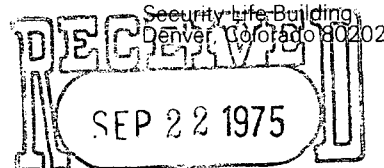




Amoco Production Company



OIL CONSERVATION COMM.

Santa Fe

September 18, 1975

NSL-727

104 F

Due Oct 12

Joe D. Ramey (3)
New Mexico Energy Resources Board
c/o New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

File: VDP-402-986.511

Wildcat Oil Well Exception for Navajo Tribal AA No. 1,
San Juan County, New Mexico

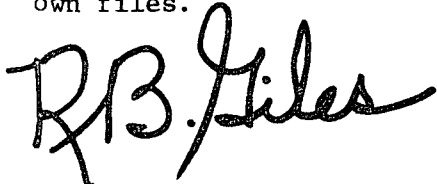
On a farmout from Tesoro Petroleum Corporation to earn acreage, Amoco desires to drill a wildcat oil well in San Juan County, its Navajo Tribal AA No. 1 at a location 300' FEL and 520' FNL of Section 14-T24N-R17W. This wildcat is programed to be a Pennsylvanian-Mississippian test to a depth of 10,100'. Tocito Dome, the nearest Pennsylvanian oil pool is about 12 miles to the northwest.

NMOCC Rule 104 B II (b) requires a 330' setback for a wildcat oil well. Consequently, Amoco hereby makes application for a well location exception for its Navajo Tribal AA No. 1 because this location is 30' closer to the east boundary of the section than permitted by the rules. Amoco's requested exception is based on its desire to drill the well at a surface location that avoids the Tucson Gas & Electric right-of-way containing a 354,000 volt power line (see the attached exhibit) and concurrently our desire to drill this wildcat at a surface location over Shot Point 157 on its seismic line that has been run through this area.

The only affected operator towards whom the requested well location exception is being moved is Tesoro. To expedite your administrative approval of this application, we are, by certified mailing, asking that

Joe D. Ramey
Page 2

Tesoro waive objection to this exception location by signing three copies of this Letter Application in the space provided below, sending one signed copy to you, one to me and retaining the third copy for its own files.

A handwritten signature in cursive script that reads "R.B. Giles". The signature is written in dark ink and is positioned above the typed name "RBG/keb".

RBG/keb

Attachment

cc:

L. O. Speer, Jr. - Farmington
Ben Baldwin - Building
H. O. Hickman - Building

I hereby waive objection to the drilling and completion for production of Amoco's Navajo Tribal AA No. 1, as an exception well, to be located 300' FEL and 520' FNL of Section 14-T24N-R17W.

Tesoro Petroleum Corporation

BY: _____

Date: _____

361 879,880

VERIFICATION AND AFFIDAVIT

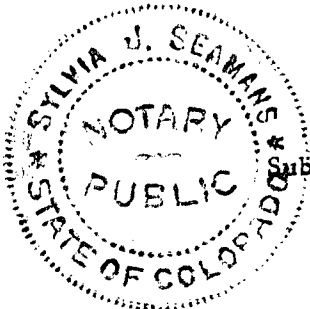
STATE OF COLORADO)
 : ss
COUNTY OF DENVER)

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering capacity by Amoco Production Company in its Denver, Colorado, office; that Amoco's application for approval to drill and complete for production its Navajo Tribal AA No. 1 at a location 300' FEL and 520' FNL of Section 14, T24N, R17W, as an exception location to the requirements of NMOCC Rule 104 B.II (b) in San Juan County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and belief; and that a copy thereof was sent by certified mail from Applicant's Denver, Colorado, office on September 19, 1975 to the following operator, at the address shown herein, to-wit:

Tesoro Petroleum Corporation
8700 Tesoro Drive
San Antonio, Texas 78286

and to the best of his information, knowledge and belief, the operator above named is the only party to whom notice of such application is required to be given in accordance with the provisions of Rule 104 F of the Oil Conservation Commission of the State of New Mexico.



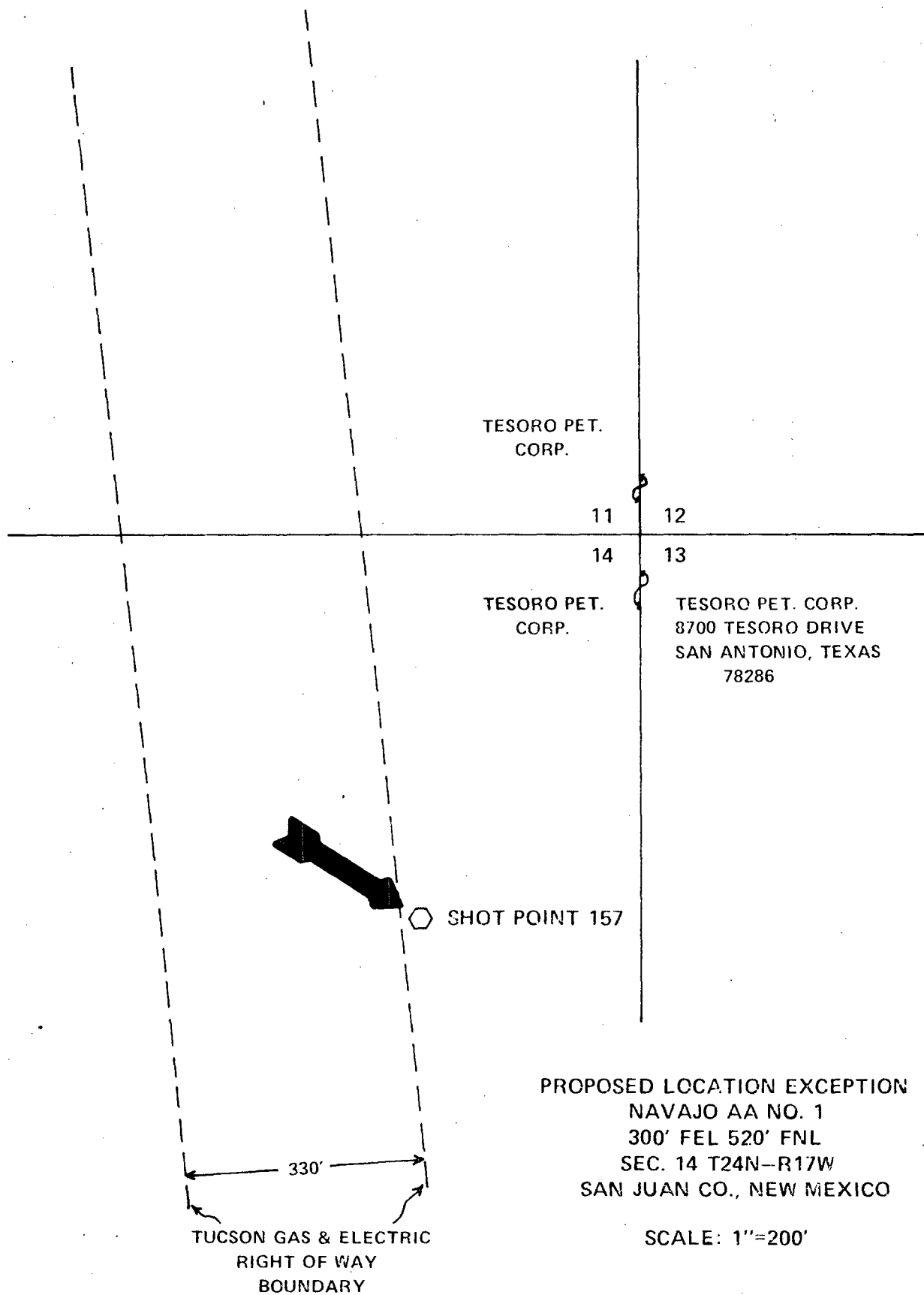

R. B. Giles

Subscribed and sworn to before me this 19th day of September, 1975.

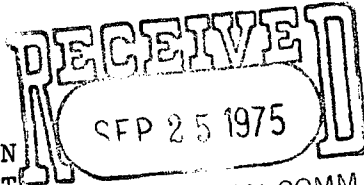

NOTARY PUBLIC

My Commission expires

My Commission expires Aug. 13, 1976



OIL CONSERVATION COMMISSION
Artec DISTRICT



OIL CONSERVATION COMM.
Santa Fe

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 9-24-75

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 9-18-75
for the Amoco Prod. Co. Navajo Tribal AA#1 A-14-24N-170
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

AR Kendrick