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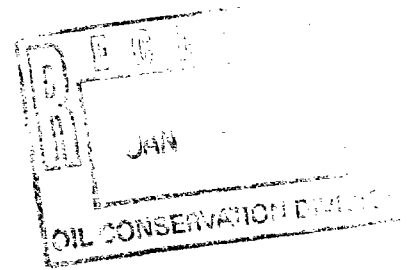
W. THOMAS KELLAHIN*

*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

16-917

Re: FC Fed Com No. 8 Well
Sec. 18, T32N, R11W, 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

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.

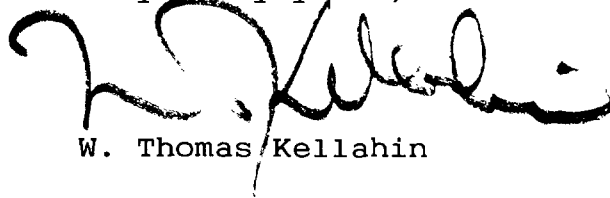
By copy of this letter and application, sent certified mail, we are notifying all interested parties offsetting the subject well and its proposed spacing and proration unit of their right to appear at the hearing and participate in this case, including the right to present evidence either in support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

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

WTK/mg
Enclosure

cc: Conoco, Inc.

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