

September 19, 1997

Burnett Oil Co., Inc.  
801 Cherry Street - Suite 1500  
Fort Worth, Texas 76102-6869

Attention: Sterling Randolph

3871

*Administrative Order NSL ~~444~~*

Dear Mr. Randolph:

Reference is made to Burnett Oil Co., Inc.'s application dated August 18, 1997 for a non-standard Grayburg oil well location for the existing Grayburg Jackson San Andres Unit Well No. 49 (API No. 30-015-26968), to be redesignated the Jackson "A" Well No. 16, which was drilled in 1992 to a total depth of 3,551 feet and completed at a previously approved, more or less, unorthodox oil well location (see Division Order No. R-5206, dated April 27, 1976) in the Windfohr Grayburg-Jackson Waterflood Project, established by Division Order No. R-3257, dated June 8, 1967 for the purpose of completing an efficient production/injection pattern within said waterflood area, 1245 feet from the South line and 2570 feet from the East line (Unit 0) of Section 13, Township 17 South, Range 30 East, NMPM, Grayburg Jackson (San Andres) Unit Area, Eddy County, New Mexico.

It is our understanding that said well is to be recompleted from the unitized San Andres formation of the Grayburg-Jackson Pool to the non-unitized Grayburg portion of said Pool and pursuant to Rule 104.C(1)(a) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), said well location is unorthodox. Further, the SW/4 SE/4 of said Section 13 shall be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit.

The application has been duly filed under the provisions of Division General Rule 104.F; therefore, by the authority granted me under the provisions of Division General Rule 104.F(2),