

July 31, 1986

David Catanach  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501986

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OIL CON. DIV.]  
DIST. 3

Dear Mr. Catanach

S & L Resources is planning on drilling a Dakota Sandstone Test Well in Rio Arriba County, N.M. around August 7th. Our location will be on the Quinlan Ranch northwest of Chama.

As you are aware, this area is part of the Tierra Amarilla Grant and is unsurveyed in township and range. After staking our location and positioning the location relative to projected sections we find that the location, as staked, is not a standard location as defined in rule 104 F.

The location which we have staked is situated in a valley between two small hills and is, logistically, the only feasible location in the vicinity; furthermore, the location is in an open grassy area and complies with the landowner's wishes that we cut down as little timber as possible. Finally, the well is to be drilled on the Quinlan Ranch, consisting of nearly 13,000 acres. There are no offset operators in any direction from this location.

We respectfully request that you grant us an exception to rule 104 F for the reasons stated above.

Sincerely,

*Gordon W. Legg*

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c.c. Ernie Busch

GWL/sr