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December 30, 1996

OIL CON. DIV.
DIST. 2

NEW MEXICO OIL CONSERVATION DIVISION
ATTN: Mike Stogner or David Catanach
2040 S. Pacheco
Santa Fe, New Mexico 87505

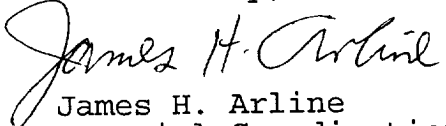
Re: Unorthodox location of Stevens "A" #5
1295' FSL, 25' FWL,
Sec 13, T17S, R30E
Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. request an exception without notice and hearing to Rule 104 for the Stevens "A" #5 recompletion in the Grayburg formation. This well was drilled and completed as the Grayburg Jackson San Andres Unit #42 in August 1976 as a legal location without regard to the original lease lines. The cost of plugging this well bore and drilling a new well would not have been an economic probability. Our intention is to set a complete tank battery to the east on the existing pad to handle the production. The attached plat shows that we are the operator of record for all adjacent lease. No archaeological survey was done for this area since it was a existing well site pad. A copy of the submitted BLM 3160-5 is also attached for your reference.

Please advise if further information is needed.

Yours truly,



James H. Arline
Material Coordination

xc: NMOCD-Artesia