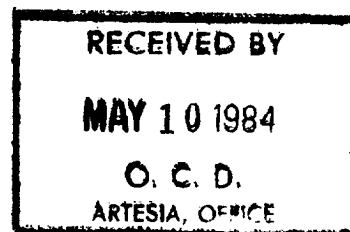


May 8, 1984



Burnett Oil Company, Inc.
1500 InterFirst Tower
801 Cherry Street
Ft. Worth, Texas 76102

Attention: John C. McPhaul

Re: Jackson "B" No. 30, Square
Lake Field, Eddy County,
New Mexico

Dear Mr. McPhaul:

I have received a copy of your letter directed to the attention of Mr. Mike Williams in the Oil Conservation Division's Artesia District Office relative to his shut-in notice on the above-referenced well. It is my understanding that when Mr. Williams arrived at this well salt water was flowing out of the annular space on this well and this discharge of brine is in direct violation of the Rules and Regulations of the New Mexico Oil Conservation Division. On observing this brine flow, Mr. Williams ordered this well shut-in in order to prevent further contamination of the surface area around this well and any possible downhole aquifer contamination which might result from such brine movement.

This letter is to inform you that, as Director of the Oil Conservation Division, I fully support Mr. Williams in his action in requiring this well to be shut-in until corrective action is taken.

In that regard, after consulting with field personnel, the following corrective measures will be required on this well:

- (1) verify top of cement behind 4 1/2-inch casing with cement bond log;
- (2) if the cement bond log shows that the cement is below the base of the salt section, perforate and squeeze cement up to at least the base of the salt;

Thank you for your prompt attention to this matter.

Sincerely,

JOE D. RAMEY,
Director

JDR/WPP/dr