



G.P. II ENERGY, INC.

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P.O. Box 50682

Midland, Texas 79710

(515) 684-4748

June 27, 1991

Mallon Oil Co.  
1099 18th. St., Ste. 2750  
Denver, CO 80202-1927

Attention: Karen Haynes

RE: Waiver for Deviated Borehole  
G.P. II Energy, Inc.  
Coyote Federal #1  
935' FSL, 1443' FWL  
Sec. 27(N), T-26-S, R-29-E  
Eddy County, New Mexico

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JUL 18 1991  
O. C. D.  
ARTESIA, OFFICE

Dear Ms. Haynes:

Mr. Tom Hare of the Bureau of Land Management informed GP II Energy, Inc. that the BLM would not approve a well at the originally proposed location 1090' FWL, 990' FSL of the above section. We have met with representatives of the BLM on-site and they have indicated that the above described location would be satisfactory, pending our filing of the appropriate forms. GP II will directionally drill the well to a bottom hole location inside the original 1090' FWL, and 990' FSL. As shown on the directional plat, we will intersect the Williamson Sand west of the approved unorthodox location 1090'FWL. Please find attached forms 3160-3, C-102, and a plat depicting the surface location and proposed bottom hole location for the above well.

Since Mallon Oil is an offset operator to the spacing unit, G.P. II Energy, Inc. respectfully requests that Mallon waive any objection to the described drilling procedure by executing below.

Sincerely,

*Joe L. Compton*  
Joe L. Compton

NO OBJECTIONThis 16<sup>th</sup> day of July 1991

By: [Signature]  
MALLON OIL CO.