



G.P. II ENERGY, INC.

P.O. Box 50682

Midland, Texas 79710

(915) 684-4748

July 16, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Michael E. Stogner

RE: Waiver for Deviated Borehole
G.P. II Energy, Inc.
Coyote Federal #1
935 FSL & 1443 FWL
Sec. 27, T25S, R29E
Eddy County, New Mexico

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

Dear Mr. Stogner:

Please find enclosed copies of waivers from Mallon Oil Company and Meridian oil, Inc. for deviating the above described well.

In your letter dated July 10, you indicated that additional information was necessary to explain why we were not deviating the well back to a legal bottom hole location. As I explained in the application, we plan to kick the well back to the west a horizontal distance of 353'. To deviate the well to an orthodox location would require a horizontal kick of 453'. The Bureau of Land Management requested that we use as small a pumping unit as possible at this site (Item No. 6 in the letter dated April 12, 1991 to Mr. Tom Hare of the BLM.) We plan to install a conventional 228 pumping unit and we want to minimize horizontal rod loads to avoid excessive downhole wear. Considering the total fluid that may be necessary to lift, the additional deviation would require a larger unit. Minimizing the deviation also diminishes potential mechanical problems during the well's productive life. Keeping mechanical problems to a minimum will result in less heavy equipment operation at the site. We believe that the outlined procedure is the most mechanically prudent and will result in better production efficiency.

Sincerely,


Joe L. Compton

cc: Bureau of Land Management - Carlsbad
OCD - Artesia