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February 4, 1966

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

Attention: Mr. Daniel S. Nutter  
Chief Engineer

Re: Application of Tesoro Petroleum Corporation  
For Authority To Commingle Production,  
Hospah Field, McKinley County, New Mexico

Gentlemen:

On behalf of Tesoro Petroleum Corporation application is hereby made for authority to commingle the oil production from the Hospah Sand Unit with production from Hospah Sand derived from Tesoro Production Corporation's Santa Fe Lease in Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico. In support of this application the following information is submitted:

1. The production from the Hospah Sand in the two areas from which production is proposed to be commingled is believed to be from separate pools separated by a fault.
2. Production from both producing areas of the Hospah Sand is from approximately the same depth, and the gravity of the oil from each source is approximately 31 degrees API.
3. At the present time the Hospah Sand Unit produces approximately 250 barrels of oil a day, and production from the Santa Fe Lease is currently 10 barrels of oil a day. At its expected maximum the Sand Unit will produce approximately 1,000 barrels a day and the Santa Fe Lease will produce approximately 150 barrels a day.

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4. Attached to this letter are a plat of the Hospah Field and a schematic diagram of the proposed commingling installation. It should be especially noted that the production from both sources will be separately metered prior to commingling.
5. Attached to this letter is a copy of Tesoro Petroleum Corporation's letter to all interest owners in the Hospah Sand Unit concerning the subject application.

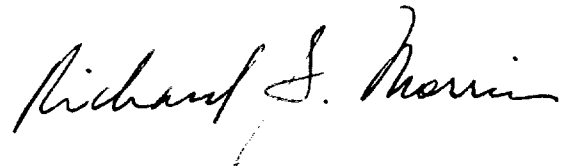
On the basis of our previous conferences with you concerning this matter we trust that this application will be eligible for administrative approval so long as the State Land Office approves the installation and no objection is received from other interest owners.

Very truly yours,

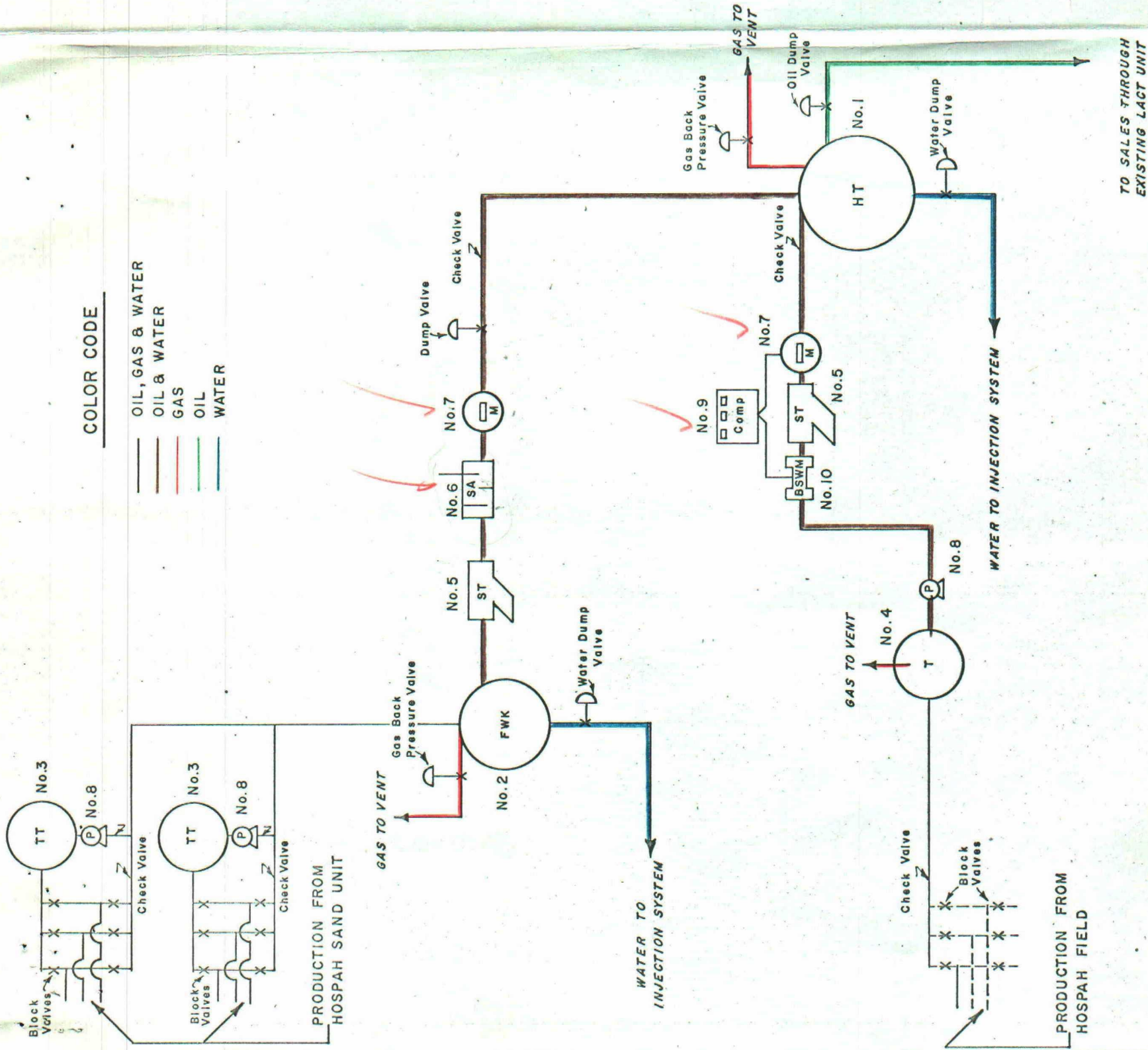
RSM:dd  
Enclosures

CC - Mr. Ted Bilberry  
State Land Office  
Santa Fe, New Mexico

Mr. Gilbert M. Andreen  
Tesoro Petroleum Corporation  
533 Busby Drive  
San Antonio, Texas 78209



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



# COLOR CODE

—	OIL, GAS & WATER
—	OIL & WATER
—	GAS
—	OIL
—	WATER

## LEGEND

HT	NO.1 HEATER TREATER
FWK	NO.2 FREE WATER KNOCKOUT
TT	NO.3 TEST TANKS
T	NO.4 STORAGE TANK
ST	NO.5 STRAINERS
SA	NO.6 SAMPLER
M	NO.7 TEMPERATURE COMPENSATED A.O.SMITH METER
P	NO.8 PUMPS
COMP	NO.9 ODEX BS&W COMPUTER
BSWM	NO.10 BS&W MONITOR

TESORO PETROLEUM CORPORATION

## SCHEMATIC DIAGRAM OF COMMINGLING INSTALLATION

HOSPAP FIELD

McKINLEY COUNTY, NEW MEXICO