

6666

RECEIVED

AUG - 4 1997

OIL CON. DIV.
F T 2

July 30, 1997

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

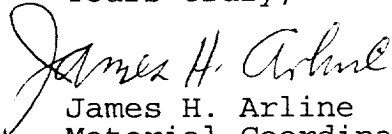
Re: Unorthodox location of Jackson B #40
Unit C 1120'FNL, 1345'FWL,
Sec 24, T17S, R30E
Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. request an exception without notice and hearing to Rule 104 for the Jackson B #40 recompletion in the Grayburg formation. This well was drilled in June 1976 and completed in August 1976 as the Grayburg Jackson San Andres Unit #44 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 be an economic probability. Our intention is to lay a flowline to the existing Jackson B4 tank battery @ Unit P, Sec 24, T17S, R30E 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 is an existing well site pad. We are requesting an archaeological survey for the flowline since it will traverse an undisturbed area. A copy of the submitted BLM 3160-5 is also attached for your reference.

Please advise if any further information is needed.

Yours truly,


James H. Arline
Material Coordination

xc:NMOCD-Artesia