

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
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This unorthodox location is required by geological conditions in the Strawn formation. Attached hereto as Exhibit A is a Strawn Isopach Map of Section 36 which shows that this proposed well location is at the top of a small anomaly and that drilling at a standard location results in the well being located where it would be unable to produce the Strawn reserves under this tract.


Attached hereto as Exhibit B is a plat as required by Rule 104.F (3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

The proposed location is unorthodox because it has been moved from the nearest standard locations toward the center of the SE/4 of Section 36. The ownership in the SE/4 of Said Section 36 is common and this acreage is operated by David Petroleum Corporation. Attached hereto as Exhibit C is a list of the parties in said Section 36 who could be affected by this application. Attached to Exhibit C is a waiver letter from each affected party. Even though all affected parties have executed waiver letters, we have provided notice of this application to all of the parties on Exhibit C in accordance with Rule 104.F(4).

Also enclosed is a draft of a proposed order approving this application.

Your attention to this matter is appreciated.

Very truly yours,


WILLIAM F. CARR
Attorney for David Petroleum Corp.
Enclosures

cc: / Oil Conservation Division
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Box 1980
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Mr. Bill Owen