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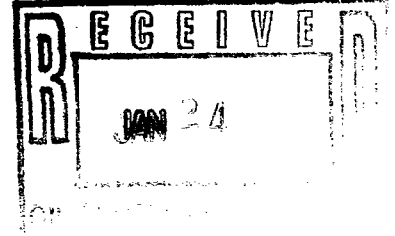
W. THOMAS KELLAHIN\*

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

JASON KELLAHIN (RETIRED 1991)

January 24, 1994

**HAND DELIVERED**



Mr. William J. LeMay  
Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail, 2nd Floor  
Santa Fe, New Mexico 87501

Re: Hughes B-16R Well  
Sec. 20, T29N, R8W, NMPM.  
Application of CONOCO, INC.  
for 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

10915

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our Application 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 February 17, 1994.

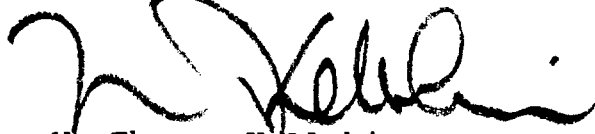
By copy of this letter and application, sent certified mail, we are notifying all interested parties offsetting the subject well and its proposed spacing and proration unit of their right to appear at the hearing and participate in this case, including the right to present evidence either in support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

Our proposed advertisement to be used for the OCD docket and for the newspaper publication is also enclosed.

Mr. William J. LeMay  
January 24, 1994  
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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, February 11, 1994.

Very truly yours,



W. Thomas Kellahin

WTK/mg  
Enclosure

cc: Conoco, Inc.

By Certified Mail - Return Receipt  
All Parties Listed on Exhibit "A" of Application