

OIL CONSERVATION DIVISION
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March 20, 1991

New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, NM 87504
Attn: Mr. Michael Stogner

Dear Mr. Stogner:

Incline Reserves, Inc. requests approval for an unorthodox location for its Federal 11 No. 2 well located 1450' FSL, 2250' FWL of section 11, T28N, R9W in San Juan County, New Mexico. The subject section is irregular, and a surveying error resulted in the well being staked 24' north of the standard drilling window. This error went undetected and the APD was approved by both the BLM and the NMOCD. The well was subsequently drilled and completed. It currently awaits first delivery pending OCD approval.

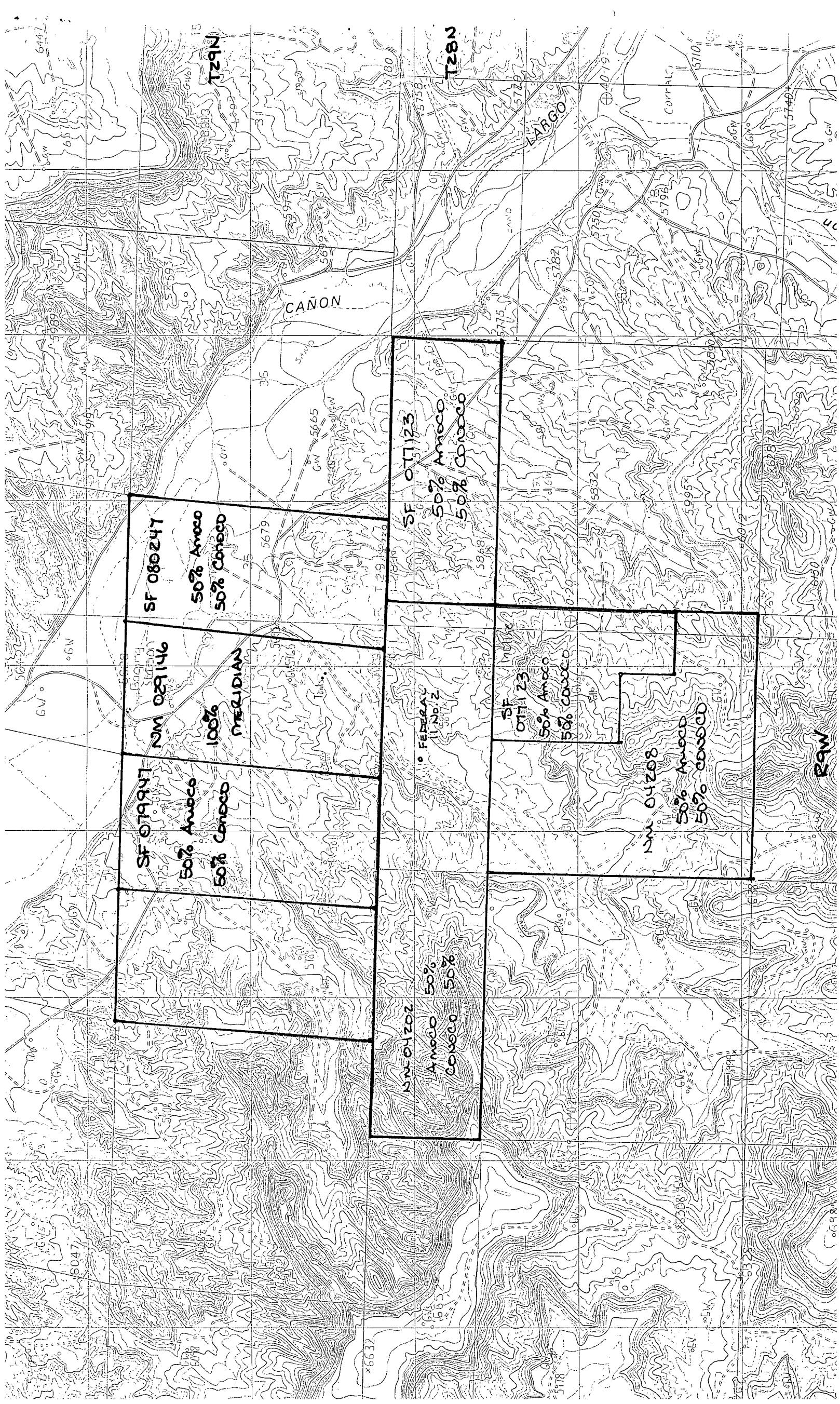
The attached map shows that the offset mineral interests are common with the exception of tract NM 029146, which is owned by Meridian. Verbal waiver of objection was received from Richard Fraley on March 20, 1991.

If you have any questions, please contact Dana Delventhal at (505) 326-4125. Thank you for your consideration in this matter.

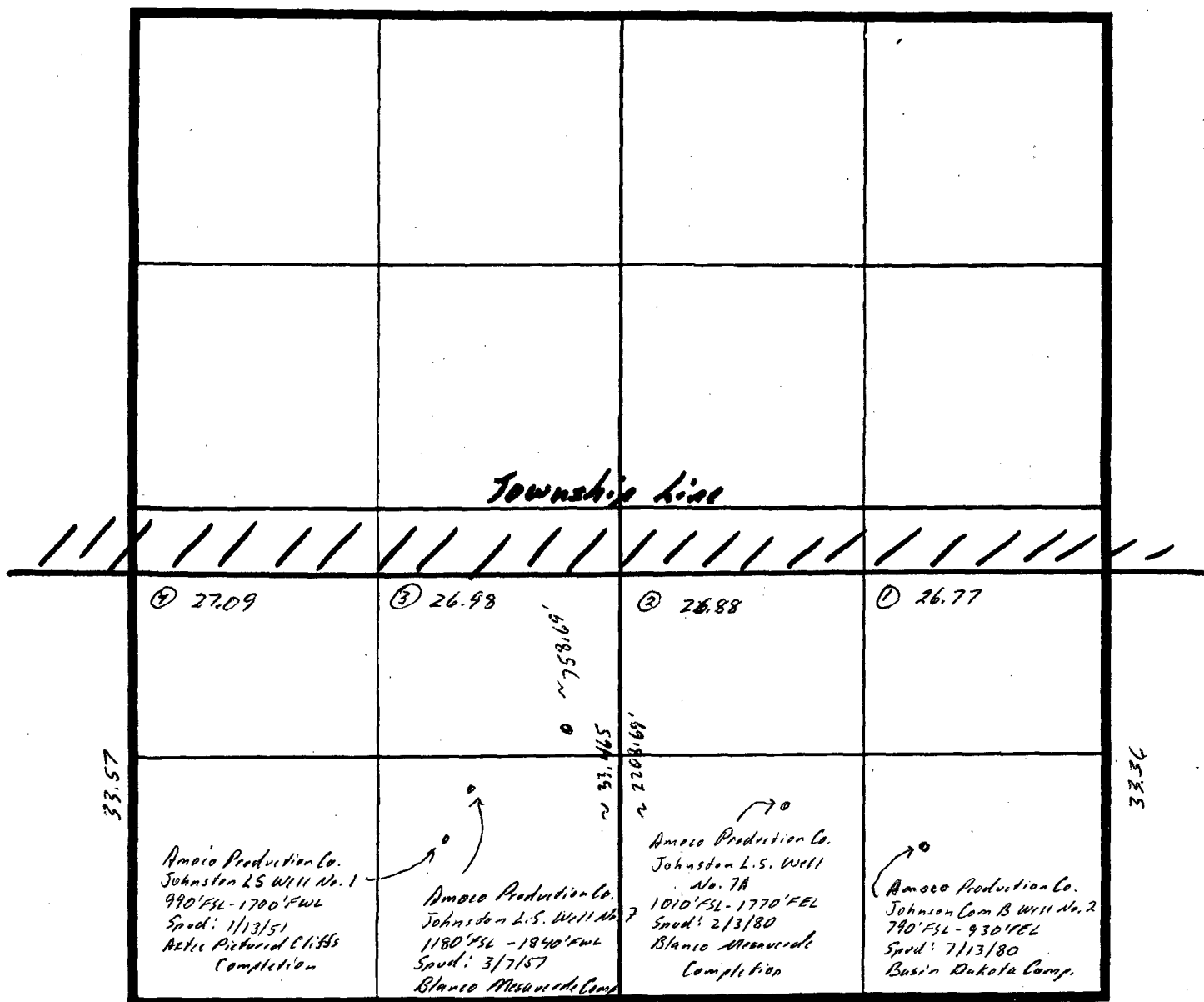
Sincerely,



Dana Delventhal



Sec. 11 Township No. 28 North of Range No. 9 West



267.72

Dana Delventhal, Consultant

Date: 3/20/91

Page 1 of 3

To:

MICHAEL STONER

MMCD

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