

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Burnett Oil Co., Inc.

OPERATOR ADDRESS: Burnett Plaza - Suite 1500, 801 Cherry Street - Unit 9, Fort Worth, Texas 76102

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. Pre-Onguard

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
See Attached				

(2) Are any wells producing at top allowances? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attach sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Leslie Garvis TITLE: Regulatory & Government Affairs Manager DATE: _____

TYPE OR PRINT NAME Leslie Garvis TELEPHONE NO.: 713-819-4371

E-MAIL ADDRESS: lgarvis@burnettoil.com

**APPLICATION FOR POOL AND LEASE COMMINGLING, OFF LEASE
MEASUREMENT, SALES AND STORAGE AT OUR
GISSLER B 2 CENTRAL TANK BATTERY**

Burnett Oil Co. Inc, requests approval for a Pool and Lease commingle, off lease measurement, sales and storage at the Gissler B Central Tank Battery (J, 23, T17S, R30E, Lat: 32.81806, Long: -103.93806)

I. Federal Leases

A. Federal Lease NMNM-074939

B. Federal Lease NMNM-2748

C. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

II. Oil & Gas Process Flow, Metering & Testing:

The Gissler B 2 central tank battery is located at Sec. 23 NWSE, T17S, R30E on federal lease NMNM-2748 in Eddy County, New Mexico. The production from all wells will come to a common production header equipped with an isolation line. From this point each well can individually be put on test and its production routed through the test equipment train while the remaining wells are routed to the production equipment train.

All wells at this battery will utilize two (2) 500 bbl oil tanks and two (2) 500 bbl produced water tanks. The battery has a common gas sales meter (DCP Delivery Point Totalflow meter #723338-00) which is located west of the battery (see attached facility diagram). Oil, gas and water volumes from each well producing to this battery will be determined using a test heater treater at the proposed facility. Each well associated with this battery will run through the testing equipment a minimum of 24 hours once a month.

The well which is producing on test flows to the test heater treater, gas goes to the gas test meter (Totalflow meter #74649005) and combined liquids go to the test heater treater (HT) where oil, water and any remaining gas are separated. This gas is also routed to the gas test meter. The oil is routed to an isolated 500 bbl oil tank designated for testing and is measured daily. All other oil is routed to an isolated 500 bbl oil tank designated for production. Water is metered using a turbine meter and then flows to one of the two 500 bbl produced water tanks, along with the water from the production train wells.

**APPLICATION FOR POOL AND LEASE COMMINGLING, OFF LEASE
MEASUREMENT, SALES AND STORAGE AT OUR
GISSLER B 2 CENTRAL TANK BATTERY**

Oil, gas and water production will be allocated daily based on each well's most recent well test. Oil sales and production allocation are based on the test oil turbine meter and total daily oil production calculated using tank measurements and sales through the LACT meter located downstream of the oil tanks. The LACT meter will be proven monthly, as per API, NMOCD, and BLM specifications. The factor obtained will be used to allocate the production and sales volumes.

The gas production from the production equipment train and the test gas meter will commingle and flow through the DCP Gas sales Totalflow meter (#723338-00) located west of the facility. Production train gas will be calculated on a daily basis based on the subtraction method. The Well Test Totalflow meter (#7469005) volume is subtracted from the DCP Gas sales meter (#723338-00), to arrive at the Production Train gas sales volume which is then allocated to each well based on the well's most recent well test. The total gas volume will be the sum of the DCP sales meter, the flare volume meter and lease fuel. Both meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities. Test Tank will be gauged on a daily basis. A tank Strapping Table for the oil test tank will be provided.

The flow of production is shown in detail on enclosed facility diagram and map which shows the lease boundaries.

IV. Additional Right of Ways

Burnett Oil Co. Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We will apply for separate ROW approval, as appropriate.

V. Interest Owner Notice

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail. See attached list of parties notified.

VI. Pursuant to Statewide rule 19.15.12.10(C)(4)(g), Burnett requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Signed: 

Printed Name: Leslie Garvis

Title: Regulatory & Government Affairs Manager

Date: 3/9/21



09 March 2021

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Rule 303, Administrative Approval, Pool and Lease Surface Commingling

To whom it may concern:

Upon review of our records while updating our Commingling with the Bureau of Land Management, Burnett was not able to locate the previous documentation online of commingling approval dating back to 1997 – pre OnGuard. In an effort to bring our records and commingling information up to date, Burnett Oil is submitting this application to update our commingling. We are requesting current Administrative approval from the NMOCD for of surface commingling the production of our Federal Lease # NMNM-074939 and Federal Lease NMNM-2748 for this updated application that includes all current and future wells producing at the Gissler B 2 Battery. These leases produce from the Grayburg Jackson San Andres (28509), Cedar Lake Glorieta Yeso (96831) and Loco Hills Glorieta Yeso (96718) pools. These leases and pools will be commingled at our central tank Battery Gissler B 2 located in NWSE, Sec. 23, T17S, R30E.

All interest owners have been notified by mail of this surface commingling request. The Bureau of Land Management has been notified and has approved our request for surface commingling of the aforementioned leases and pools.

The required supporting documentation is attached. If you have any questions or need any additional information, please do not hesitate to give me a call at 817-583-8730.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Leslie Garvis', is written over a horizontal line.

Leslie Garvis
Regulatory & Government Affairs Manager

APPLICATION FOR COMMINGLING AT GISSLER B 2 CENTRAL TANK BATTERY

GISSLER B 2 CENTRAL TANK BATTERY
 Battery Location: T 17S, R 30E, SEC 23, UNIT J, NWSE
 1943' FSL, 1323' FEL
 EDDY CO N.M.
 LEASE: NMNM-2748

Federal Lease: NMNM-074939

Well Name	Surface Location	API#	Date Online	Pool Code	Pool Name	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
Gissler B 2	D-24-17S-30E	30-015-04308	May 1997	28509	GRAYBURG JACKSON;SR-Q-G-SA	2.18	44	10.01	1344.5878	6.7
Gissler B 95	D-24-17S-30E	30-015-41176	May 2013	96831	CEDAR LAKE; GLORIETA-YESO	10.11	44	49.60	1344.5878	31.86

Federal Lease: NMNM-2748

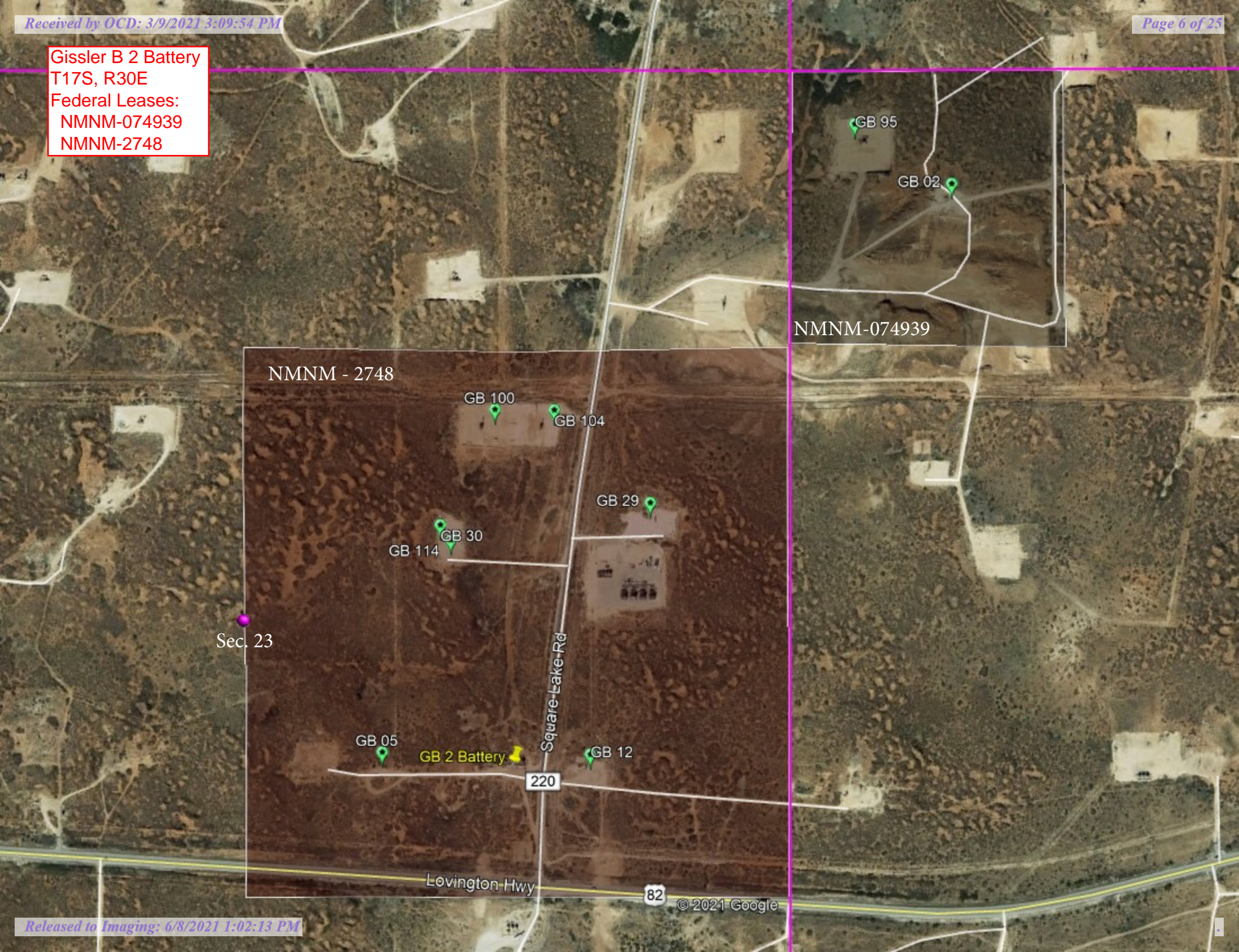
Well Name	Location	API#	Date Online	Pool Code	Pool	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
Gissler B 5	J-23-17S-30E	30-015-04300	March 1945	28509	GRAYBURG JACKSON;SR-Q-G-SA	2.22	44	1.73	1344.5878	1.87
Gissler B 12	I-23-17S-30E	30-015-04302	April 1962	28509	GRAYBURG JACKSON;SR-Q-G-SA	1.36	44	0.37	1344.5878	2.62
Gissler B 29	H-23-17S-30E	30-015-26985	December 1992	28509	GRAYBURG JACKSON;SR-Q-G-SA	0.15	44	0.93	1344.5878	1.27
Gissler B 30	G-23-17S-30E	30-015-27922	September 1994	28509	GRAYBURG JACKSON;SR-Q-G-SA	0.48	44	0.42	1344.5878	2.5
Gissler B 100	G-23-17S-30E	30-015-41800	March 2014	96718	LOCO HILLS; GLORIETA-YESO	20.89	44	137.75	1344.5878	136.96
Gissler B 104	H-23-17S-30E	30-015-41801	March 2014	96718	LOCO HILLS; GLORIETA-YESO	22.65	44	107.56	1344.5878	182.74
Gissler B 114*	G-23-17S-30E	30-015-47040	February 2021	96718	LOCO HILLS; GLORIETA-YESO		44			

Lease & Well Map attached showing battery and wells located in T17S, R 30E, Sections 23 & 24.

Production based on January through December 2020 Reporting.

* Gissler B 114 - First Production has not been reported yet.

Gissler B 2 Battery
T17S, R30E
Federal Leases:
NMNM-074939
NMNM-2748



VALVE LEGEND

**Owner Notifications for Gissler B 2 Tank Battery**

Name & Address	Tracking Number
Ms. Louisa Stude Sarofim 3711 San Felipe Rd Unit 11 D HoustonTexas 77027	7017 2620 0000 1480 4176
Marron Minerals, LTD 919 Milam SUITE 1980 HoustonTexas 77002	7017 2620 0000 1480 4183
Ms. Nancy Brown Negley C/O ACCOUNTING MANAGER 2121 Sage Road Suite 235 HoustonTexas 77056	7017 2620 0000 1480 4190
Ocon Parking LLC 10000 Memorial Dr. STE 510 HoustonTexas 77024	7017 2620 0000 1480 4206
Office of Natural Resourse Revenue P.O. Box 25627 Denver, Colorado 80225-0627	7017 2620 0000 1480 4213
OXY Y-1 Company PO Box 27570 HoustonTexas77227	7017 2620 0000 1480 4220
Yates Brothers PO Box 1394 Artesia, New Mexico 88210	7017 2620 0000 1480 4237
Bureau of Land Management Carlsbad Field Office 620 E Greene Street Carlsbad, NM 88220	7017 2620 0000 1480 4244



26 March 2021

Re: Request for OCD Approval of Surface Commingle, Off Lease Measurement and Off Lease Storage
Gissler B 2 Tank Battery
T17S, R 30E, Sec. 23, Unit J, NWSE
Eddy County, New Mexico
Leases: NMNM-2748 & NMNM-074939

Dear Sir or Madam,

This letter is to advise you that Burnett is filing an application with the New Mexico Oil Conservation Division seeking to update our surface commingling, off lease measurement and office lease storage approval at the Gissler B 2 Tank battery. A copy of our application is attached for your reference. The Bureau of Land Management has already approved our commingling request. Authority to commingle future wells producing from spacing units contained within the application is being sought in the application.

Any objections or a request for hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within twenty (20) days of the date of this letter.

If you have any questions or need any further information, please do not hesitate to give me a call at 817-583-8730 or email me at lgarvis@burnettoil.com.

Regards,

Burnett Oil Co.Inc.

Leslie M. Garvis
Regulatory & Government Compliance Manager

Enclosure

26 March 2021

Burnett Plaza – Suite 1500 | 801 Cherry Street – Unit 9 | Fort Worth, Texas 76102

**Owner Notifications for Gissler B 2 Tank Battery**

Name & Address	Tracking Number
Ms. Louisa Stude Sarofim 3711 San Felipe Rd Unit 11 D HoustonTexas 77027	7017 2620 0000 1480 4251
Marron Minerals, LTD 919 Milam SUITE 1980 HoustonTexas 77002	7017 2620 0000 1480 4268
Ms. Nancy Brown Negley C/O ACCOUNTING MANAGER 2121 Sage Road Suite 235 HoustonTexas 77056	7017 2620 0000 1480 4275
Ocon Parking LLC 10000 Memorial Dr. STE 510 HoustonTexas 77024	7017 2620 0000 1480 4282
Office of Natural Resourse Revenue P.O. Box 25627 Denver, Colorado 80225-0627	7017 2620 0000 1480 4299
OXY Y-1 Company PO Box 27570 HoustonTexas77227	7017 2620 0000 1480 4305
Yates Brothers PO Box 1394 Artesia, New Mexico 88210	7017 2620 0000 1480 4312
Bureau of Land Management Carlsbad Field Office 620 E Greene Street Carlsbad, NM 88220	7017 2620 0000 1480 4329

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms Louisa Stude Sanchez
3711 San Felipe Rd
Unit 11 D
Houston, TX 77021



9590 9402 4805 8344 2708 54

2. Article Number (Transfer from service label)

7017 2620 0000 1480 4251

A. Signature

X

COV-19

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Deliveryfail
fail Restricted Delivery
0)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Burnett Oil Co. Inc. **OGRID Number:** 03080
Well Name: Gissler B 5 and Others **API:** 30-015-04300
Pool: Grayburg Jackson San Andres, Cedar Lake; Glorieta Yeso and Loco Hills; Glorieta Yeso **Pool Code:** 28509, 96831 & 96718

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Leslie Garvis

Print or Type Name

Signature

Date

3/9/2021

817-583-8730

Phone Number

lgarvis@burnettoil.com

e-mail Address

From: [Leslie Garvis](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: Commingling Submission
Date: Wednesday, May 12, 2021 3:46:23 PM

Hi Dean,

Here are the two new Fedex tracking numbers:

Nancy Brown Negley – 773709195324

Ocon Parking – 773709084839

Interestingly I just got a card back for Ocon for notice on another project so I am wondering if these two letters just got lost.

Hopefully I will have better luck with these.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

BURNETT OIL CO., INC.
BURNETT PLAZA - SUITE 1500
801 CHERRY STREET – UNIT #9
FORT WORTH, TX 76102-6881
OFFICE: (817) 332-5108
DIRECT: (817) 583-8730
FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, May 4, 2021 1:41 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Commingling Submission

Yes, since our last conversation I have heard from a person more familiar with the USPS than myself that it is not uncommon for USPS employees to not get signatures currently which explains the green card you have signed as covid-19. It also sounds like mail being loss has become more common than prior to the last year which may be to blame for the missing scans.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Tuesday, May 4, 2021 12:27 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Commingling Submission

Talk about ironic – As soon as I hit send on the email to you, my phone rang and it was the postal service. They have no idea what happened to the letters. Apparently due to Covid they don't get signatures they just drop them off but the two missing show no scans that they were delivered and I never got the cards so they have no idea what happened.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

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DIRECT: (817) 583-8730
FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

From: Leslie Garvis
Sent: Tuesday, May 4, 2021 1:20 PM
To: 'McClure, Dean, EMNRD' <Dean.McClure@state.nm.us>
Subject: RE: Commingling Submission

Hi Dean,

I just wanted to let you know that I heard from the USPS on 4/27 that they have my case and will be contacting me soon but have not heard anything else. I think the best thing to do is to just resend the notices via Fedex this time. I will send you the tracking info as soon as I send them.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

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FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, April 26, 2021 4:24 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Commingling Submission

Hello Leslie,

I'm not sure what the story is with the green card which is signed covid-19. I am presuming that it was signed by an USPS employee rather than the intended recipient which seems a bit odd if it was delivered.

Additionally, this is the first time I've heard that the USPS is investigating this issue and I've found it to be a very common problem even now. As such, I am curious to hear what they find out.

Regarding your next steps if the USPS is unable to resolve the above referenced issues, you may wish to try to resend notice or diversely if you have made a good faith effort to deliver notice, then you may opt to provide notification via public notice and then submit the affidavit of publication.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Monday, April 26, 2021 3:16 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Commingling Submission

Ok – they just told me I should be contacted in 2-3 days from the local post office.

THANK YOU,

LESLIE GARVIS
 REGULATORY & GOVERNMENT AFFAIRS MANAGER

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 FAX: (817) 335-2438
 CELL: (713) 819-4371
 EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, April 26, 2021 1:55 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Commingling Submission

Hello Leslie,

We actually did get a fair amount of moisture, but thankfully the snow was melting nearly as fast as it was falling; think the most that we had on the ground was maybe 4 or 5 inches.

Regarding PLC-748, please confirm that the following persons have received notice:

4/1/2021	Ms. Louisa Stude Sarofim	7017 2620 0000 1480 4251	In-Transit	x
3/31/2021	Ms. Nancy Brown Negley	7017 2620 0000 1480 4275	In-Transit	x
3/30/2021	Ocon Parking LLC	7017 2620 0000 1480 4282	Awaiting	x

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Monday, April 26, 2021 12:40 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Commingling Submission

Hi Dean,

Hope you are doing well. Heard WY got snow recently!

I just wanted to follow up on this and see if there has been any movement. I will be submitting another one this week.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

BURNETT OIL CO., INC.
BURNETT PLAZA - SUITE 1500
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FORT WORTH, TX 76102-6881
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DIRECT: (817) 583-8730
FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, March 29, 2021 11:55 AM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Commingling Submission

Good Morning Leslie,

I did, thank you. Hopefully you did as well.

I'm updating the admin file to include the new numbers, notice date, and notice letter. I'll be in touch if there is anything else I need, otherwise, provided there are no protests, I should be able to write a recommendation to the Director that a permit be issued for this commingling project on 4/16/21.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Monday, March 29, 2021 10:49 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: Commingling Submission

Good Morning Dean,

Hope you had a nice weekend.

I wanted to let you know that the letters went out this past Friday 3/26/21. I did end up having to change the certified numbers so I have attached an updated list as well as a copy of the letter with the new date.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

BURNETT OIL CO., INC.
BURNETT PLAZA - SUITE 1500

801 CHERRY STREET – UNIT #9
FORT WORTH, TX 76102-6881
OFFICE: (817) 332-5108
DIRECT: (817) 583-8730
FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, March 26, 2021 9:00 AM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Commingling Submission

Good morning,

Sure, lets say about 9:30 mountain time? I can be reached at the number in my signature line.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Friday, March 26, 2021 7:22 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] Commingling Submission

Good Morning Dean,

Do you have a few moments to discuss a commingling application that I sent on 3/9/21? I think I need to withdraw it and resubmit it or have you reject it.

Could I give you a call this morning? I only have your email address.

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

BURNETT OIL CO., INC.
BURNETT PLAZA - SUITE 1500
801 CHERRY STREET – UNIT #9
FORT WORTH, TX 76102-6881
OFFICE: (817) 332-5108
DIRECT: (817) 583-8730
FAX: (817) 335-2438
CELL: (713) 819-4371
EMAIL: LGARVIS@BURNETTOIL.COM

This message is intended only for the person(s) to which it is addressed and may contain privileged, confidential and/or insider information. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Any disclosure, copying, distribution, or the taking of any action concerning the contents of this message and any attachment(s) by anyone other than the named recipient(s) is strictly prohibited. This message is intended only for the person(s) to which it is addressed and may contain privileged, confidential and/or insider information. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Any disclosure, copying, distribution, or the taking of any action concerning the contents of this message and any attachment(s) by anyone other than the named recipient(s) is strictly prohibited. This message is intended only for the person(s) to which it is addressed and may contain privileged, confidential and/or insider information. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Any disclosure, copying, distribution, or the taking of any action concerning the contents of this message and any attachment(s) by anyone other than the named recipient(s) is strictly prohibited. This message is intended only for the person(s) to which it is addressed and may contain privileged, confidential and/or insider information. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Any disclosure, copying, distribution, or the taking of any action concerning the contents of this message and any attachment(s) by anyone other than the named recipient(s) is strictly prohibited. This message is intended only for the person(s) to which it is addressed and may contain privileged, confidential and/or insider information. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Any disclosure, copying, distribution, or the taking of any action concerning the contents of this message and any attachment(s) by anyone other than the named recipient(s) is strictly prohibited.

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From: [Engineer, OCD, EMNRD](#)
To: [Leslie Garvis](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Pickford, Katherine, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-748
Date: Tuesday, June 8, 2021 12:52:27 PM
Attachments: [PLC748 Order.pdf](#)

NMOCD has issued Administrative Order PLC-748 which authorizes Burnett Oil Company, Inc. (3080) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-04308	Gissler B #2	D	24-17S-30E	28509
30-015-41176	Gissler B #95	D	24-17S-30E	96831
30-015-04300	Gissler B #5	J	23-17S-30E	28509
30-015-04302	Gissler B #12	I	23-17S-30E	28509
30-015-26985	Gissler B #29	H	23-17S-30E	28509
30-015-27922	Gissler B #30	G	23-17S-30E	28509
30-015-41800	Gissler B #100	G	23-17S-30E	96718
30-015-41801	Gissler B #104	H	23-17S-30E	96718
30-015-47040	Gissler B #114	G	23-17S-30E	96718

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: PLC-748

Operator: Burnett Oil Company, Inc. (3080)

Publication Date:

Date Sent: 3/26/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
4/1/2021	Ms. Louisa Stude Sarofim	7017 2620 0000 1480 4251	Delivered
3/31/2021	Ms. Nancy Brown Negley	7017 2620 0000 1480 4275	In-Transit
3/30/2021	Ocon Parking LLC	7017 2620 0000 1480 4282	Awaiting
3/29/2021	Marron Minerals, LTD	7017 2620 0000 1480 4268	Delivered
3/31/2021	Office of Natural Resource Revenue	7017 2620 0000 1480 4299	Delivered
4/2/2021	OXY Y-1 Company	7017 2620 0000 1480 4305	Delivered
3/31/2021	Yates Brothers	7017 2620 0000 1480 4312	Delivered
3/29/2021	Bureau of Land Management	7017 2620 0000 1480 4329	Delivered
Notice sent on 5/12/2021			
5/13/2021	Ms. Nancy Brown Negley	773709084839	Delivered
5/13/2021	Ocon Parking LLC	773709195324	Delivered

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY BURNETT OIL COMPANY, INC.**

ORDER NO. PLC-748

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Burnett Oil Company, Inc. ("Applicant") submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

3. The oil and gas production for each well identified in Exhibit A shall be allocated by conducting a minimum of one (1) well test per month.

Applicant shall conduct a well test by separating and measuring the oil and gas production from that well for a minimum of twenty-four (24) consecutive hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences production.

4. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
5. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
9. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 6/07/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-748**

Operator: **Burnett Oil Company, Inc. (3080)**

Central Tank Battery: **Gissler B Central Tank Battery**

Central Tank Battery Location: **Unit J, Section 23, Township 17 South, Range 30 East**

Gas Custody Transfer Meter Location: **Unit J, Section 23, Township 17 South, Range 30 East**

Pools

Pool Name	Pool Code
GRAYBURG JACKSON; SR-Q-G-SA	28509
LOCO HILLS; GLORIETA-YESO	96718
CEDAR LAKE; GLORIETA-YESO	96831

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 074939	D	24-17S-30E
NMNM 002748	G H I J	23-17S-30E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-04308	Gissler B #2	D	24-17S-30E	28509
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30-015-41801	Gissler B #104	H	23-17S-30E	96718
30-015-47040	Gissler B #114	G	23-17S-30E	96718

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 20287

CONDITIONS

Operator: BURNETT OIL CO INC 801 Cherry Street Unit #9 Fort Worth, TX 76102	OGRID: 3080
	Action Number: 20287
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.	6/8/2021