OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

May 5, 1959

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas 1, Texas

Attention: Quilman Davis

Administrative Order NSL-187

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your Hanks Well No. 10, to be located 660 feet from the South line and 1850 feet from the West line and in the SE/4 SW/4 of Section 5, Township 27 North, Range 9 West, Aztec-Pictured Cliffs Pool, San Juan County, New Mexico.

It is our understanding that this unorthodox well location is based upon extreme topographic conditions in the SW/4 of said Section 5.

Inasmuch as you furnished waivers from the only offset operator, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 4 of the Special Rules and Regulations of the Aztec-Pictured Cliffs Pool, as set forth in Order 565-C, you are hereby granted an exception to Rule 3 of Order 565-C for the above described unorthodox well location. You must also obtain like approval from the U. S. Geological Survey if the well is located on land subject to the jurisdiction of the U. S. Geological Survey.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/OEP/og cc: Oil Conservation Commission - Aztec U. S. Geological Survey - Farmington