STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

August 23, 1988

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Burnett Oil Co., Inc. 801 Cherry Street Suite 1500 Fort Worth, Texas 76102

Attention: John C. McPhaul

Dear Sir:

Reference is made to your letter dated August 17, 1988, whereby you requested the cancellation of Division Order No. CTB-322, as amended, which order authorized the surface commingling of Square Lake Grayburg San Andres Pool production from the Gissler Lease consisting of the SW/4 SE/4 of Section 11, and from the Gissler "A" Lease consisting of the SE/4 SE/4 of Section 11, NE/4 NE/4, NW/4 NE/4 of Section 14, and the SW/4 SW/4 of Section 12, all in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

It is our understanding that you have just completed a new tank battery for the Gissler "A" Lease and that commingling authority is no longer necessary. As per your request, Division Order CTB-322 is hereby cancelled.

Sincerely William J. LeMay Director

xc: OCD-Artesia File-CTB-322