

_____(DATE)_____

DRAFT ADMINISTRATIVE ORDER

David Petroleum Corp.
116 West First
Roswell, New Mexico 88201

Attention: Bill Owen

Administrative Order NSL-_____

Dear Mr. Owen:

Reference is made to your application dated August 18, 1997 for an unorthodox well location for the Shipp-Strawn Pool for the proposed Conoco State Well No. 1. Said well to be drilled 1250 feet from the South line and 1200 feet from the East line (Unit P) of Section 36, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

A standard 80-acre oil spacing and proration unit in the Shipp-Strawn Pool comprising the E/2 SE/4 of said Section 36 is to be dedicated to the well.

By authority granted me under the provisions Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad