

CCCC

January 18, 2001

New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87504



Re: Jackson A #17 API #30-015-031358 Federal lease #LC029339A  
990' FSL, 330' FEL SEC 13, T17S, R30E Eddy County, N.M.

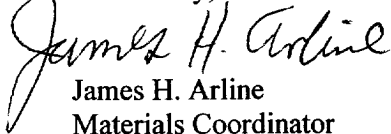
Gentlemen:

We request administrative approval to "On Lease Surface Commingle" the Cedar Lake Yeso zone (96831) production from the referenced well with the present Grayburg (28509) production from the Jackson A #3,8,9,10,11 & #16 wells in the Jackson A Tank Battery (State POD #28919005,...006 & ...007.) All production in this battery is presently being allocated based on periodic individual well test. The test method is a 1996 Natco built trailer mounted Huskie Jr. Port-A-Chek well tester. This commingle allows us to lay a short flow line in existing ROW and use an existing storage facility instead of disturbing new acreage for a new battery site.

This Federal lease does not qualify for reduced royalty. The only interest difference in the two zones is EOG Resources, Inc. with a .0091146 ORRI out of Burnett Oil's interest only. All Other Working, Royalty and Overriding interest and owners are exactly the same in the Grayburg and Yeso producing intervals. We have attached a waiver of objection to commingle from EOG Resources for this filing. As a matter of routine, a copy of this filing with the attachments is being sent to all interest owners.

A copy of the original filing was sent to BLM- Roswell and NMOCD- Artesia. The BLM approval is also attached for your reference. The original C104 was sent to NMOCD in Artesia.

Yours truly,

  
James H. Arline  
Materials Coordinator

Xc: New Mexico Oil Conservation Division  
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