

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 Commingling)

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 BLM (SLO N/A)

(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

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

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

(4) Measurement type: ☐ Metering ☐ See Attached

(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) See attached

(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 attached 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 Manager

DATE: _____

TYPE OR PRINT NAME Leslie Garvis

TELEPHONE NO.: 817-583-8730

E-MAIL ADDRESS: lgarvis@burnettoil.com

**APPLICATION FOR POOL AND LEASE COMMINGLING, OFF LEASE
MEASUREMENT, SALES AND STORAGE AT OUR
JACKSON B4 CENTRAL TANK BATTERY**

Burnett Oil Co. Inc, requests approval for a Pool and Lease commingle, off lease measurement, sales and storage at the Jackson B 4 Central Tank Battery (Unit I, Section 24, T17S, R30E, Lat: 32.816455, Long: -103.919571)

I. Federal Leases

A. Federal Lease NMLC-055264

B. Federal Lease NMNM-2747

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 Jackson B 4 central tank battery is located at Sec. 24 NESE, T17S, R30E on federal lease NMNM-2747 in Eddy County, New Mexico. The production from all wells will come to a common production header and are routed to the production equipment train.

All wells at this battery will utilize two (2) 400 bbl oil tanks and one (1) 300 bbl produced water tanks. The battery has an allocation gas meter (75649003) which is located on the battery (see attached facility diagram).

Oil production is calculated using tank measurements. The gas production from the production equipment train will flow through the DCP Gas sales Totalflow meter 723337-00) located North of the facility and through the Durango Gas Sales Totalflow meter (06105036) located West of the facility. The total gas volume will be the sum of the allocation meter, the flare volume meter and lease fuel. All 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.

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

**APPLICATION FOR POOL AND LEASE COMMINGLING, OFF LEASE
MEASUREMENT, SALES AND STORAGE AT OUR
JACKSON B4 CENTRAL TANK BATTERY**

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: 4/27/21

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Signed: _____

Printed Name: Leslie Garvis

Title: Regulatory & Government Affairs Manager

Date:



27 April 2021

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

Re: Rule 303, Administrative Approval, Lease Surface Commingling | Jackson B 4 Battery

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 NMOC for of surface commingling the production of our Federal Lease # NMLC-055264 and Federal Lease NMNM-2747 for this updated application that includes all current and future wells producing at the Jackson B 4 Battery. These leases produce from the Grayburg Jackson San Andres (28509) pool. These leases will be commingled at our central tank Battery Jackson B 4 located in NESE, Sec. 24, T17S, R30E. The commingling of these leases will not decrease the value of production.

All interest owners have been notified by mail of this surface commingling request. The Bureau of Land Management has been notified and an approval request has been filed with them as well.

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 black 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

Jackson B 4 CENTRAL TANK BATTERY
 Battery Location: T 17S, R 30E, SEC 24, UNIT 1, NESE
 APPROX: 1355' FSL, 831' FEL
 Eddy County, NM
 LEASE: NMNM-2747

Federal Lease: NMLC-055264

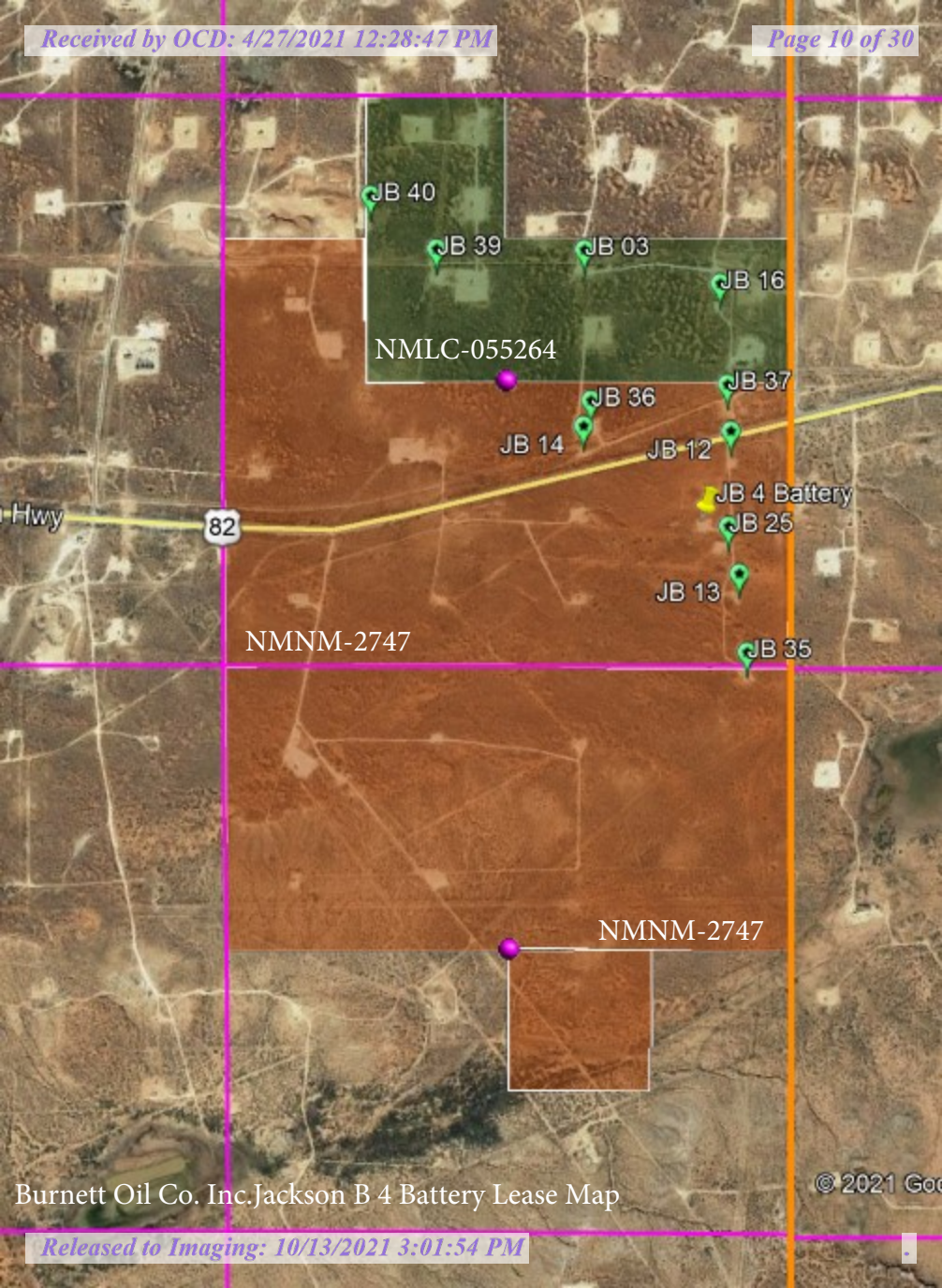
Well Name	Surface Location	API#	Date Online	Pool Code	Pool Name	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
Jackson B 3	G-24-17S-30E	30-015-04313	December 1996	28509	Grayburg Jackson San Andres	6.64	44	1.09	1344.5878	0.65
Jackson B 16	H-24-17S-30E	30-015-04317	January 1945	28509	Grayburg Jackson San Andres	0.28	44	0.00	1344.5878	0.81
Jackson B 39	F-24-17S-30E	30-015-20209	February 1997	28509	Grayburg Jackson San Andres	1.02	44	0.55	1344.5878	1.28
Jackson B 40	C-24-17S-30E	30-015-21831	September 1976	28509	Grayburg Jackson San Andres	0.09	44	0.06	1344.5878	10.14

Federal Lease: NMNM-2747

Well Name	Location	API#	Date Online	Pool Code	Pool	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
Jackson B 12	I-24-17S-30E	30-015-04314	August 1944	28509	Grayburg Jackson San Andres	0.23	44	0.06	1344.5878	62.34
Jackson B 13	P-24-17S-30E	30-015-04315	October 1944	28509	Grayburg Jackson San Andres	3.06	44	0.28	1344.5878	0.64
Jackson B 14	J-24-17S-30E	30-015-04316	November 1944	28509	Grayburg Jackson San Andres	1.02	44	0.55	1344.5878	0.64
Jackson B 25	P-24-17S-30E	30-015-10123	September 1963	28509	Grayburg Jackson San Andres	0.00	44	0.00	1344.5878	0
Jackson B 35	A-25-17S-30E	30-015-27750	February 1994	28509	Grayburg Jackson San Andres	1.37	44	1.08	1344.5878	3.21
Jackson B 36	J-24-17S-30E	30-015-27921	September 1994	28509	Grayburg Jackson San Andres	4.078	44	1.09	1344.5878	3.2
Jackson B 37	I-24-17S-30E	30-015-28641	December 1995	28509	Grayburg Jackson San Andres	1.18	44	0.55	1344.5878	0.64

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

Production based on January through December 2020 Reporting.



The diagram illustrates the water distribution system at the Navajo Water Treatment Plant. It shows the flow from the **SALES LINE TO NAVAJO** (PRODUCED WATER SENT TO JACKSON B 23 SWD) through a **WATER PUMP** into a **HEADER**. The header is connected to a **4X20 HEATER** (H) and an **ALLOCATION METER #74649003**. The water then flows to **TO DCP meter #72337-00** and **TO Durango meter #06105036**. The system also includes a **FILL LINE** and a **WATER LINE**. A **CIRC. PUMP** is shown circulating water within the plant's internal system, which includes a **CIRC. LINE** and a **WATER PUMP** (6 1).

SITE LEGEND



300 BBL FIBERGLASS WATER TANK



HEATER TREATER



WATER LINE



FENCED FIREWALL

VALVE LEGEND



LONG LIFE WATER



FILL LINE VALVE



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COMBUSTOR GAS METER
Meter # FMS 200F-341113



FLARE GAS METER



COMBUSTOR COMBUSTOR LINE
EMERGENCY FLARE FLARE
* Future

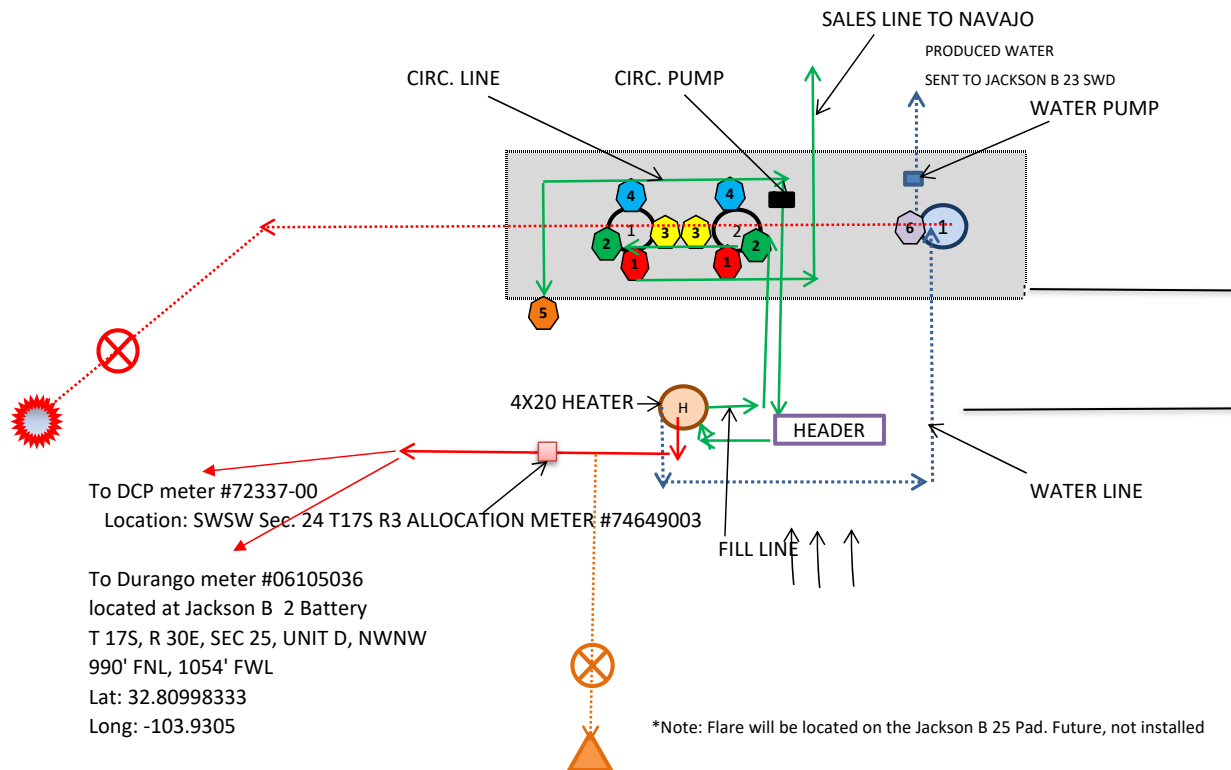


FLARE LINE

BURNETT OIL CO.

JACKSON B 4 BATTERY
T 17S, R 30E, SEC 24, UNIT I, NESE
APPROX: 1355' FSL, 831' FEL
LEASE: NMNM-2747
API# 30-015-10123
Jackson B 25
Lat: 32.816357
Long: -103.9196

UPDATED: 8/18/2021



Note: Well tests conducted utilizing mobile testing unit.

<p>1 400 BBL STEEL OIL SALES TANK # 35032</p> <p>2 400 BBL STEEL OIL SALES TANK # 35768</p>	<p>1 300 BBL FIBERGLASS WATER TANK</p>	<p>H HEATER TREATER</p> <p>WATER LINE</p> <p>OIL LINE</p> <p>GAS LINE</p>	<p>VALVE LEGEND</p> <p>1 LOAD LINE VALVE</p> <p>2 FILL LINE VALVE</p> <p>3 EQUALIZER LINE VALVE</p>	<p>4 CIRC LINE VALVE</p> <p>5 BS&W LOAD LINE VALVE</p> <p>6 WATER LINE VALVE</p>
<p>FENCED FIREWALL</p>	<p>COMBUSTOR GAS METER Meter # FMS 200F-341113</p>	<p>COMBUSTOR</p> <p>COMBUSTOR LINE</p>	<p>FLARE GAS METER</p>	<p>EMERGENCY FLARE *Future</p> <p>FLARE LINE</p>



Owner Notifications for Jackson B 4 Tank Battery

Name & Address	Tracking Number	Delivery Status
Office of Natural Resource Revenue P.O. Box 25627 Denver, Colorado 80225-0627	7017 2620 0000 1480 4367	Delivered 5/24/2021
OXY Y-1 Company PO Box 27570 HoustonTexas77227	7017 2620 0000 1480 4336	Delivered 4/30/2021
Ms. Nancy Brown Negley C/O ACCOUNTING MANAGER 2121 Sage Road Suite 235 HoustonTexas 77056	7017 2620 0000 1480 4343 Resent via Fedex on 7/1/2021 774154149188	Delivered 7/2/2021
Ms. Louisa Stude Sarofim 3711 San Felipe Rd Unit 11 D HoustonTexas 77027	7017 2620 0000 1480 4350 Resent via Fedex on 7/1/2021 774159246117	Delivered 7/2/2021
Ocon Parking LLC 10000 Memorial Dr. STE 510 HoustonTexas 77024	7017 2620 0000 1480 4374 Resent via Fedex on 8/9/2021 774480034063	
Marron Minerals, LTD 919 Milam SUITE 1980 HoustonTexas 77002	7017 2620 0000 1480 4381	Delivered 4/30/2021
Bureau of Land Management Carlsbad Field Office 620 E Greene Street Carlsbad, NM 88220	7017 2620 0000 1480 4398	Delivered

**Owner Notifications for Jackson B 4 Tank Battery**

Name & Address	Tracking Number
Office of Natural Resource Revenue P.O. Box 25627 Denver, Colorado 80225-0627	7017 2620 0000 1480 4367
OXY Y-1 Company PO Box 27570 HoustonTexas77227	7017 2620 0000 1480 4336
Ms. Nancy Brown Negley C/O ACCOUNTING MANAGER 2121 Sage Road Suite 235 HoustonTexas 77056	7017 2620 0000 1480 4343
Ms. Louisa Stude Sarofim 3711 San Felipe Rd Unit 11 D HoustonTexas 77027	7017 2620 0000 1480 4350
Ocon Parking LLC 10000 Memorial Dr. STE 510 HoustonTexas 77024	7017 2620 0000 1480 4374
Marron Minerals, LTD 919 Milam SUITE 1980 HoustonTexas 77002	7017 2620 0000 1480 4381
Bureau of Land Management Carlsbad Field Office 620 E Greene Street Carlsbad, NM 88220	7017 2620 0000 1480 4398

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: Jackson B 3 and Others (See attached) **API:** 30-015-04313
Pool: Grayburg Jackson San Andres **Pool Code:** 28509

**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

Leslie Garvis

Signature

4/27/21
Date

817-583-8730

Phone Number

lgarvis@burnettoil.com

e-mail Address

From: [Leslie Garvis](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B
Date: Thursday, July 1, 2021 11:14:39 AM

Hi Dean,

Below are the new Fedex tracking numbers for the two notices mentioned below. I will send you the delivery notices as soon as I see them.

Sarofim – 7741 5409 8974

Negley – 7741 5414 9188

Have a great 4th of July!

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, June 22, 2021 6:00 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B

Hello Leslie,

Everything is going well; hopefully for you as well. I know it got to triple digits here the other day, which is definitely summer for Wyoming. At least it's a dry heat here, but then maybe it is around Dallas as well although I assume the temperature may have been more than a few degrees greater as well.

Ok, I'll keep my eye open for additional emails regarding notice for CTB-998.

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, June 22, 2021 11:01 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B

Hi Dean,

Hope you are doing well! We are officially into summer here in Texas!

I just wanted to let you know that it looks like we have delivery issues with two of the same ones that we had on the last application. I have a delivery on all notices except the ones for Nancy Negley and Louisa Sarofim. I am going to go ahead and send these out again but via Fedex this time and will send you the tracking info when it goes out. Guess since it happened again, it wasn't just a fluke but something going on with these two accepting deliveries...or with a particular carrier at the local post office. I am not going to bother filing a claim again since it did not accomplish anything.

I'll send you the new info soon. Take care

THANK YOU,

LESLIE GARVIS
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From: [Leslie Garvis](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: surface commingling application CTB-998
Date: Wednesday, August 18, 2021 11:00:30 AM
Attachments: [2021.08.18 JB 4Commingling Details.pdf](#)
[Jackson B 4 Tank Battery Diagram.pdf](#)

Good Morning Dean,

I apologize for not getting this to you last week. I was out a couple of days due to back trouble.

I have revised the writeup and the battery diagram based on the info from the field. Please let me know if this give you all the info you need.

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
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: Wednesday, August 11, 2021 4:00 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: RE: [EXTERNAL] RE: surface commingling application CTB-998

Hello Leslie,

Yes, it went as well as could be expected and I'm sitting happily in Hobbs currently, thanks.

Please remind me the details that came from that discussion. It has been a few weeks and I've had a few discussions on different topics since then, but for some reason, it seems like you were thinking that a test separator is not on the facility and you were checking with your field manager to determine how well tests are currently being conducted. The updated document seems to indicate that a test separator does exist and that is how the well tests are being conducted, is that correct? If so, please submit a new facility diagram which includes it or diversely if the test separator is trailer or skid mounted and not a permanent fixture, then confirm that in leu of a new facility diagram.

Additionally, are the gas sales meter near enough to the facility so as to be considered to be at the same site? If not please provide the quarter quarter for the two gas sale meters.

I know back when I was in Santa Fe and we had potlucks at the office, it does seem like the locals do like their Chili. I recall being nearly in tears eating it and hearing how they had made it cooler than norm realizing that out of staters were present.

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, August 10, 2021 8:35 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [EXTERNAL] RE: surface commingling application CTB-998

Good Morning Dean,

Hope your move was a good one and you are all settled back into NM. I have spoken with our Field Manager about the allocation method for the Jackson B 4 Battery and confirmed it was as we discussed. I have attached the update details as well as the notice status. I did have to resend the documents to Ocon and it should be delivered today.

Please let me know if you need anything else.

PS – I am in heaven now that it is Hatch Chili season and I'm getting a little bit of NM here in Texas

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, July 9, 2021 4:58 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: surface commingling application CTB-998

Additionally, please provide the locations of the sales meters referenced in the application.

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

From: McClure, Dean, EMNRD
Sent: Friday, July 9, 2021 3:56 PM
To: Leslie Garvis <lgarvis@burnettoil.com>

Subject: surface commingling application CTB-998

Ms. Garvis,

I am reviewing surface commingling application CTB-998 which involves the Jackson B 4 CTB operated by Burnett Oil Company, Inc. (3080).

What is the intended method of allocation for these wells? It may be worth while to touch base via phone next week to discuss allocation methods as the current facility looks like the options may be limited.

What is the current status of the Jackson B #25 (30-015-10123)? It looks like it was included as part of a water flood at one point, but does not seem to be designated as an injection well currently although it does share a spacing unit with Jackson B #13 (30-015-04315).

Please confirm that the following persons have received notification of this application:

5/2/2021	Ocon Parking LLC	7017 2620 0000 1480 4374	Alert
----------	------------------	--------------------------	-------

Additionally, it looks like something may have occurred for the following fedex package referenced in your email below; please confirm that the following person has received notification of this application:

Sarofim	7741 5409 8974	Unknown
---------	----------------	---------

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: Thursday, July 1, 2021 11:14 AM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: RE: [EXTERNAL] RE: Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B

Hi Dean,

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Sarofim – 7741 5409 8974

Negley – 7741 5414 9188

Have a great 4th of July!

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

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BURNETT PLAZA - SUITE 1500
801 CHERRY STREET – UNIT #9

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EMAIL: LGARVIS@BURNETTOIL.COM

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, June 22, 2021 6:00 PM
To: Leslie Garvis <lgarvis@burnettoil.com>
Subject: [EXTERNAL] RE: Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B

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Ok, I'll keep my eye open for additional emails regarding notice for CTB-998.

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, June 22, 2021 11:01 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] Jackson B 4 Commingling Application/ PO number EAT47-210427-C-107B

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I'll send you the new info soon. Take care

THANK YOU,

LESLIE GARVIS
REGULATORY & GOVERNMENT AFFAIRS MANAGER

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From: [Engineer, OCD, EMNRD](#)
To: [Leslie Garvis](#)
Cc: [McClure, Dean, EMNRD](#); [Hawkins, James , EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-998
Date: Thursday, October 7, 2021 5:51:57 PM
Attachments: [CTB998 Order.pdf](#)

NMOCD has issued Administrative Order CTB-998 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
30-015-04313	Jackson B #3	G	24-17S-30E	28509
30-015-04317	Jackson B #16	H	24-17S-30E	28509
30-015-20209	Jackson B #39	F	24-17S-30E	28509
30-015-21831	Jackson B #40	C	24-17S-30E	28509
30-015-04314	Jackson B #12	I	24-17S-30E	28509
30-015-04315	Jackson B #13	P	24-17S-30E	28509
30-015-04316	Jackson B #14	J	24-17S-30E	28509
30-015-10123	Jackson B #25	P	24-17S-30E	28509
30-015-27750	Jackson B #35	A	25-17S-30E	28509
30-015-27921	Jackson B #36	J	24-17S-30E	28509
30-015-28641	Jackson B #37	I	24-17S-30E	28509

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. If you have any questions regarding this matter, please contact me.

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: **CTB-998**

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

Publication Date:

Submittal Date: **4/27/2021**

Noticed Persons

Date	Person	Certified Tracking Number	Status
5/24/2021	Office of Natural Resource Revenue	7017 2620 0000 1480 4367	Delivered
4/30/2021	OXY Y-1 Company	7017 2620 0000 1480 4336	Delivered
5/3/2021	Ms. Nancy Brown Negley	7017 2620 0000 1480 4343	In-Transit
5/1/2021	Ms. Louisa Stude Sarofim	7017 2620 0000 1480 4350	Alert
5/2/2021	Ocon Parking LLC	7017 2620 0000 1480 4374	Alert
4/30/2021	Marron Minerals, LTD	7017 2620 0000 1480 4381	Delivered
5/4/2021	Bureau of Land Management	7017 2620 0000 1480 4398	Delivered
Notice sent on 7/1/2021			
7/2/2021	Ms. Louisa Stude Sarofim	7741 5924 6117	Delivered
7/2/2021	Ms. Nancy Brown Negley	7741 5414 9188	Delivered
Notice sent on 8/9/2021			
8/10/2021	Ocon Parking LLC	7744 8003 4063	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. CTB-998

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 the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
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 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.
7. 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

8. 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, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.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) NMAC and 19.15.12.10.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 oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

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

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described 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 and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. 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 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. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 10/07/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-998**
Operator: **Burnett Oil Company, Inc. (3080)**
Central Tank Battery: **Jackson B 4 Central Tank Battery**
Central Tank Battery Location: **Unit I, Section 24, Township 17 South, Range 30 East**
Gas Title Transfer Meter Location: **Unit I, Section 24, Township 17 South, Range 30 East**

Pools

Pool Name	Pool Code
GRAYBURG JACKSON; SR-Q-G-SA	28509

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMLC 055264	C F G H	24-17S-30E
NMNM 002747	SW/4 NW/4, S/2	24-17S-30E
	NW/4 SE/4, N/2	25-17S-30E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-04313	Jackson B #3	G	24-17S-30E	28509
30-015-04317	Jackson B #16	H	24-17S-30E	28509
30-015-20209	Jackson B #39	F	24-17S-30E	28509
30-015-21831	Jackson B #40	C	24-17S-30E	28509
30-015-04314	Jackson B #12	I	24-17S-30E	28509
30-015-04315	Jackson B #13	P	24-17S-30E	28509
30-015-04316	Jackson B #14	J	24-17S-30E	28509
30-015-10123	Jackson B #25	P	24-17S-30E	28509
30-015-27750	Jackson B #35	A	25-17S-30E	28509
30-015-27921	Jackson B #36	J	24-17S-30E	28509
30-015-28641	Jackson B #37	I	24-17S-30E	28509

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 25785

CONDITIONS

Operator: BURNETT OIL CO INC 801 Cherry Street Unit #9 Fort Worth, TX 76102	OGRID: 3080
	Action Number: 25785
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/13/2021