

March 21, 1989

Oil Conservation Division
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88240

Re: Flaring Casinghead Gas

Gentlemen:

This letter is in response to the phone conversation with Evelyn Downs and to the letters received asking us to submit Form C-129 requesting an exception to Division Rule 306 for the following two (2) wells located in the Cato San Andres pool:

Western Reserves #1

NE/4 NW/4
Sec 08 T9S - R30E

Rector #1

NW/4 NW/4
Sec 08 T9S - R30E

It should be noted that both wells have not been produced for over a year and that we have not been flaring the casinghead gas.

If I can be of further assistance, please