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August 19, 1997

CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

> Re: Application of David Petroleum Corp., for Administrative Approval of an Unorthodox Well Location for its Conoco State Well No. 1 to be drilled 1250 feet from the South line and 1200 feet from the East line of Section 36, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by David Petroleum Corp., for administrative approval of an unorthodox well location for its proposed Conoco State Well No. 1 to be drilled 1250 feet from the South line and 1200 feet from the East line of Section 36, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,

WILLIAM F. CARR PAUL R. OWEN WFC/PRO:mlh enc.