

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

September 25, 1995

HAND DELIVERED

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SEP 25 1995

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Oil Conservation Division

Re: NMOCD CASE 10917 (REOPENED)
Order R-10071
FC Fed Com No. 8 Well
Sec. 18, T32N, R11W, NMPM.
Application of CONOCO, INC. to Amend Order
R-10071 which previously approved a High Angle/
Horizontal Directional Drilling Pilot Project,
including Special Operating Rules, and An Unorthodox Gas
Well Location, Basin-Fruitland Coal Gas Pool,
San Juan County, New Mexico

Dear Mr. Stogner:

In accordance with your instructions and on behalf of Conoco Inc., please find enclosed our Application to Reopen Case 10917 and to amend Order R-10071 for a High Angle/Horizontal Direction Drilling Pilot Project as referenced above, which we request be set for hearing on the next available Examiner's docket now scheduled for October 19, 1995.

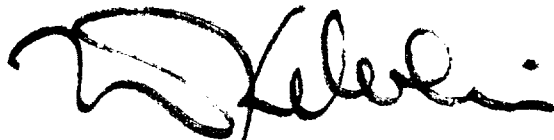
By copy of this letter and application, sent certified mail, we are notifying all interested parties offsetting the subject well and its proposed spacing and proration unit of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application.

Mr. Michael E. Stogner
September 25, 1995
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Our proposed advertisement to be used for the OCD docket and for the newspaper publication is also enclosed.

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to the Applicant's attorney, not later than 4:00 PM on Friday, October 13, 1995.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a stylized, flowing script.

W. Thomas Kellahin

Enclosure

cc: Conoco, Inc.
Attn: Jerry Hoover

By Certified Mail - Return Receipt

All Parties Listed on Exhibit "E" of Application

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SEP 25 1995

Oil Conservation Division

Proposed Advertisement

Case 10917 (Reopened): Application of Conoco Inc to reopen case 10917 and to amend Order R-10071, San Juan County, New Mexico. Applicant seeks to reopen case 10917 and to amend Order R-10071 in order to obtain approval to re-enter its existing FC Federal Com Well No. 8 located 1870 feet from the south line and 1515 feet from the west line of Section 18, T32N, R11W, NMPM, instead of drilling a new well, the FC Fed Com Well No. 8R, as the Directional Wellbore for its project area within a standard 312.40 acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool comprising the Lots 1 through 4 and the E/2W/2 (W/2 equivalent) of said Section 18. Said project area is located approximately 8 miles northwest from Cedar Hill, New Mexico. **IN THE ABSENCE OF TIMELY OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT**