

JON H. BEAR, Vice President
FRED C. MUTTERA, V.P. - Treasurer

A. L. AYER, JR., Secretary

Burk Royalty Co.

800 OIL & GAS BUILDING
WICHITA FALLS, TEXAS 76301

September 6, 1979

RECEIVED

SEP 11

O. C. R.
ARTESIA, NEW MEXICO

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We are in receipt of a letter dated August 17, 1979 from Mrs. Donna Holler with Oil Reports & Gas Services, Inc. on behalf of C. H. Juni with regard to a 40 acre non-standard unit and unorthodox well location located as follows: 660 feet from the North line and 1650' from the East line of Section 1, T15S, R29E, Chaves County, New Mexico. Burk Royalty Co. as operator of the Double "L" Queen Waterflood Unit feels that it is our duty as the proper operator to state that if this well is completed as a gas well as indicated, there would be no objection to an unorthodox location. However, if this well should start to produce oil it would indicate to us that the well is in the same reservoir as the Double "L" Queen Unit and we would therefore have to strenuously object to the continued production of the well without it being included in the Unit.

Very truly yours,

BURK ROYALTY CO.

Jon H. Bear

JHB/ks

cc: Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Working Interest Owners
Double "L" Queen Unit
Chaves County, New Mexico