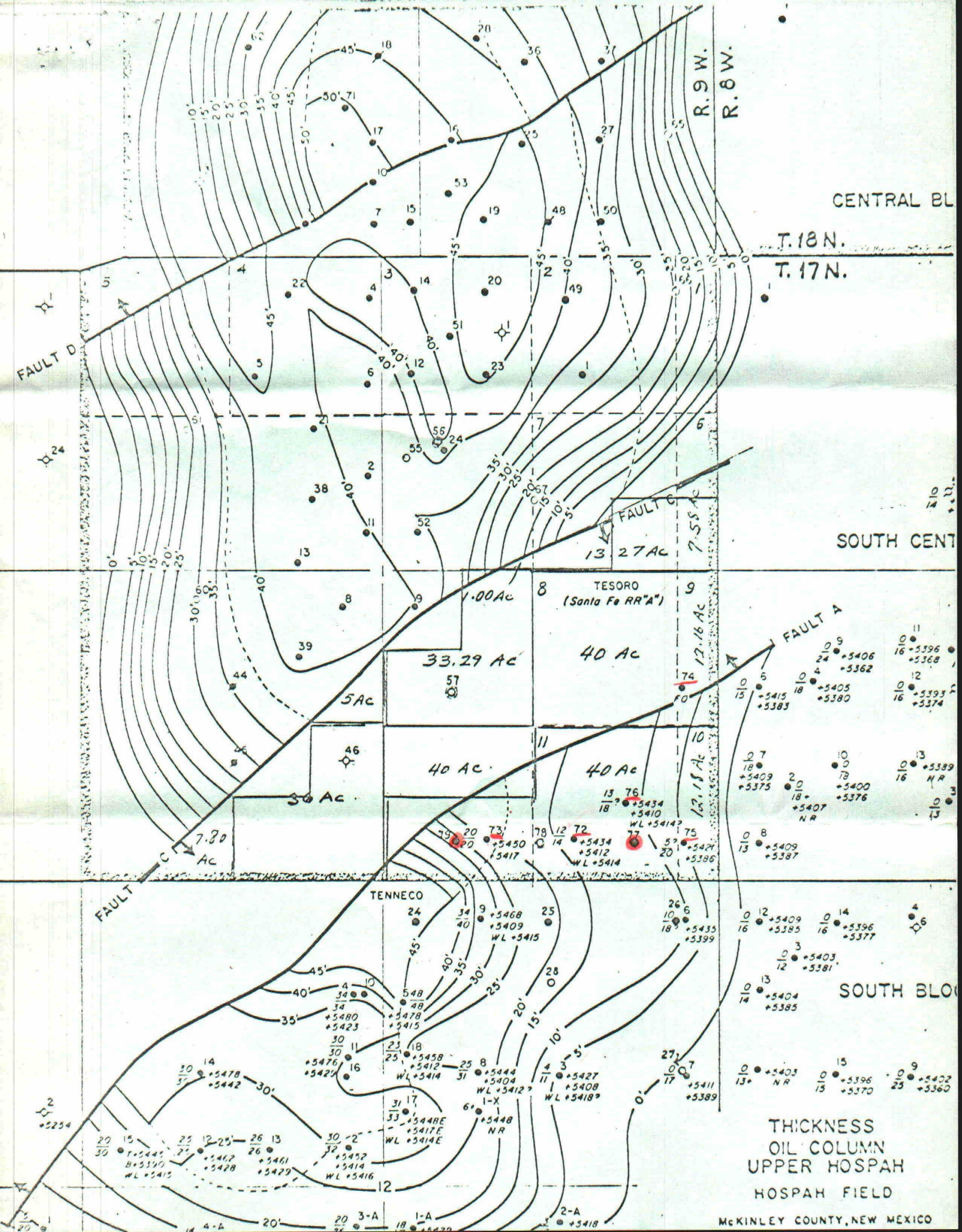
Yours very truly,

A handwritten signature in cursive script, reading "R. H. Denman". The signature is written in dark ink and is positioned above the printed name.

R. H. Denman

RHD:nbd  
Enclosure

cc: Mr. Walter C. Quinn  
Mr. Wm. T. E. Nissen



LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE