TESORO PETROLEUM CORPORATION

533 BUSBY DRIVE

512-TAYLOR 4-0261

SAN ANTONIO, TEXAS 78209

February 2, 1967

CERTIFIED MAIL NO. 951310

Mr. Rex H. Byers Production Superintendent Southwestern Division Tenneco Oil Company 4th Floor, 201 Wall Building Midland, Texas 79701

Dear Rex:

Tesoro Petroleum Corporation has successfully completed the Hospah Field Santa Fe Well No. 72 in the Lower Hospah Sand. This well is located in the southeast of the southeast of Section 1, T-17N, R-9W, McKinley County, New Mexico on a 52-acre lot.

We are requesting approval from the New Mexico Conservation Commission to allocate the entire acreage of this lot to the well for allowable purposes which would result in a legal allowable of 91 barrels of oil per day. We have been advised that before approval can be granted Tenneco, as an offset operator, must be advised of this application since this is a non-standard unit.

If you have no objection to this application, you need do nothing. However, if for some reason you have a valid reason why this should not be approved, you are to so advise the Commission within 20 days after receipt of this letter.

I was very happy to have the opportunity to meet you on your recent visit to San Antonio and I am sorry that we were unable to work out a deal on our Hospah acreage.

Best personal regards.

Yours very truly,

Harold Vagtborg, Jr.

HV:lt