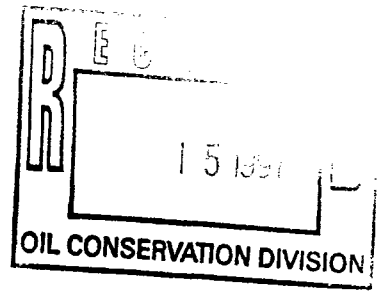


STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF DAVID PETROLEUM CORP. FOR AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11824

APPLICATION

DAVID PETROLEUM CORP. ("David Petroleum"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location, and in support of this application states:

1. Applicant is the operator of the SE/4 SE/4 of Section 36, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and proposes to drill its Conoco State Well No. 1 as a wildcat to the Strawn formation at an unorthodox well location 1250 feet from the South line and 1200 feet from the East line of said Section 36.

2. Applicant seeks an exception to the provisions of Rule 104 of the General Rules of the Oil Conservation Division to permit David Petroleum Corp. to drill this well at this unorthodox location in the SE/4 SE/4 of said Section 36.

3. A standard 40-acre spacing and proration unit comprised of the SE/4 SE/4 of said Section 36 should be dedicated to the well.

4. Approval of this application will afford David Petroleum Corp. the opportunity