

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766



#3131

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

July 9, 2002

BC & D Oil & Gas Corporation
P.O. Box 1680
Hobbs, New Mexico 88241

Attn: Mr. Donnie Hill

Re: Operator's Monthly Report
Hospah Field Sand Unit
McKinley County, New Mexico

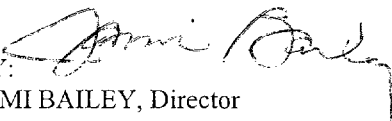
Dear Mr. Hill:

We are in receipt of your C115s for January, February and March, 2002, for the Hospah Field Sand Unit. Our termination letter of June 18, 2002 is rescinded.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File

OCD--David Catanach



3131
RECEIVED
1996 APR 11 10 52

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

(505) 827-5760
FAX (505) 827-5766

SANTA FE, NEW MEXICO 87504-1148

April 2, 1996

B C & D Oil & Gas Corporation
Post Office Box 837
Hobbs, New Mexico 88241

Attn: Mr. Donnie Hill

Re: Resignation/Designation of Successor Unit Operator
Hospah Field Sand Unit
McKinley County, New Mexico

Dear Mr. Hill:

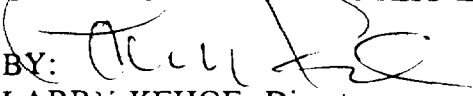
We have received a resignation/designation of successor unit operator, wherein Tesoro Petroleum Corporation and TES Acquisition Corporation resigned as unit operator of the Hospah Field Sand Unit, and designated B C & D Oil & Gas Corporation as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation/designation described herein. This change in operators is effective May, 1993. In accordance with this approval, B C & D Oil & Gas Corporation is now responsible for all operations and the reporting of all production from the unit. Our approval is subject to like approval by the Bureau of Land Management.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas & Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File Commissioner's File OCD-Roy Johnson BLM TRD
 Tesoro Petroleum Corporation

MAIN OFFICE OCC

70 MAR 6 AM 8 16

3121

March 5, 1970

Montgomery, Federici, Andrews,
Hannahs & Morris
P. O. Box 2307
Santa Fe, New Mexico 87501

Re: Hospah Unit Agreement
AMENDMENT & CONTRACTION
McKinley County, New Mexico

ATTENTION: Mr. Richard S. Morris

Gentlemen:

The Commissioner of Public Lands has this date approved your application for Amendment and Contraction of the Hospah Unit Agreement.

Enclosed please find one approved copy of the Application.

Your filing fee in the amount of Fifteen (\$15.00) dollars has been received.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TB/ML/s
encls.

cc: OCC- Santa Fe. New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 10, 1969

**Mr. R. H. Denman
Tesoro Petroleum Corporation
533 Busby Drive
San Antonio, Texas 78209**

**Re: Revision of acreage assigned
to the Hospah Sand Unit**

Dear Mr. Denman:

As the Hospah Sand Unit was approved after notice and hearing and as the unit agreement does not appear to provide for contraction, I feel that it will be necessary for you to have the above-described matter set for hearing.

If you decide to request that the matter be set for hearing, please describe the area to be deleted with more particularity as there are lots involved along the east side of the section. Also, please include the number of acres to be deleted in the NW/4 SE/4 of the section.

Very truly yours,

**GEORGE M. HATCH
Attorney**

GMH/esr

**cc: Mr. Emery C. Arnold
Supervisor, District 3
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410**

C
O
P
Y

TESORO PETROLEUM CORPORATION

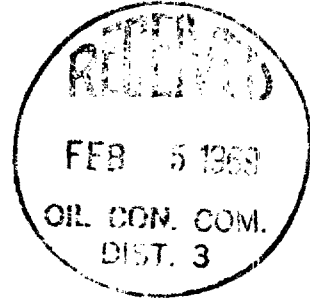
533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

February 3, 1969

Cs 3131



Mr. Emery C. Arnold
State of New Mexico
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Sir:

It is our understanding that Tenneco is preparing to conduct an Upper Hospah waterflood project in Section 12, T 17 N, R 9 W in McKinley County, New Mexico. Tesoro owns the adjoining acreage to the north in Section 1 and, of course, is interested in protecting its correlative rights by drilling and completing wells in the Upper Hospah as soon as possible. All of the acreage in Section 1, however, has been assigned to the Hospah Sand Unit which is Upper Hospah production. We have production in the SE/4 of Section 1, but these wells (Nos. 72, 73, 74, 75 and 76 Santa Fe) are all completed in the Lower Hospah.

Our concern at this time revolves around the need for revising the acreage formerly assigned to the Hospah Sand Unit. Such a revision would provide for excluding from the Unit the following acreage:

NE/4 of the SE/4, SE/4 of the SE/4, SW/4 of the SE/4
and part of the NW/4 of the SE/4 of Section 1, T 17 N,
R 9 W.

Inasmuch as these portions of Section 1 are separated from the Unit acreage by faulting, it would not be necessary to revise the percentage participation factors previously filed with your office.

Please advise as to what procedure we should follow in accomplishing this change.

Very truly yours,

A handwritten signature in cursive script that reads "R. H. Denman".

R. H. Denman

RHD:nbd



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD, AZTEC

87410

February 6, 1969

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Tesoro Petroleum Corporation
533 Busby Drive
San Antonio, Texas 78209

Attention: Mr. R. H. Denman

Dear Sir:

Your letter of February 3, 1968, concerning the revision of unit boundaries in the Hospah Sand Unit is being forwarded to Mr. George Hatch, Oil Conservation Commission Attorney, Santa Fe, New Mexico.

I am sure Mr. Hatch will be able to advise you as to the procedure to be followed to accomplish what you have in mind.

Yours very truly,

Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Mr. George Hatch
Oil Conservation Commission
Santa Fe, New Mexico

MAIN OFFICE

NOV 9 AM 10

3131

November 6, 1964

Texstar Petroleum Company
2000 National Bank of Commerce Building
San Antonio, Texas

Re: Hospah Field Unit
McKinley County, New Mexico

Attention: Mr. G. M. Andreen

Dear Mr. Andreen:

The Commissioner of Public Lands has approved as of November 6, 1964, the Hospah Field Unit Agreement, McKinley County, New Mexico.

Although the Oil Conservation Commission Order has not as yet been issued Mr. Porter's office has advised me that it will be given Order No. R-2797 and recommended for approval.

We are returning two copies of the Unit Agreement together with originally signed copies of the Commissioner's Certificate of Approval. Also enclosed is our Official Receipt No. G-48195 in the amount of Fifteen (\$15.00) Dollars which covers the filing fee.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Director
Oil & Gas Department

ESW/mmr/v

cc: Oil Conservation Commission
Santa Fe, New Mexico

TEXSTAR PETROLEUM COMPANY

NATIONAL BANK OF COMMERCE BUILDING

CAPITOL 7-5031 AREA CODE 512

SAN ANTONIO, TEXAS 78205

October 6, 1964

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

RECEIVED
OCT 9 AM 10:30

Handwritten notes and signatures:
200-3-131
(initials)

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Unitization & Secondary Recovery, Hospah
Field, McKinley County, New Mexico

Gentlemen:

The Hospah Field is one of the oldest fields in the State of New Mexico. It was discovered in 1927 at which time three wells were completed in the Hospah Sand at approximately 1,550 feet below the surface of the ground. The field presently contains approximately 40 producing wells, all of which are completed in the Hospah horizon. During the course of drilling to the Hospah Sand oil saturation was encountered and recorded in the Seven Lakes horizon at a depth of approximately 350 feet. Although core analysis from the Seven Lakes horizon indicated good sand properties, the oil it contained was very viscous, and no completion attempts were ever made.

Production from the Hospah Sand has declined steadily over the years, and many of the wells are now marginal. It is thought that by supplementing the reservoir energy through the injection of water, recovery from the horizon would be increased by approximately one and one-half million barrels of oil. In recent years there has been great progress made in the technique of producing high-viscosity oil. It is thought that the Seven Lakes horizon will be amenable to some of these techniques and that potential recovery from this zone is in the million-barrel range.

On application of Texstar Petroleum Company, the owner and operator of all the wells in the field, it is requested that a hearing be set for the purpose of approving unitization of the Hospah and the Seven Lakes horizons and for granting permission to conduct secondary-recovery operations in each of the two horizons.

Attached is a plat showing the log of the proposed injection wells for the Hospah Sand, the Unit outline and the location of the presently producing wells. Insofar as is known the offset leases are owned by the State of New Mexico and

DOCKET MAILED

Date 10-15-64

Handwritten initials

October 6, 1964

the Santa Fe Railroad, both of whom are parties to the proposed unitization. You will note from the plat that the majority of the injection wells are to be drilled, and our general plan of completion will be to set and cement casing through the sand and selectively perforate. The initial injection will be into the Hospah Sand, which is found at approximately 1,550 to 1,600 feet below the surface of the ground. The water-supply sand has not yet been determined; however, the old records indicate the presence of water-bearing horizons in the 900 to 1,000-foot range, and should these zones not prove adequate, we could obtain water from the Hospah horizon on the downdip side of the fault indicated on the attached plat. The anticipated maximum injection rate into the Hospah Sand is 6,000 barrels per day, and the maximum rate of oil production is estimated at 1,000 barrels per day.

A considerable amount of laboratory work must be done on cores from the Seven Lakes horizon before any definite plan of injection can be devised. We will, of course, accrue this information as quickly as possible.

We have been in contact with Mr. Irby of the State Engineer's Office concerning the proposed injection programs. Attached for your information is a copy of a letter from Mr. Irby, and we are just now completing cross sections to answer the question he raised in this letter. In addition, Mr. Irby will be supplied with a copy of this application and all the attachments hereto.

If there is any additional information required prior to setting this matter for hearing, please advise.

Very truly yours,

G. M. Andreen

G. M. Andreen

ref

GMA:nbd
Attachment

cc: Mr. Frank E. Irby



STATE OF NEW MEXICO
STATE ENGINEER OFFICE
SANTA FE

S. E. REYNOLDS
STATE ENGINEER

August 7, 1964

MAIL ROOM
1964 OCT 8 AM
ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

Texstar Petroleum Company
National Bank of Commerce Building
San Antonio, Texas

Attention: Mr. G. M. Andreen

Dear Sir:

Your letter of August 3, 1964 pertaining to Unitization of the Hospah Field in McKinley County, New Mexico is gratefully acknowledged. I regret that I was not available when you called at the office last week. My greatest concern is containing the injected fluids in the shallow horizon of the Seven Lakes pay at approximately 350 feet.

I would appreciate any data and other information you have which tends to show that this formation is not hydrologically connected with other formations which may be water bearing.

Very truly yours,

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Division

FEI:cl

TEXSTAR PETROLEUM COMPANY
NATIONAL BANK OF COMMERCE BUILDING
SAN ANTONIO 5, TEXAS

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

October 6, 1964

MAIN OFFICE 0000

AS 9 AM 8 130 19
'64 OCT 8 AM 9 54

Mr. Frank E. Irby, Chief
Water Rights Division
State Engineer Office
State Capitol
Santa Fe, New Mexico

Re: Hospah Field, McKinley
County, New Mexico

Dear Mr. Irby:

Enclosed for your information and file is a copy of our application to conduct secondary-recovery operations in the Hospah and Seven Lakes horizons in the reference field.

We have been in contact with you before on this matter, and I am just now finishing up the East-West and North-South cross section in reply to your letter of August 7, 1964. I expect the cross sections to be in your hands sometime next week.

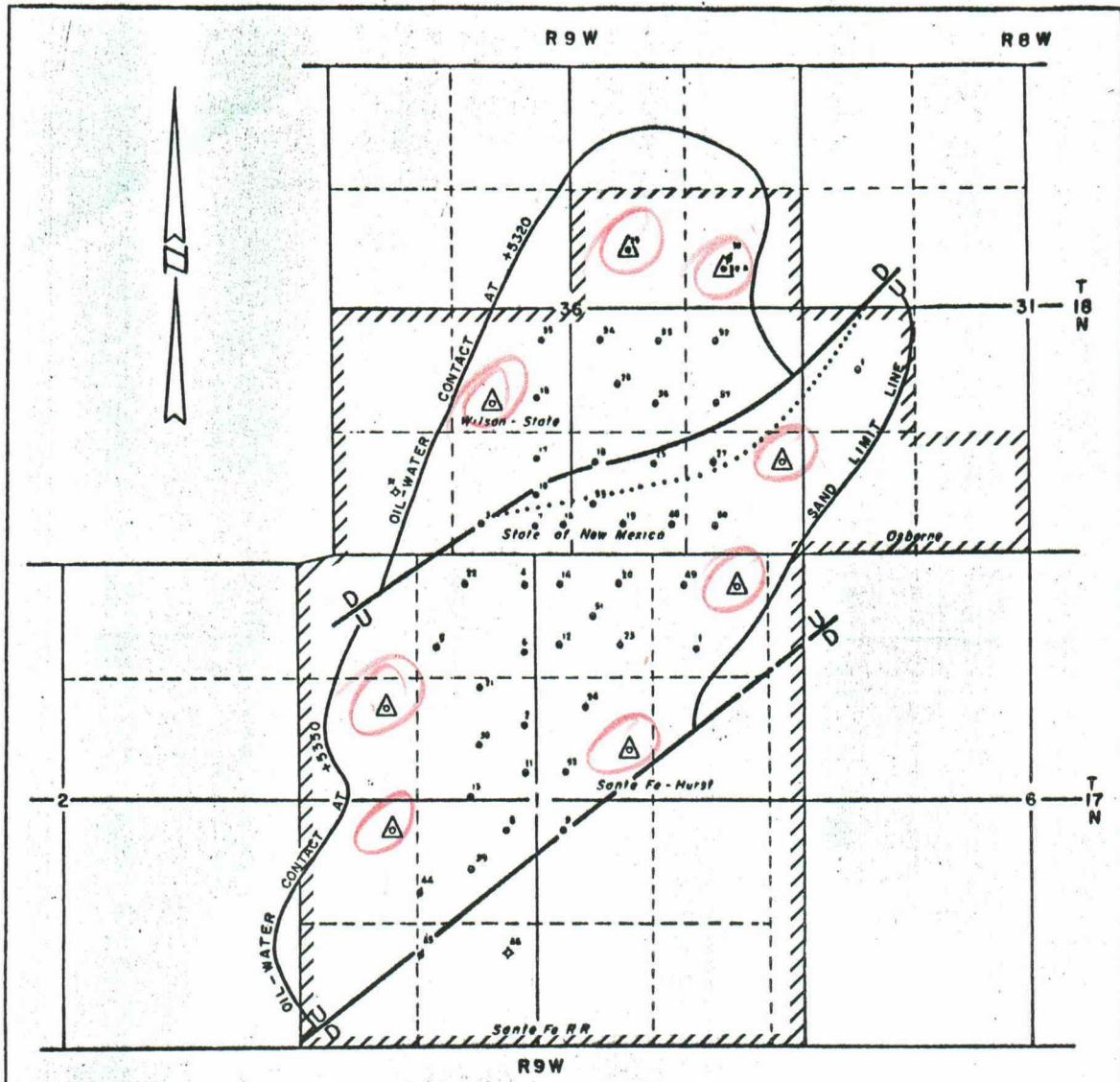
As you might note from our application, our initial injection efforts will be into the Hospah horizon with the program for the shallow Seven Lakes horizon delayed and contingent upon obtaining cores and special laboratory work.

Very truly yours,

G. M. Andreen

GMA:nb
Attachment

cc: New Mexico Oil Conservation Commission ✓



LEGEND

- △ PROPOSED INJECTION WELL
- HOSPAP SAND WELLS

PROPOSED INJECTION PROGRAM

HOSPAP FIELD
 MCKINLEY COUNTY, NEW MEXICO



APRIL 1, 1964

TEXSTAR PETROLEUM COMPANY
NATIONAL BANK OF COMMERCE BUILDING
SAN ANTONIO 5, TEXAS

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

October 6, 1964

MAIN OFFICE 0000
OCT 8 AM 1964

*Case 3/31
(Unit)*

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Unitization & Secondary Recovery, Hospah
Field, McKinley County, New Mexico

Gentlemen:

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Attached is a plat showing the log of the proposed injection wells for the Hospah Sand, the Unit outline and the location of the presently producing wells. Insofar as is known the offset leases are owned by the State of New Mexico and

October 6, 1964

MAN OFFICE

'64 OCT 8 AM 5

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If there is any additional information required prior to setting this matter for hearing, please advise.

Very truly yours,

G. M. Andreen

G. M. Andreen

GMA

GMA:nbd
Attachment

cc: Mr. Frank E. Irby



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

MAILED
'64 OCT 8 AM 9

S. E. REYNOLDS
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

August 7, 1964

Texstar Petroleum Company
National Bank of Commerce Building
San Antonio, Texas

Attention: Mr. G. M. Andreen

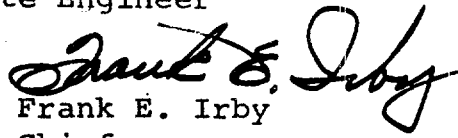
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S. E. Reynolds
State Engineer

By: 
Frank E. Irby
Chief
Water Rights Division

FEI:cl

TEXSTAR PETROLEUM COMPANY

NATIONAL BANK OF COMMERCE BUILDING

CAPITOL 7-5031 AREA CODE 512

SAN ANTONIO, TEXAS 78205

October 6, 1964

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

MAIL ROOM
OCT 8 AM 9 58

Mr. Frank E. Irby, Chief
Water Rights Division
State Engineer Office
State Capitol
Santa Fe, New Mexico

Re: Hospah Field, McKinley
County, New Mexico

Dear Mr. Irby:

Enclosed for your information and file is a copy of our application to conduct secondary-recovery operations in the Hospah and Seven Lakes horizons in the reference field.

We have been in contact with you before on this matter, and I am just now finishing up the East-West and North-South cross section in reply to your letter of August 7, 1964. I expect the cross sections to be in your hands sometime next week.

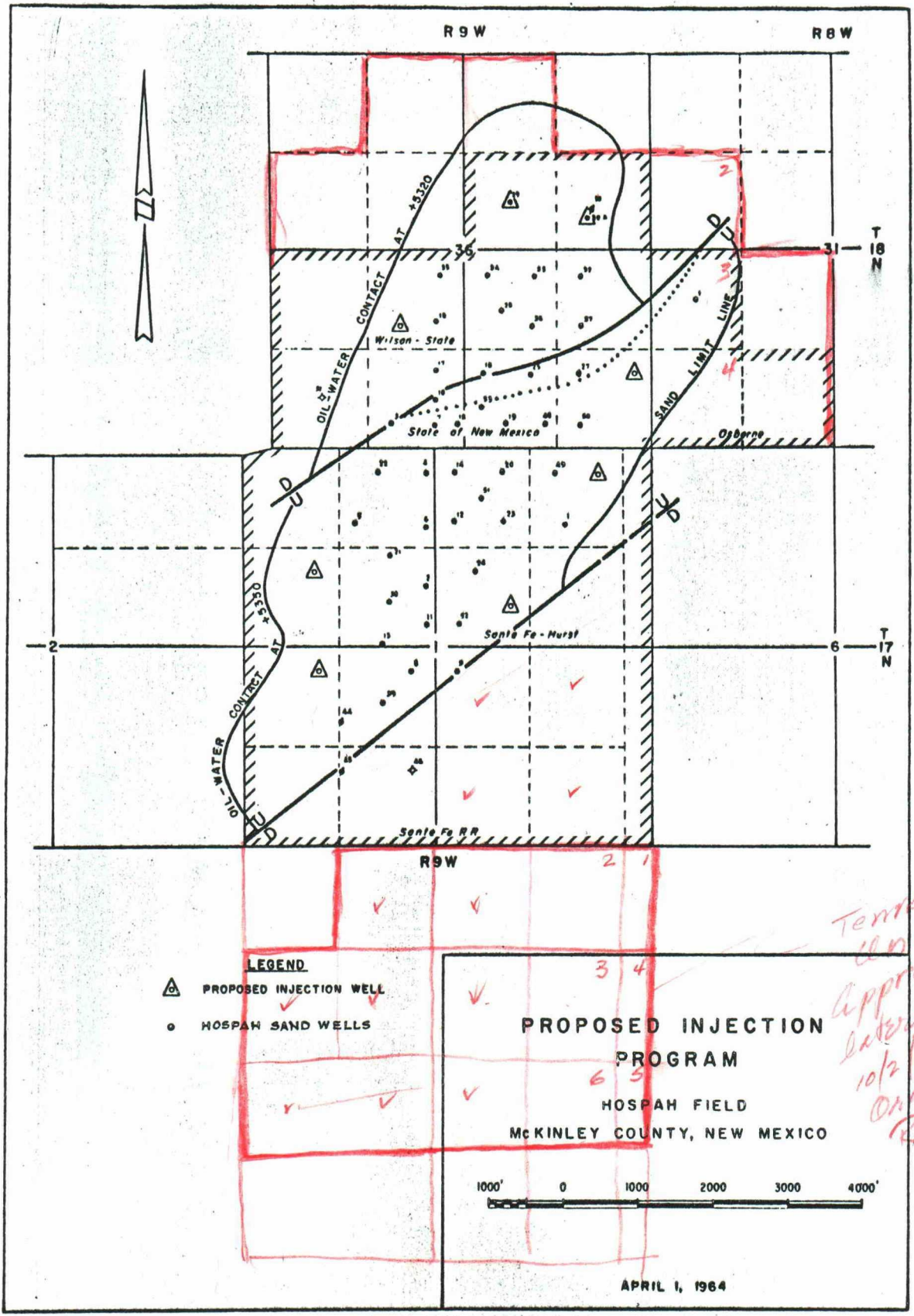
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G. M. Andreen

GMA:nb
Attachment

cc: New Mexico Oil Conservation Commission



TEXSTAR PETROLEUM COMPANY

NATIONAL BANK OF COMMERCE BUILDING

SAN ANTONIO 5, TEXAS

MAIN OFFICE 050
'64 Oct 8 AM 9:00

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

October 6, 1964

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Unitization & Secondary Recovery, Hospah
Field, McKinley County, New Mexico

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October 6, 1964

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Very truly yours,

G. M. Andreen

GMA

G. M. Andreen

GMA:nbd
Attachment

cc: Mr. Frank E. Irby



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

August 7, 1964

Texstar Petroleum Company
National Bank of Commerce Building
San Antonio, Texas

Attention: Mr. G. M. Andreen

Dear Sir:

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Very truly yours,

S. E. Reynolds
State Engineer

By:

Frank E. Irby

Frank E. Irby
Chief

Water Rights Division

FEI:cl

MAILED 10 10 1964

8 AM
OCT 8 1964

TEXSTAR PETROLEUM COMPANY

NATIONAL BANK OF COMMERCE BUILDING

CAPITOL 7-5031 AREA CODE 512

SAN ANTONIO, TEXAS 78208

October 6, 1964

GILBERT M. ANDREEN
VICE-PRESIDENT
ENGINEERING AND PRODUCTION

MAIL ROOM
OCT 8 AM '64

Mr. Frank E. Irby, Chief
Water Rights Division
State Engineer Office
State Capitol
Santa Fe, New Mexico

Re: Hospah Field, McKinley
County, New Mexico

Dear Mr. Irby:

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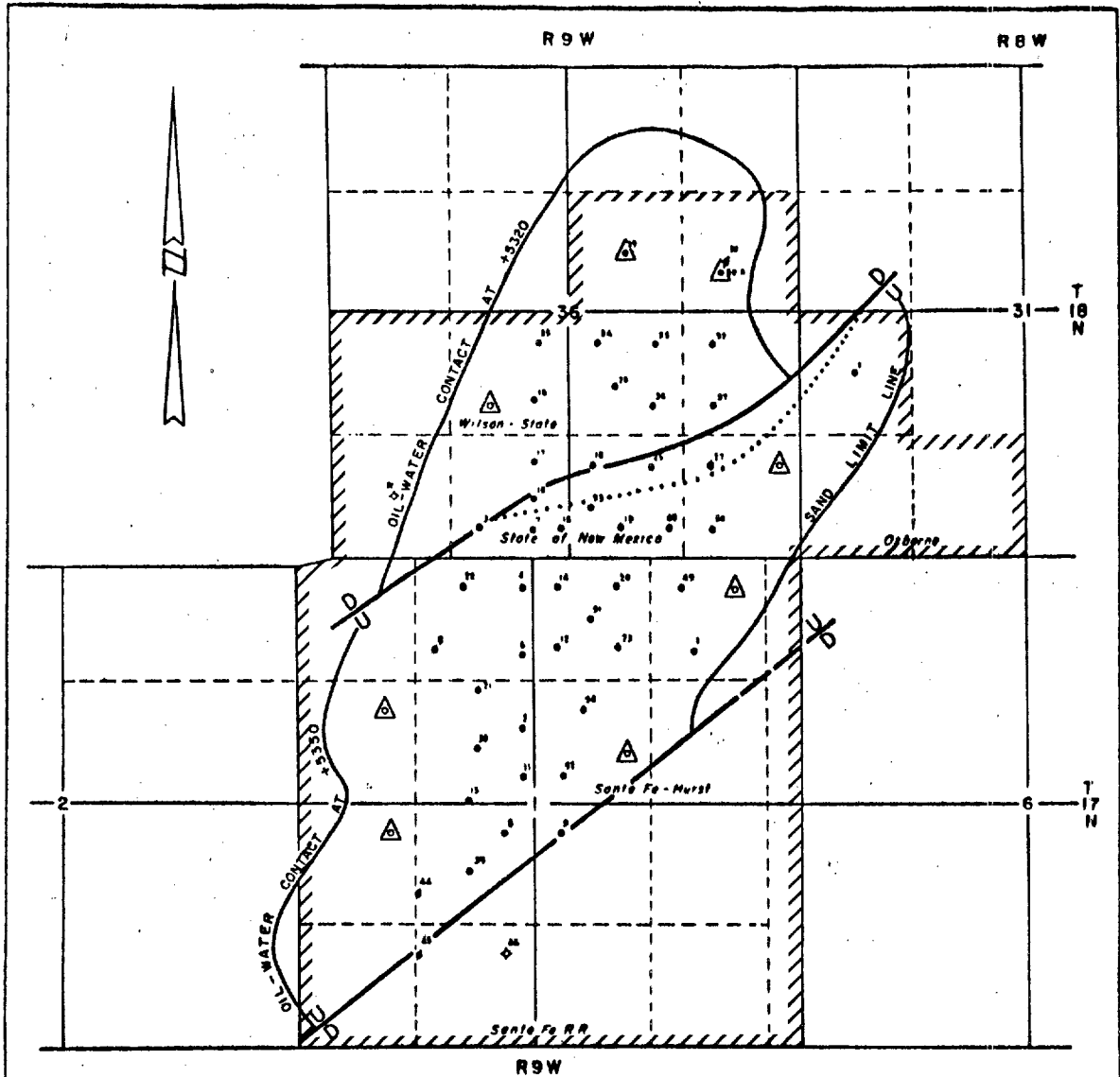
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Very truly yours,

G. M. Andreen

GMA;nbd
Attachment

cc: New Mexico Oil Conservation Commission



LEGEND

- ▲ PROPOSED INJECTION WELL
- HOSPAN SAND WELLS

PROPOSED INJECTION PROGRAM

HOSPAN FIELD
MCKINLEY COUNTY, NEW MEXICO



APRIL 1, 1964

GOVERNOR
 JACK M. CAMPBELL
 CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
 E. S. JOHNNY WALKER
 MEMBER

P. O. BOX 2088
 SANTA FE

STATE GEOLOGIST
 A. L. PORTER, JR.
 SECRETARY - DIRECTOR

November 10, 1964

Mr. Richard Morris
 Seth, Montgomery, Federici & Andrew Be:
 Post Office Box 2397
 Santa Fe, New Mexico

CASE NO. 3131
 ORDER NO. R-2797
 APPLICANT TEXSTAR PETROLEUM CO.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
 Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

OTHER

#53-10455
#72
4 1/2 44"

TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE
512-TAYLOR 4-0261
SAN ANTONIO, TEXAS 78209

NOV 22 AM 8 35

November 11, 1965



Oil Conservation Commission
120 East Chaco Street
Aztec, New Mexico

Attention: Mr. Emery C. Arnold

Re: Hospah Sand Unit, Hospah Field,
McKinley County, New Mexico

Gentlemen:

For the past several months Tesoro has been engaged in drilling both producing and water-injection wells in the reference Unit. The drilling program, at least for this year, is complete. This letter is to insure that the Commission has been supplied with all required information. Following is a history of each well and a list of the information supplied to the Commission. Any missing Commission forms are enclosed. If you have any questions concerning the contents of this letter or the enclosed forms, please advise and we will rectify the situation as soon as possible.

Hospah Sand Unit Well No. 53

(Unit O, 540' FSL and 2,300' FEL, Section 36-18N-9W.)

make card?

This well was drilled in 1947 to a depth of 3,105 feet and casing set to test the Dakota and Morrison sand sections. These two zones proved non-commercial, and the well was plugged back and completed (in 1947) as an oil producer in the Hospah sand of the Gallup formation at a depth of 1,696 feet. This well was converted to a water supply well by squeezing off the perforations in the Hospah sand and perforating the Dakota formation. The forms filed on this well are as follows:

November 11, 1965

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Form C-101: Filed June 29, 1965; approved July 15, 1965.
Covered deepening of the well.

Form C-103: Filed July 29, 1965; approved August 2, 1965.
Removed well from oil-producing status.

Form C-105: Filed July 29, 1965; approved August 2, 1965.
Covered the well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 60

(Unit L, 2,310' FSL and 1,050' FWL, Section 1-17N-9W.)

This well was drilled and completed as a water-injection well pursuant to Commission Order No. R-2807 dated November 24, 1964.
The forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved July 26, 1965.
Covered the permit to drill.

Form C-103: Filed September 20, 1965; approved September 23, 1965. Covered well completion.

Form C-105: Filed herewith.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 61

(Unit E, 3,640' FSL and 1,000' FWL of Section 1-17N-9W.)

This well was drilled and completed as an injection well for the Hospah Sand Unit pursuant to Commission Order No. R-2807 dated November 24, 1964. Forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved July 26, 1965.
Covered permit to drill.

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November 11, 1965

1965 NOV 22 AM 3

Form C-103: Filed September 20, 1964 covering completion; approval not yet received. Duplicate copies filed herewith.

Form C-105: Filed herewith covering well records.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 62

(Unit L, 1,900' FSL and 1,140' FWL, Section 36-18N-9W.)

This well was originally scheduled to be a water-injection well pursuant to Commission Order No. R-2807 dated November 24, 1964. Information obtained from new wells indicated that this injection well should be moved west. The only location that would meet the geological requirements and miss surface obstructions is the one in Unit L. Despite the move, commercial oil production was established in Well No. 62 and it has been completed as a producing well. The forms filed in connection with this well are:

Handwritten scribbles

Deviation

Form C-101: Filed July 1, 1965; approved July 22, 1965. Covered permit to drill.

Form C-103: Filed herewith changing original location.

Form C-103: Filed September 10, 1965; approval not yet received. Covered completion of the well. Duplicate copies enclosed.

Form C-103: Filed herewith. Notifies of intention to complete as a producing well rather than as an injection well.

Form C-104: To be filed upon approval of the location by the Commission.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 63

(Unit F, 1,980' FNL and 2,310' FWL of Section 36-18N-9W.)

This well was originally scheduled to be a water-injection well pursuant to Commission Order No. R-2807 dated November 24, 1964. Commercial oil production was established in the Hospah sand section at this location, and the well has been completed as a producing well.

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November 11, 1965

65 NOV 22 AM 10 59

Forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved July 12, 1965.
Covered permit to drill.

Form C-103: Filed July 30, 1965; approved August 3, 1965.
Covered change in the casing program.

Form C-103: Filed herewith covering completion of well as a
producer instead of injection well.

Will need Deviation

Form C-104: Will be filed upon approval of completion as a produc-
ing well.

Form C-105: Filed herewith. Covers well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 64

(Unit H, 660' FEL and 1,650' FNL of Section 36-18N-9W.)

This well was drilled and completed as a water-injection well pur-
suant to Commission Order No. R-2807 dated November 24, 1964.
Forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved July 19, 1965.
Covered permit to drill.

Form C-103: Filed August 9, 1965; approved August 12, 1965.
Covered change of casing program and completion.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 65

(Unit P, 990' FSL and 250' FEL of Section ³⁶~~38~~-18N-9W.)

This well was drilled and completed as a water-injection well pur-
suant to Commission Order No. R-2807 dated November 24, 1964.
Forms filed in connection with this well are:

November 11, 1965

Form C-101: Filed July 1, 1965; approved August 4, 1965.
Covered permit to drill.

Form C-103: Filed September 20, 1965; approved September 23,
1965. Covered change of casing program and well completion.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 66

(Unit A, 330' FNL and 330' FEL of Section 1-17N-9W.)

This well was drilled and completed as a water-injection well pursuant to Commission Order No. R-2807 dated November 24, 1964. Forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved August 4, 1965. Covered permit to drill.

Form C-103: Filed September 20, 1965; approved September 24, 1965. Covered change in casing program and well completion.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 67

(Unit J, 2,070' FNL and 1,590' FEL of Section 1-17N-9W.)

This well was drilled and completed as a water-injection well pursuant to Commission Order No. R-2807 dated November 24, 1964. Forms filed in connection with this well are:

Form C-101: Filed July 1, 1965; approved August 4, 1965.
Covering permit to drill.

Form C-103: Filed herewith covering change in casing program and well completion.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

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November 11, 1965

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Hospah Sand Unit Well No. 68

(Unit B, 2,310' FEL and 990' FNL of Section 36-18N-9W.)

This well was drilled and completed as a water-injection well.
Forms filed in connection with this well are:

Form C-101: Filed July 25, 1965; approved August 2, 1965.
Covered permit to drill.

Form C-103: Filed September 15, 1965; approved September 17,
1965. Covered the completion of the well.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 69

(Unit E, 2,310' FNL and 940' FWL of Section 36-18N-9W.)

This well was drilled and completed as an injection well to serve the Hospah Sand Unit. It is a replacement well for No. 63 which was originally scheduled as an injection well pursuant to Commission Order No. R-2807 dated November 24, 1964, but was completed as a producing well instead. Permission to use this well as a water-injection well will be scheduled for hearing, if required. Forms filed in connection with this well are:

Form C-101: Filed September 10, 1965; approved September 20,
1965, subject to Commission hearing.

Form C-103: Filed herewith covering well completion.

Form C-105: Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Hospah Sand Unit Well No. 70

(Unit L, 1,650 FSL and 330' FWL of Section 36-18N-9W.)

Forms filed in connection with this well are:

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COPYXERO
COPYXERO
COPYXERO
COPY

November 11, 1965

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Form C-101: ✓ Filed September 15, 1965; approved September 20, 1965, subject to Commission hearing.

Form C-103: ✓ Filed herewith. Advises well not to be drilled.

✓ Hospah Sand Unit Well No. 71

N² - (Unit M, 1, 310' FSL and 2,000' FWL of Section 36-18N-9W.)

This well was drilled to be a producing well replacing No. 18 which is to be plugged and abandoned due to casing failure. This well is at an irregular location, and a public hearing will be required and approval obtained before it can be placed on production. Forms filed in connection with this well are:

Deviation

Form C-101: ✓ Filed September 10, 1965 approved September 20, 1965, subject to Commission hearing.

Form C-103: ✓ Filed herewith covering well completion.

Form C-104: To be filed upon approval of irregular location.

Form C-105: ✓ Filed herewith covering well record.

Insofar as is known there are no additional forms required.

Very truly yours,

G. M. Andreen

GMA:ht
Enclosures

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XERO COPY

XERO COPY

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

NOV 22 1965

212

November 18, 1965

Tesoro Petroleum Corporation
533 Busby Drive
San Antonio, Texas

Attn: Mr. G.N. Andreen

Dear Sir:

We have received information filed in connection with your wells in the Hospah Sand Unit, along with your "Summary of Drilling Operations and Forms Previously Filed". We have checked our files with your summary and find that we are substantially in agreement. We do note that you have not listed the #55 Hospah Sand Unit well in your summary. However, our records indicate that this well was drilled to a total depth of 455 feet and 4½" casing was cemented at 447 feet, which I believe is in the Point Lookout Formation. It is, therefore, probable that this well is no longer a Hospah Sand Unit well and should probably be redesignated under a different lease name and number, particularly if it is to be produced in this shallower zone. If it is to be plugged and abandoned I do not believe that it would be necessary to rename the well.

I would also like to mention that deviation surveys should be filed along with Forms C-104 on your #62 and #63 Hospah Sand Unit wells when you are ready to produce these wells.

In the paragraph pertaining to your #69 well you have indicated that a hearing would be scheduled to approve the water injection well. I do not believe that this will be necessary, as I am sure that an administrative order can be written approving the well for injection. Application for this should be made to Mr. A. L. Porter in Santa Fe, N.M.

I would like to say that we appreciate the detailed and businesslike manner in which you have brought all your records up to date in the Hospah Sand Unit. We will be glad to cooperate with you in every way in order to assure that our regulations may be complied with promptly. We are sending a copy of your summary to our Santa Fe Office in order that they may also check their files on the Hospah Sand Unit.

Yours very truly

ECA:ks
cc: OCC, Santa Fe, N.M.

Emery C. Arnold
Supervisor, District #3

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

January 6, 1965

Mr. Harold Vagtborg, Jr.
Tesoro Petroleum Corporation
National Bank of Commerce Building
San Antonio, Texas

Dear Sir:

We have your letter of December 24, 1964, wherein you advise that Tesoro Petroleum Corporation has acquired all properties of Texstar Petroleum Company and you therefore ask what procedure should be followed to effect the change in the Commission records.

The proposal that you furnish this office as well as our Aztec District Office with a rubber stamp, is acceptable to this Commission. The stamp should read: "The Name of Texstar Petroleum ~~Company~~ Corporation changed to Tesoro Petroleum Corporation effective December 15, 1964."

Upon receipt of the rubber stamps we shall notify the transporters of the change, authorize the taking of production from your leases, accept the new bond and approve cancellation of the old bond.

Very truly yours,

I. R. TRUJILLO
Administrative Assistant

IRT/og
cc: Mr. E. C. Arnold

COPY

HINKLE, BONDURANT & CHRISTY
ROSWELL, NEW MEXICO

January 19, 1965

New Mexico Oil Conservation Commission,
State Land Office Building,
Santa Fe, New Mexico.

Re: Tesoro Petroleum Corporation

Attention: Mr. Porter

Continuation:

Tesoro Petroleum Corporation as successor to Conoco
Petroleum Company recently took over the operation of several wells
in McKinley County, New Mexico, which are located in the Hoshak
Field.

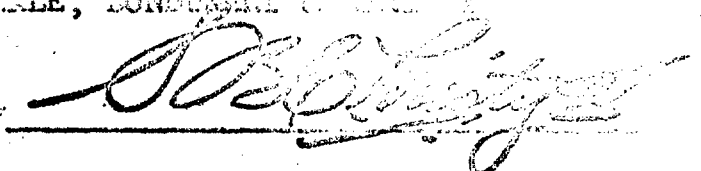
In compliance with the Commission's rule with respect to
bonds, we enclose herewith \$10,000.00 Blanket Plugging and
Bond dated December 23, 1964, executed by Tesoro Petroleum Corporation
as principal and Maryland Casualty Company as surety; attached is a
certified copy of the surety's Power of Attorney to Mr. Robert [redacted].

We would thank you in advance to consider the approval of
the enclosed bond and advise.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By



SBC:jg
Enclosure
cc: Mr. Harold Duncan

ILLEGIBLE

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

HOSPAH FIELD UNIT

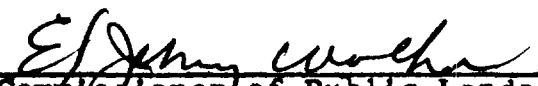
MCKINLEY COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated November 1, 1964, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 6th day of November 19 64.


Commissioner of Public Lands
of the State of New Mexico



State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

January 31, 1966

Tesoro Petroleum Corporation
533 Busby Drive
San Antonio, Texas

Re: Hospah Field Unit
McKinley County, New Mexico

ATTENTION: Mr. Gilbert M. Andreen

Gentlemen:

We acknowledge receipt of your letter dated January 25, 1966 transmitting revised copies of Exhibits C and E-2 for the Hospah Field Unit Agreement, McKinley County, New Mexico.

Section 3. of the Unit Agreement provides for the revision of these Exhibits and Section 12. provides for the approval by the Commissioner of Public Lands of revised tract participations. Therefore, the Commissioner of Public Lands is approving the Revised Exhibit "C" and "E-2" of the Hospah Field Unit to become effective as of January 1, 1966.

Very truly yours,

A handwritten signature in cursive script that reads "Guyton B. Hays".

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

GBH/MMR/s

REVISED 1/1/66

EXHIBIT "E-2"

PART I

HOSPAN SAND UNIT TRACT FACTORS

<u>Tract Number</u>	<u>Lease Name</u>	<u>Lease Description</u>	<u>Floodable Acre Feet</u>	<u>Tract Factor*</u>
1	State of New Mexico (Wilson) Lease No. B-1276	W/2 SW/4, NE/4 SW/4 of Sec 36, T 18 N, R 9 W	2,806.35	12.1703
2	State of New Mexico Lease No. 662 Part A	SE/4 SW/4 & SW/4 SE/4 of Sec 36, T 18 N, R 9 W	3,761.45	16.3123
3	State of New Mexico Lease No. 662 Part B	S/2 NE/4, N/2 SE/4 & SE/4 SE/4 of Sec 36, T 18 N, R 9 W	4,298.74	18.6424
4	State of New Mexico Lease No. 662 Part C	S/2 NW/4, NW/4 NE/4 NE/4 NW/4 of Sec 36, T 18 N, R 9 W	1,042.30	4.5201
Total State Leases			<u>11,908.84</u>	<u>51.6451</u>
5	Santa Fe Railroad Lease No. 3487	Sec 1, T 17 N R 9 W	10,750.60	46.6222
6	Santa Fe Railroad (Osborne) Lease No. 7668	Lots 2, 3 & 4, & E/2 SW/4 of Sec 31, T 18 N, R 8 W	399.55	1.7327
Total Santa Fe Railroad Leases			<u>11,150.15</u>	<u>48.3549</u>
Grand Total			<u>23,058.99</u>	<u>100.0000</u>

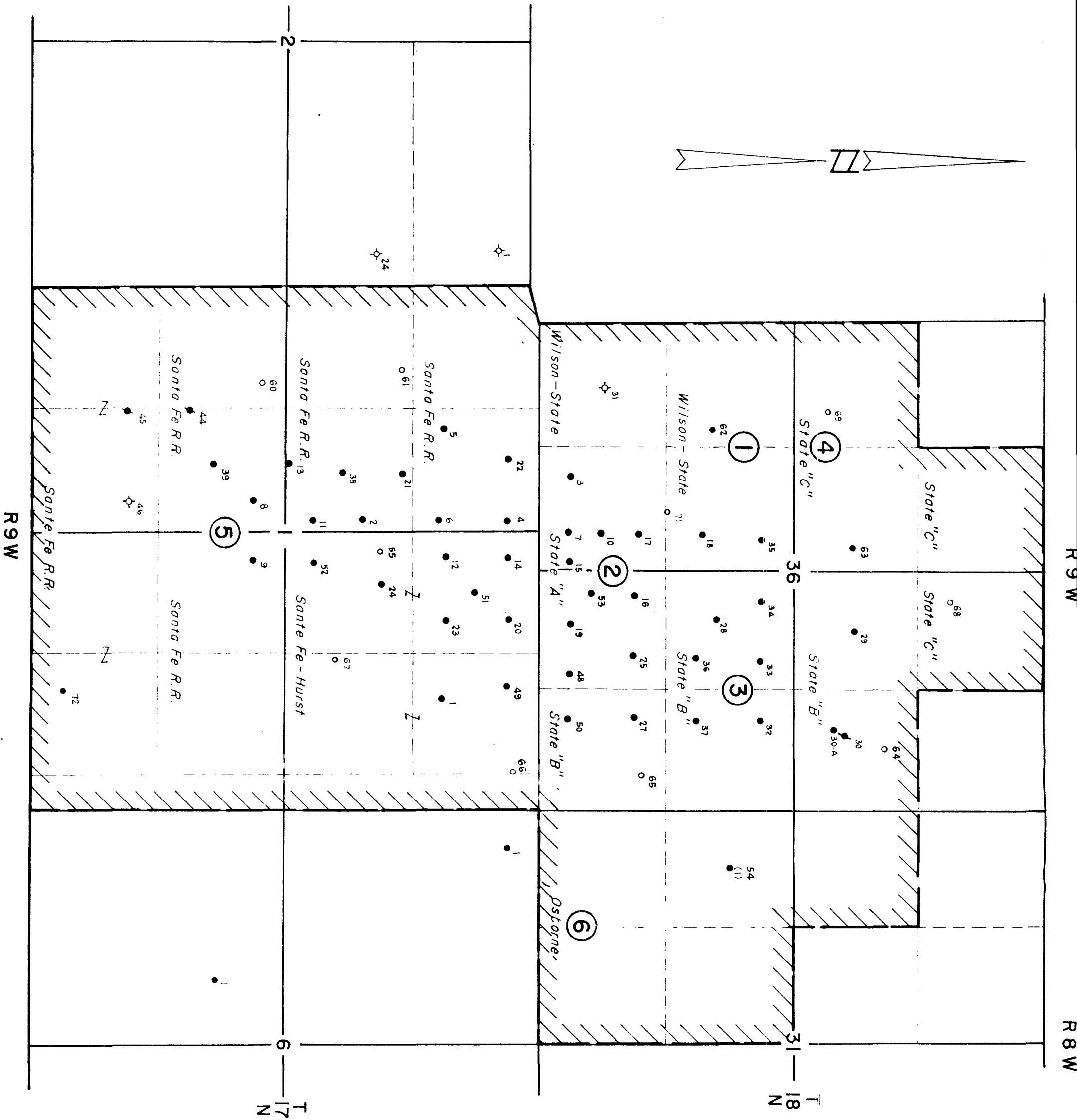
PART II

UNIT PARTICIPATION OF WORKING INTEREST OWNERS **

<u>Tract Number</u>	<u>Tract Factor</u>	<u>Working Interest</u>	<u>Unit Participation W. I. Owner</u>
1	12.1703	0.78500	9.5537
2	16.3123	0.82000	13.3761
3	18.6424	0.82500	15.3800
4	4.5201	0.82500	3.7291
5	46.6222	0.83500	38.9295
6	<u>1.7327</u>	0.79750	<u>1.3818</u>
	100.0000		82.3502

* As per cent of Floodable Acre Feet

** All working interest owned by Tesoro



LEGEND

① TRACT NOS.

▨ HOSPAPH FIELD UNIT

TESORO PETROLEUM CORPORATION

EXHIBIT "B"

LEASE PLAT

HOSPAPH FIELD

McKINLEY COUNTY, NEW MEXICO

MAP SCALE

