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January 28, 1997

HAND-DELIVERED

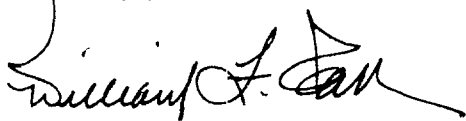
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Thompson Engineering & Production Company for an
unorthodox well location, San Juan County, New Mexico.

Dear Mr. LeMay:

Enclosed is the application of Thompson Engineering & Production Company in the above
referenced case as well as a draft of a legal advertisement. Thompson Engineering &
Production Company requests that this application be included on the Examiner hearing
docket scheduled for February 20, 1997.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Mr. Paul Thompson (w/enclosures)

CASE 11928: Application of Thompson Engineering & Production Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Steward Com Well No. 1 to the Fruitland formation, Basin-Fruitland Coal Gas Pool, at an unorthodox well location 790 feet from the South and East lines of Section 28, Township 32 North, Range 13 West, N.M.P.M., San Juan County, New Mexico. The E/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 3 miles north of La Plata, New Mexico.

11-11-13

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF THOMPSON ENGINEERING & PRODUCTION
COMPANY FOR AN UNORTHODOX
COAL GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11728

APPLICATION

THOMPSON ENGINEERING & PRODUCTION COMPANY ("Thompson"),
through its undersigned attorneys, hereby makes application to the Oil Conservation Division
for an order approving an unorthodox coal gas well location, and in support of this
application states:

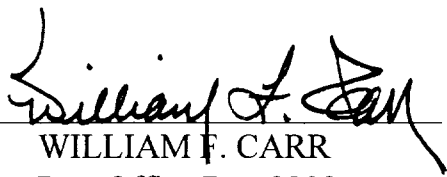
1. Applicant is the operator of the E/2 of Section 28, Township 32 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and proposes to drill its Steward Com Well No. 1 the Fruitland formation, Basin-Fruitland Coal Gas Pool, at an unorthodox gas well location 790 feet from the South and East lines of said Section 28.
2. Applicant seeks an exception to the provisions of Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to permit Thompson to locate this well in the SE/4 of Section 28.
3. A standard 320-acre spacing and proration unit comprised of the E/2 of said Section 28 should be dedicated to the well.

4. Approval of this application will afford Thompson the opportunity to produce its just and equitable share of the reserves in the subject formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Thompson Engineering & Production Company, requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 20, 1997, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
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ATTORNEYS FOR THOMPSON ENGINEERING
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