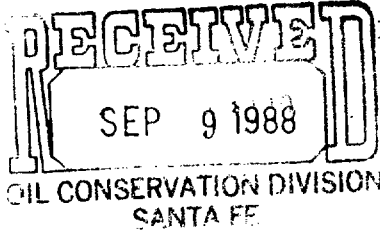


BURNETT OIL CO., INC.

801 CHERRY STREET SUITE 1500

FORT WORTH, TEXAS 76102

(817) 332-5108



September 7, 1988

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
State Land Office Building
P. o. Box 2088
Santa Fe, New Mexico 87501

Attention: William J. LeMay

Re: Exception to Rule 309-A

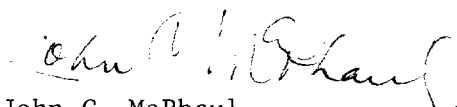

Dear Mr. LeMay:

In the near future we will drill and complete our Gissler "B" #27 & #28 wells (NM074939) in the Grayburg Jackson field. The #27 well is located in the NW/4 of the SW/4 and the #28 well is located in the NE/4 of the SW/4 of Section 12, T17S, R30E, Eddy Co., New Mexico. We are requesting an exception to Rule 309-A to permit us to commingle the production from our Gissler "B" #27 & #28 wells with the production from our Gissler "B" (NM 2748) #14 & #21 wells in a common tank battery, located in the E/2 of the NW/4 of Section 12, T17S, R30E, (see attached map).

All production is from the same common source of supply (Grayburg Jackson) and all ownership of the two leases, including working interest ownership, royalty interest ownership and overriding royalty interest ownership is identical. Adequate facilities (portable well tester) will be provided to determine allocated production from each lease. All parties have been notified by certified mail of our intent to commingle production from these two leases.

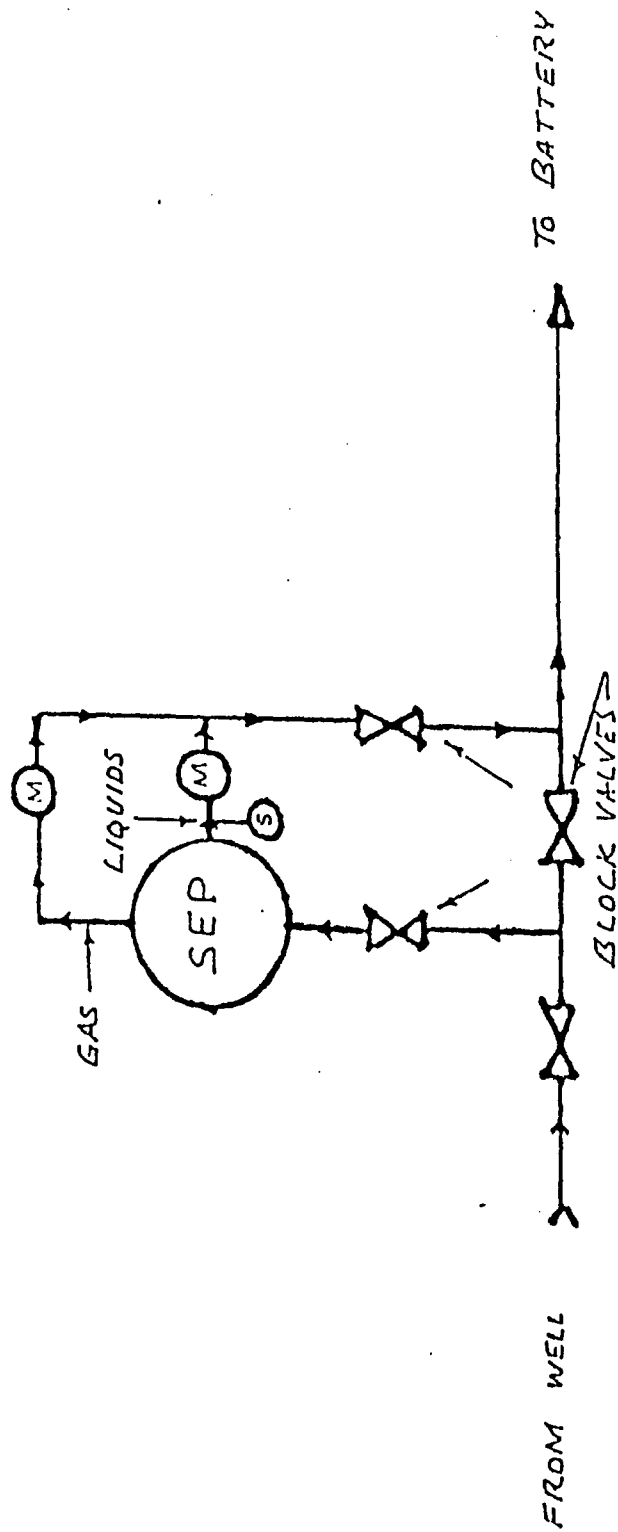
Supporting information is attached. If further information is needed, please let us know.

Yours truly,


John C. McPhaul
PRODUCTION SUPERINTENDENT 

JCM:jlmm

Attachments



INDIVIDUAL PORTABLE WELL TEST UNIT
 USED FOR COMMINGLING TESTS
 (PORT-A-CHEK WELL TESTER)

KO

2 BURNHAM 3

15 29' 2'

DR)

JACKSON "B" (SQ. LAKE) FLOOD

BOYD OPERATING CO. U.S. Jackson

BOCI "B"

BOCI "B"

BOCI "B"

EXISTING BATTERY

EXISTING FLOWLINE

Gissler

Gissler

Gissler

U.S. Jackson

PROPOSED FLOWLINES

27

28

PROPOSED ROAD

BOCI "A"

BOCI "A"

BOCI "A"

EXISTING COUNTY ROAD

Gissler

Gissler

U.S. Jackson

BOCI "A"

BOCI "B"

BOCI "A"

BURNETT OIL CO., INC.
(OPERATOR)

21

25

26

27

28

Stevens

