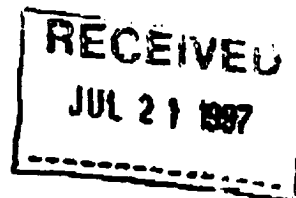


dpc



July 15, 1997

VIA FACSIMILE 817-338-4844  
AND CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Walsh & Watts, Inc.  
500 W. Seventh, Suite 1007  
Ft. Worth, TX 76102-4782

Attention: F. Howard Walsh, Jr.

Re: Application of David Petroleum Corp.  
for Unorthodox Location,  
Strawn Test Well  
Lea County, New Mexico

Dear Mr. Walsh:

This letter is to advise you that David Petroleum Corp. (DPC) has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order approving an unorthodox location of a Strawn test well which David proposes to drill 1250' from the south line and 1200 feet from the east line of Section 36: T-16-S, R-37-E, NMPM, Lea County, NM.

This application has been set for hearing before a Division Examiner August 7, 1997. You are not required to attend this hearing, but as an owner of an interest that may be affected by the Order entered in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. If you do not object to this application, please so indicate by signing the waiver provided below and return a copy of this letter to me in the enclosed envelope and by facsimile.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 pm on the Friday before a scheduled hearing.


Sincerely,

  
Bill Owen  
Land Manager

cc: William F. Carr  
Attorney for DPC

**WAIVER OF OBJECTION:**

**WALSH & WATTS, INC.**

By   
Title MANAGER, RONALD B. SNIDER  
Date 8/4/97

DAVID PETROLEUM CORP.  
EDWARD K. DAVID, PRESIDENT  
Certified Petroleum Geologist  
OIL: 505/622-8850  
FAC: 505/622-1001  
Rm. 505/622-5267  
116 West First  
Roswell, New Mexico 88201