

LEWIS B. BURLESON, INC.
OIL & GAS PROPERTIES

LEWIS B. BURLESON
PRESIDENT
STEVEN L. BURLESON
VICE-PRESIDENT
WAYNE JARVIS
SUPERINTENDENT
OIL CONSERVATION DIV.
01 JUL 27 PM 12:59

July 24, 2001

Certified Mail #70993220000575503391
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
Attention: Ms. Wrotenbery
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Gruy Petroleum Management Co.
Myers B 9, NW/4, Section 13, T-24-S, R-36-E
Myers B 8, N/2NE/4, SW/4NE/4, Section 11, T-24-S, R-36-E
LEA COUNTY, NEW MEXICO

Dear Ms. Wrotenbery:

It has come to our attention that Gruy Petroleum Management Co. has completed two Jalmat gas wells at illegal locations in Sections 13 and 11, Township 24 South, Range 36 East, Lea County, New Mexico. Both of these wells are too close to our leasehold (S/2, Section 11, N/2N/2, Section 14), one being 330 feet from our lease line and the other one being 380 feet from our lease line. We hereby request that you order these illegal completions shut-in.

This letter also is our formal objection to completion of either one of these wells in the Jalmat Gas Pool. We will try to work these issues out with Gruy and if we can reach some equitable agreement, we will withdraw our objection.

Sincerely,



Steven L. Burleson
Vice-President

Xc: Hobbs Oil Conservation District
Gruy Petroleum Management Co.
Attn: Mr. Zeno Farris