OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 17, 1970

Tesoro Petroleum Corporation 8520 Crownhill San Antonio, Texas 78209

Attention: Mr. R. H. Denman

Administrative Order NWU-558

Gentlemen:

Reference is made to your application for approval of a 52-acre non-standard oil proration unit in the South Hospah Upper Sand Pool consisting of the following acreage: Q-1-11-1

MCKINLEY COUNTY, NEW MEXICO TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM Section 1: SE/4 SE/4

It is understood that this unit is to be dedicated to your Santa Fe Railroad "A" Well No. 77, located 330 feet from the South line and 760 feet from the East line, and to your Santa Fe Railroad "A" Well No. 82, located 990 feet from the South line and 1040 feet from the East line of said Section 1.

By authority granted me under the provisions of Rule 104 D II M, you are hereby authorized to operate the abovedescribed acreage as a non-standard oil proration unit.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/GMH/esr

Oil Conservation Commission - Aztec CC: United States Geological Survey - Farmington Oil & Gas Engineering Committee - Hobbs