7007 2680 0001 6451 0885

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Response Required - Deadline Enclosed

07-Aug-08

BURNETT OIL CO INC

PO Box 188 Loco Hills, NM 88255 LOV NO. 2-08-135

LETTER OF VIOLATION **Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

STEVENS A No.016H

Location: 13-17S-30E

30-015-36146-00-00

Original Well Type: Oil (Producing) Determination or Violation Date: 8/7/2008

Well Status: Active

Delinquent Report or Filing(s): - Other Monitoring and Reporting

Violation

Comments: Review indicates C-104 not approved for transportation of product which is a violation of Rule 1104 and

801. -

CORRECTIVE ACTION ON THIS WELL DUE BY: 9/6/2008

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.