Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
,		O OIL CONSERVA al & Engineering ncis Drive, Santa	TION DIVISION Bureau –	
		TIVE APPLICATIO		
THI	S CHECKLIST IS MANDATORY FOR ALL REGULATIONS WHICH REQ			ILES AND
Applicant: Burnett			OGRID Number	er: 03080
Well Name: Steve Pool: Grayburg Jackson	ens A 3 and others (See attached)		API: 30-015-04143 Pool Code: 283	509
POOI. Otayoung sucked	on our raides		Pool Code: 20.	707
SUBMIT ACCU	RATE AND COMPLETE INFO	RMATION REQUIR		OF APPLICATION
A. Locatio	LICATION: Check those w n – Spacing Unit – Simulta]NSL NSP _{(PRO.}	neous Dedication	PROPATION UNIT)	
[] Cor [] Inje	one only for [1] or [11] mmingling – Storage – Me DHC DCTB PLC ection – Disposal – Pressure WFX PMX DSW	PC OL e Increase – Enhar	ced Oil Recovery	FOR OCD ONLY
A. Offse B. Royc C. App D. Notif E. Surfc G. For c	en REQUIRED TO: Check the operators or lease hold alty, overriding royalty own lication requires published ication and/or concurrent ace owner all of the above, proof of a notice required	ers ners, revenue own d notice It approval by SLO It approval by BLM	ers Ar	otice Complete oplication ontent omplete
administrativ understand t	ON: I hereby certify that the approval is accurate as that no action will be take are submitted to the Divis	nd complete to the en on this applicati	e best of my knowledge.	l also
	Note: Statement must be complete	d by an individual with m	anagerial and/or supervisory cap	acity.
			9/28/2021	
Leslie Garvis			Date	
Print or Type Name	•		017 502 0720	
			817-583-8730 Phone Number	
Xerli	Laker			
Signature			lgarvis@burnettoil.com e-maii Address	
5.9.10.0			o man radios	



28 September 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:

Burnett Oil is requesting Administrative approval from the NMOCD for of surface commingling the production of our Federal Lease # NMLC-030570A, NMNM-2747 and a COMM Agreement encompassing Federal Leases NMLC-030570-A, NMLC-055958, NMLC-029338A and NMNM-074939. This application will include all current and future wells producing at the Stevens A Battery. These leases produce from the Grayburg Jackson San Andres (28509) and Cedar Lake Glorieta Yeso (96831) These leases and pools will be commingled at our central tank Battery Stevens A located in SWSW, Sec. 13, T17S, R30E.

All interest owners have been notified by mail of this surface commingling request. The Bureau of Land Management has been notified of 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,

Leslie Garvis

Regulatory & Government Affairs Manager

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

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.

		COMMINGLING	(DIVERSE	OWNERSHIP)	
	t Oil Co., Inc.				
OPERATOR ADDRESS: Burnet	t Plaza - Suite 150	0, 801 Cherry Stree	t - Unit 9, For	t Worth, Texas 76	5102
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease Commingling	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measure	ment (Only if not Surface	Commingled)
LEASE TYPE: Fee State X Federal					
Is this an Amendment to existing Order					
Have the Bureau of Land Management	(BLM) and State Land	d office (SLO) been not	ified in writing o	f the proposed commi	ingling
K) resino	(A) PO(NI COMMINCI IN	~		
		OL COMMINGLING ts with the following in			
(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					
(3) Has all interest owners been notified by (4) Measurement type: ☑Metering [(5) Will commingling decrease the value of the commingling decrease the commingling decrea	Other (Specify) See	Attached	Yes No.	ng should be approved	
	. ,	SE COMMINGLIN			
 Pool Name and Code. Is all production from same source of Has all interest owners been notified by Measurement type: Metering 	supply? Yes N	Io	⊠Yes □No		
(I) Combined to the Continue A and E		LEASE COMMIN			
(1) Complete Sections A and E.					
	D) OFF-LEASE ST	TORAGE and MEA	SUREMENT		
(ets with the following			
(1) Is all production from same source of		No			
(2) Include proof of notice to all interest of	owners.				
(F) Al	DDITIONAL INFO	ORMATION (for all	application tv	pes)	
(L) A		ts with the following in		,	
(1) A schematic diagram of facility, inclu					
(2) A plat with lease boundaries showing(3) Lease Names, Lease and Well Number		tions. Include lease number	ers if Federal or Sta	te lands are involved.	
I hereby certify that the information above i	Cla.				
SIGNATURE JOSEPH X	John	TTLE: Regulatory & Gov	ernment Affairs Ma	nager DATE: 9/28/2	2021
TYPE OR PRINT NAME Leslie Garvis			TEL	nager DATE: 9/28/2 EPHONE NO.: 817-583	-8730
E-MAII ADDRESS. lgarvis@burnettoil	.com				

APPLICATION FOR COMMINGLING STEVENS A CENTRAL TANK BATTERY

Burnett Oil Co. Inc, requests approval for a Pool and Lease commingle, off lease measurement, sales and storage at the Stevens A Central Tank Battery located at Unit M, Section 13, T17S, R30E, Lat: 32.83055, Long: -103.933883.

1. Federal Leases

- A. Federal Lease NMLC-030570A
- B. Federal Lease NMNM-2747 (Stevens A 17H Well)
- C. Federal COMM Agreement NMLC-030570-A, NMLC-055958, NMLC-029338-A and NMNM-074939.
- D. 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 Stevens A central tank battery is located at Sec. 13 SWSW, T17S, R30E on federal lease NMLC-030570-A 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 one of the two test equipment trains while the remaining wells are routed to the production equipment train.

All wells at this battery will utilize four (4) 300 bbl oil tanks and two (2) 500 bbl produced water tanks. The battery has a common gas sales meter (DCP Delivery Point Totalflow meter #723313-00, and Durango Delivery Point Totalflow meter #06165032) which are located on 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 one of the two test heater treaters, gas goes to the gas test meter (Totalflow meter #746-33015 or Total Flow meter #746-49016) and combined liquids go to one of the two test heater treaters (HT) where oil, water and any remaining gas are separated. This gas is also routed to one of the gas test meters. The oil is routed to an isolated 300 bbl oil tank designated for testing and is measured daily. All other oil is routed to an isolated 300 bbl oil tank designated for production. Water is metered using

APPLICATION FOR COMMINGLING STEVENS A CENTRAL TANK BATTERY

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.

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 measurement 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 meters will commingle and flow through the DCP Gas sales Totalflow meter (#723313-00) and the Durango Gas sales Totalflow meter (#06165032) located on the facility. Production train gas will be calculated on a daily basis based on the subtraction method. The Well Test Totalflow meters (#746-33015 and #746-49016) volume is subtracted from the DCP Gas sales meter (#721485-00), and the Durango Gas sales meter (#06165032), 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 Durango sales meter, the flare volume meter and lease fuel. All gas 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.

APPLICATION FOR COMMINGLING AT GISSLER B 3-3 CENTRAL TANK BATTERY CONFIDENTIAL

Stevens A Battery
T17S, R30E, SEC 13, UNIT M, SWSW
1219' FSL, 54' FWL
LEASE: NMLC-030570-A

Federal Lease: NMLC-030570A

Well Name	Location	API#	Date Online	Pool Code	Pool Name	Oil BOPD	Gravity	Gravity Gas MCFPD	BTU	BWPD
STEVENS A #003	F-13-17S-30E	30-015-04143	7/12/2099	28509	GRAYBURG JACKSON; SR-Q-G-SA	0.83	40	2.08	1328.4725	4.29
STEVENS A #004	M-13-17S-30E	30-015-04144	11/3/1997	28509	GRAYBURG JACKSON; SR-Q-G-SA	99'0	40	2.08	1328.4725	3.19
STEVENS A #007	N-13-17S-30E	30-015-21830	10/1/1976	28509	GRAYBURG JACKSON; SR-Q-G-SA	1.78	40	0.84	1328.4725	2.13
STEVENS A #009	K-13-17S-30E	30-015-32441	10/31/2002	96831	CEDAR LAKE; GLORIETA-YESO	3.90	40	62.79	1328.4725	3.24
STEVENS A #010	L-13-17S-30E	30-015-32793	7/3/2003	96831 28509	CEDAR LAKE; GLORIETA-YESO GRAYBURG JACKSON; SR-Q-G-SA	00.00	40	00.00	1328.4725	0.00
STEVENS A #011	F-13-17S-30E	30-015-33131	4/1/2004	96831	CEDAR LAKE; GLORIETA-YESO	2.41	40	24.86	1328.4725	9.22
STEVENS A #012	N-13-17S-30E	30-015-34225	11/12/2005	96831	CEDAR LAKE; GLORIETA-YESO	8.32	40	58.29	1328.4725	65.35
STEVENS A #013	N-13-17S-30E	30-015-34846	5/29/2007	96831	CEDAR LAKE; GLORIETA-YESO	4.51	40	52.63	1328.4725	13.77
STEVENS A #014	N-13-17S-30E	30-015-35320	7/21/2007	96831	CEDAR LAKE; GLORIETA-YESO	7.48	40	93.58	1328.4725	21.44
STEVENS A #015	F-13-17S-30E	30-015-35321	5/16/2007	96831	CEDAR LAKE; GLORIETA-YESO	5.25	40	51.49	1328.4725	7.40
STEVENS A #016	L-13-17S-30E	30-015-36146	4/14/2008	96831	CEDAR LAKE; GLORIETA-YESO	3.13	40	31.91	1328.4725	78.6
STEVENS A #018	F-13-17S-30E	30-015-41543	10/7/2013	96831	CEDAR LAKE; GLORIETA. YESO	9.17	40	121.24	1328.4725	14.51
STEVENS A #020	K-13-17S-30E	30-015-42498	11/3/2016	96831	CEDAR LAKE; GLORIETA-YESO	4.18	40	73.98	1328.4725	5.37
STEVENS A #21	M-13-17S-30E	30-015-46684	1/20/2021	96831	CEDAR LAKE; GLORIETA-YESO	55.69	40	183.41	1328.4725	470.66
STEVENS A #22	L-13-17S-30E	30-015-43437	1/14/2019	96831	CEDAR LAKE; GLORIETA-YESO	33.79	40	169.62	1328.4725	195.10
STEVENS A #23	K-13-17S-30E	30-015-45764	12/21/2020	96831	CEDAR LAKE; GLORIETA-YESO	49.15	40	152.68	1328.4725	309.55
STEVENS A #24	M-13-17S-30E	30-015-47345	4/10/2021	96831	CEDAR LAKE; GLORIETA-YESO	33.31	40	133.74	1328.4725	434.76
STEVENS A #25	N-13-17S-30E	30-015-47346	5/20/2021	96831	CEDAR LAKE; GLORIETA-YESO	92.03	40	227.81	1328.4725	536.91

Federal Lease: NMNM-2747

					-				
Location	API#		Pool Code	Pool	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
M-13-17S-	S-30E 30-015-38373	9/3/2011	96831	CEDAR LAKE; GLORIETA-YESO	24.10	40	82.66	1328.4725	262.18

Federal COMM: NMLC-030570-A, NMLC-055958, NMLC-029338-A and NMNM-074939

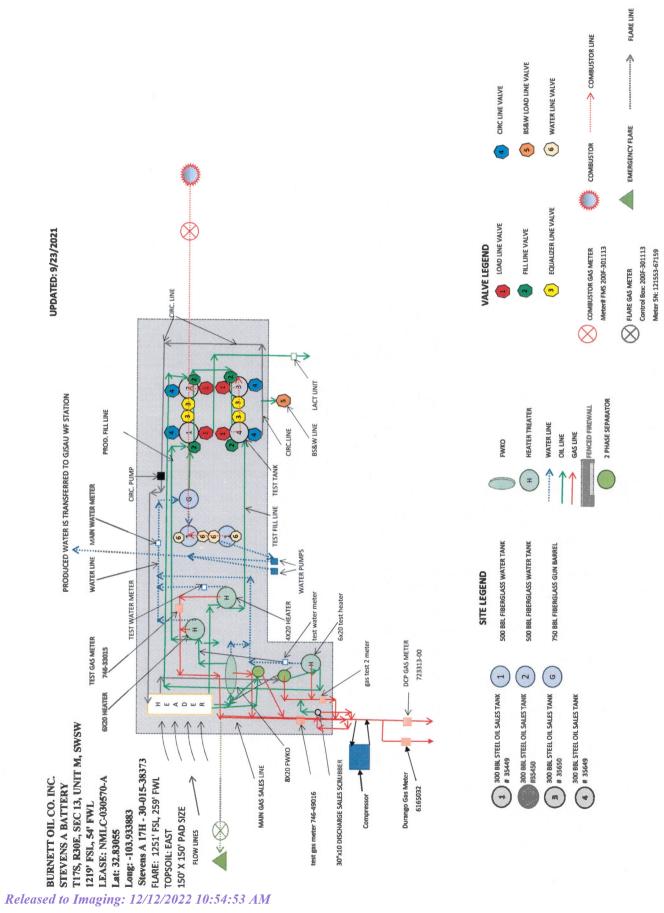
II Name	Location	API#	S. 2000 no.	Pool Code	Pool	Oil BOPD	Gravity	Gas MCFPD	BTU	BWPD
13F-14E 1H	G-13-17S-30E	30-015-47547	Not Drilled	96831	CEDAR LAKE; GLORIETA-YESO	TBD		TBD		TBD

Stevens A Central Tank Battery T17S, R30E, Sec 13, Unit M, SWSW

Approx: 1219' FSL, 54' FWL

Eddy County, NM Lease: NMLC-030570-A





Burnett Oil Co. , Inc. Owner Notifications for Stevens A Tank Battery

OWNER NAME & ARRESC	HODO T-PHIPPINE
OWNER NAME & ADDRESS	USPS Tracking Number
BLACK STONE MINERALS CO LP	
PO BOX 301267	7047 0000 0000 4400 4000
DALLAS, TX 75303-1267	7017 2620 0000 1480 4886
BRIAN P. MCCOY	
701 STULL DR., #103	7047 0000 0000 4400 4040
LAS CRUCES, NM 88001	7017 2620 0000 1480 4848
CBR OIL PROPERTIES LLC	
ATTN: CHARLES B READ	
PO BOX 1518	7047 0000 0000 4400 4004
ROSWELL NM 88202-1518	7017 2620 0000 1480 4831
CLARK & OATMAN	
CAROLYN CLARK OATMAN-AGT	
PO DRAWER 310	70.17.0000.0000.1.100.1000
BASTROP, TX 78602-0310	7017 2620 0000 1480 4909
CRAVENS MANAGEMENT TRUST	
RALPH T. CRAVENS, TRUSTEE	1
501 SOUTH FIELDER ROAD	7047 0000 0000 4400 4047
ARLINGTON, TX 76013-1743	7017 2620 0000 1480 4817
DOUGLAS RAY EVERLEY	
3407 SNOHOMISH AVENUE	7047 2020 2020 4400 4402
EVERETT, WASHINGTON 98201	7017 2620 0000 1480 4183
GERALD R FARNEY	
7220 DELMONICO DRIVE COLORADO SPRINGS CO 80919-1226	7017 2620 0000 1480 4800
	7017 2620 0000 1480 4800
HELEN ANN SHANLEY 17035 SALADO DR	
WOODWAY, TX 76712	7017 2620 0000 1480 4794
JOHN HOPKINS UNIVERSITY	7017 2020 0000 1400 4794
3400 N. CHARLES STREET	1
BALTIMORE, MD 21218	7017 2620 0000 1480 4732
LAURA A. McCOY	7017 2020 0000 1400 4732
IPO BOX 1773	
ROSWELL, NM 88202-1733	7017 2620 0000 1480 4855
LOUISA STUDE SAROFIM	7017 2020 0000 1400 4000
3711 SAN FELIPE RD., UNIT 11D	
HOUSTON, TX 77027	7017 2620 0000 1480 4763
MARRON MINERALS, LTD.	1011 2020 0000 1100 4100
919 MILAM, SUITE 1980	
HOUSTON, TX 77002	7017 2620 0000 1480 4770
MICHAEL F. McCOY	1011 2020 0000 1100 1170
6771 MEADE STREET	
HOLLYWOOD, FL 33024	7017 2620 0000 1480 4862
NANCY BROWN NEGLEY	1011 2020 0000 1100 1002
c/o Accounting Manager	
2121 Sage Rd, Ste 235	1
HOUSTON, TX 77056	7017 2620 0000 1480 4756
NORMAN L. STEVENS JR. IRREVOCABLE TRUST	
N.L. STEVENS III, SUCCESSOR TRUSTEE	
PO BOX 3087	
ROSWELL, NM 88202-3087	7017 2620 0000 1480 4824
OFFICE OF NATURAL RESOURCES REVENUE	
PO BOX 25627	
DENVER, CO 80225-0627	7017 2620 0000 1480 4206
	1

OWNER NAME & ADDRESS	USPS Tracking Number
OXY Y-1 COMPANY	
PO BOX 27570	
HOUSTON, TX 77227	7017 2620 0000 1480 4725
PANSAM TRUST	
PO BOX 66	
JOPLIN MO 64802	7017 2620 0000 1480 4787
REED-GEORGE LAND AND MINERALS, LTD.	
PO DRAWER 310	
BASTROP TX 78602-0310	7017 2620 0000 1480 4893
WILLIAM D. McCOY	
8803 BRAUN VALLEY	
SAN ANTONIO, TX 78254-6831	7017 2620 0000 1480 4879
WILLIAM MARSH RICE UNIVERSITY	
6100 MAIN STREET, MS 91	
HOUSTON, TX 77005-1982	7017 2620 0000 1480 4749
YATES BROTHERS, A PARTNERSHIP	
PO BOX 1394	197
ARTESIA, NM 88211-1394	7017 2620 0000 1480 4190

Page 11 of 34

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an				NMLC030570A	
Do not use thi abandoned we	is form for proposals to drill oi II. Use form 3160-3 (APD) for s	r to re-enter an such proposals.		6. If Indian, Allottee or	Tribe Name
SUBMIT IN	TRIPLICATE - Other instruction	ns on page 2		7. If Unit or CA/Agree	ment, Name and/or No.
Type of Well	ner			8. Well Name and No. STEVENS A 17H	
Name of Operator BURNETT OIL CO.INC.	Contact: LESLIE E-Mail: LGARVIS@BURNI			9. API Well No. 30-015-38373	
3a. Address BURNETT PLAZA - UNIT 9 80 FORT WORTH, TX 76102	01 CHERRY STREET - S <mark>UPFE 1</mark> 8	one No. (include area code) 3F935-873R TH, TX 7 17-332-8438	6102	10. Field and Pool or E CEDAR LAKE	xploratory Area
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)			11. County or Parish, S	State
Sec 13 T17S R30E Mer NMP	NWNW 1090FSL 670FWL			EDDY COUNTY	, NM
12. CHECK THE AF	PPROPRIATE BOX(ES) TO IN	DICATE NATURE OF	F NOTICE,	REPORT, OR OTH	ER DATA
TYPE OF SUBMISSION		TYPE OF	ACTION		
Notice of Intent ■	☐ Acidize	□ Deepen	☐ Product	ion (Start/Resume)	☐ Water Shut-Off
_	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclam	ation	■ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	□ Recomp	olete	Other : 1:
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	□ Tempor	arily Abandon	Surface Commingling
☐ Convert to Injection ☐ Plug Back ☐ Water Dispos		Disposal			
following completion of the involved testing has been completed. Final Ab determined that the site is ready for fi	red at: 1, SWSW ated with this battery: 73 NMNM-2747 NMLC-030570A NMLC-030570A	multiple completion or reco fter all requirements, includi se measurement and o	mpletion in a n	new interval, a Form 3160, have been completed an rage	0-4 must be filed once
	Electronic Submission #456285 For BURNETT OIL	verified by the BLM Well CO.INC., sent to the Ca	Information rlsbad	n System	
Name(Printed/Typed) LESLIE G	ARVIS	Title REGULA	ATORY MA	NAGER	
Signature (Electronic S		Date 02/28/20			
	THIS SPACE FOR FEI	DERAL OR STATE (OFFICE U	SE	
Approved By		Title			Date
Conditions of approval, if any, are attache certify that the applicant holds legal or equ which would entitle the applicant to condu	itable title to those rights in the subject				
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s			willfully to ma	ake to any department or a	agency of the United

Additional data for EC transaction #456285 that would not fit on the form

32. Additional remarks, continued

STEVENS A 7 30-015-21830 NMLC-030570A STEVENS A 7 30-015-21630 NMLC-030570A STEVENS A 9 30-015-32441 NMLC-030570A STEVENS A 10 30-015-32793 NMLC-030570A STEVENS A 11 30-015-33131 NMLC-030570A STEVENS A 12 30-015-34225 NMLC-030570A STEVENS A 13H 30-015-34846 NMLC-030570A STEVENS A 14 30-015-35320 NMLC-030570A STEVENS A 15 30-015-35321 NMLC-030570A STEVENS A 16H 30-015-36146 NMLC-030570A STEVENS A 18 30-015-41543 NMLC-030570A STEVENS A 20 30-015-42498 NMLC-030570A STEVENS A 20 30-015-42498 NMLC-030570A See attached detailed commingling information, facility diagram and lease map. We are gathering

additional information and will be submitting under separate cover.

From: <u>Leslie Garvis</u>

To: McClure, Dean, EMNRD

Subject: RE: [EXTERNAL] surface commingling application PLC-811

 Date:
 Monday, April 11, 2022 9:02:59 AM

 Attachments:
 2019.2.28 SN Cmmgle Smtd.pdf

Dean,

This was the last one we submitted. It was sent back to us with a request for additional information. We are working through several like this with them. Commingling was originally approved by them in 2002 but since their process has changed since that time, we are having to work through things with them when trying to update these old commingling approvals. It has been a slow process.

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: Monday, April 11, 2022 9:42 AM **To:** Leslie Garvis < lgarvis@burnettoil.com>

Subject: RE: [EXTERNAL] surface commingling application PLC-811

Please print off the sundry and email to me for demonstration of notice to the BLM.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Leslie Garvis < <u>lgarvis@burnettoil.com</u>>

Sent: Monday, April 11, 2022 8:41 AM

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

Subject: RE: [EXTERNAL] surface commingling application PLC-811

Good Morning Dean,

Yes. A sundry was submitted to the BLM and we are working through it with them.

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: <u>LGARVIS@BURNETTOIL.COM</u>

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

Sent: Monday, April 11, 2022 9:36 AM **To:** Leslie Garvis < lgarvis@burnettoil.com>

Subject: RE: [EXTERNAL] surface commingling application PLC-811

Hello Leslie,

How are we looking regarding notice to the BLM? Please note that sundry submittal to the BLM is sufficient.

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 11, 2022 7:42 AM

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

Subject: RE: [EXTERNAL] surface commingling application PLC-811

Good Morning Dean,

Let me get with my land department about the CA and I will get back to you.

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: <u>LGARVIS@BURNETTOIL.COM</u>

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

Sent: Thursday, April 7, 2022 3:27 PM **To:** Leslie Garvis < lgarvis@burnettoil.com>

Subject: [EXTERNAL] surface commingling application PLC-811

Ms. Garvis,

I am reviewing surface commingling application PLC-811 which involves a commingling project that includes the Stevens A Central Tank Battery and is operated by Burnett Oil Company, Inc. (3080).

Please confirm that the BLM has been notified of this application.

I am not finding the CA on file for the tract of land shown below. Please provide a copy of the CA packet.

E F 13-17S-30E G H 14-17S-30E

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

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.

COMMUNITIZATION AGREEMEN'	I
Contract No.	

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such Parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 17 South, Range 30 East, N.M.P.M.

Section 13: S/2 NW/4 Section 14: S/2 N/2 Eddy County, New Mexico

containing 240 acres, and this agreement shall include the Yeso Formation underlying said lands and the crude oil and associated natural gas, hereinafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

Comm Agree Stevens A 13F-14E

- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
 - All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders rules or regulations.
- 10. The date of this agreement is and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator:	
Burnett Oil Co., Inc.	
By:Charles E. Nagel, III President	Date:
Lessees of Record: Burnett Oil Company, a Texas general partnership By: Burnett Oil Co., Inc. Managing General Partner	
By:Charles E. Nagel, III President	Date:
AWM MANAGEMENT TRUST	Date:
John L. Marion, Trustee	
V. Neils Agather, Trustee	
Elaine Agather, Trustee	
Dee J. Kelly, Jr., Trustee	

Comm Agree Stevens A 13F-14E

Anne Burnett Tandy Testamentary Trust	Date:
By:Anne W. Grimes, Trustee	
By: John L. Marion, Trustee	
By:	
By:Elaine Agather, Trustee	
By: Dee J Kelly, Jr., Trustee	
Ollie L. Burnett Testamentary Trust	Date:
By: John L. Marion, Trustee	
By:	
By:Elaine Agather, Trustee	
By:	
R.F. Windfohr Testamentary Trust	Date:
By: John L. Marion, Trustee	
By:	
By:Elaine Agather, Trustee	
By: Dee J. Kelly, Jr., Trustee	

OXY Y-1 Company	Date:
By:	
Name:	-
Title:	

ACKNOWLEDGEMENTS

STATE OF TEXAS	§ §	
COUNTY OF TARRANT	§ §	
	his capac	e me on this day of, by Charles eity as President of Burnett Oil Co., Inc., a Texas
		Notary Public, State of Texas
STATE OF TEXAS	§ §	
COUNTY OF TARRANT	§ §	
E. Nagel III, appearing herein in	his capac	e me on this day of, by Charles eity as President of Burnett Oil Co., Inc., a Texas Burnett Oil Company, a Texas general partnership, on
		Notary Public, State of Texas
STATE OF TEXAS	§	
COUNTY OF TARRANT	§ § §	
This instrument was ackn L. Marion as Trustee of the AWN	_	d before this this day of, by John ement Trust.
		Notary Public, State of Texas

STATE OF TEXAS COUNTY OF TARRANT	§ §		
	nowledge	ed before this this day of anagement Trust.	, by V.
		Notary Public, State of Texas	
STATE OF TEXAS	§ § §		
COUNTY OF TARRANT	§ §		
This instrument was ackn Agather as Trustee of the AWM		d before this this day of ment Trust.	, by Elaine
		Notary Public, State of Texas	
STATE OF TEXAS	§ § §		
COUNTY OF TARRANT	§ §		
This instrument was ack J. Kelly, Jr. as Trustee of the AW		ed before this this day of agement Trust.	, by Dee
		Notary Public, State of Texas	
STATE OF TEXAS	§		
COUNTY OF TARRANT	§ § §		
This instrument was ackr W. Grimes as Trustee of the Ann	_	ed before this this day of tt Tandy Testamentary Trust.	, by Anne
		Notary Public, State of Texas	

§ 8		
§		
		, by John
	Notary Public, State of Texas	
§		
§ §		
		, by V.
	Notary Public, State of Texas	
§ §		
§		
_		, by Elaine
	Notary Public, State of Texas	
§		
§ §		
_		, by Dee
	Notary Public, State of Texas	
	S S S S S S S S S S S S S S S S S S S	Notary Public, State of Texas Solution Solution

		Notary Public, State of Texas	
This instrument was ackn Kelly, Jr. as Trustee of the Ollie I		ed before this this day of tt Testamentary Trust.	, Dee J.
COUNTY OF TARRANT	§ §		
STATE OF TEXAS	& & &		
		Notary Public, State of Texas	
This instrument was ackn Agather as Trustee of the Ollie L.		ed before this this day of t Testamentary Trust.	, Elaine
COUNTY OF TARRANT	§ § §		
STATE OF TEXAS	§		
		Notary Public, State of Texas	
This instrument was acknown Agather as Trustee of the Ollie L.		d before this this day of t Testamentary Trust.	, V. Neils
COUNTY OF TARRANT	§ §		
STATE OF TEXAS	\$ \$ \$		
		Notary Public, State of Texas	
This instrument was ackn L. Marion as Trustee of the Ollie		ed before this this day ofett Testamentary Trust.	, by John
COUNTY OF TARRANT	§		
STATE OF TEXAS	§ § §		

STATE OF TEXAS	§ §		
COUNTY OF TARRANT	§		
This instrument was ack L. Marion as Trustee of the R.F.	_	d before this this day of r Testamentary Trust.	, by John
		Notary Public, State of Texas	
STATE OF TEXAS	§		
COUNTY OF TARRANT	§ § §		
This instrument was ack Neils Agather as Trustee of the		ed before this this day of lfohr Testamentary Trust.	, by V.
		Notary Public, State of Texas	
STATE OF TEXAS	§ § §		
COUNTY OF TARRANT	§		
This instrument was ack Agather as Trustee of the R.F. V		d before this this day of Testamentary Trust.	, by Elaine
		Notary Public, State of Texas	
STATE OF TEXAS	§		
COUNTY OF TARRANT	§ § §		
This instrument was ack J. Kelly, Jr. as Trustee of the R.I		ed before this this day of hr Testamentary Trust.	, by Dee
		Notary Public, State of Texas	

This instrument was acknowle	edged before me on t	this	day of	, by	
This instrument was acknowle	edged before me on t	this	day of	, by	
COUNTY OF HARRIS	§				
STATE OF TEXAS	\{\} \{\}				

EXHIBIT "A"

Plat of communitized area covering the S/2 NW/4 of Section 13 and the S/2 N/2 of Section 14, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Stevens A 13F-14E Well

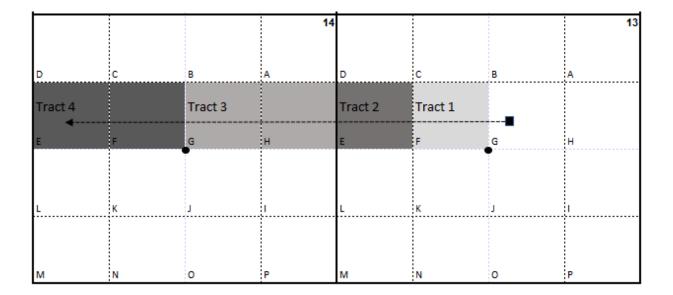


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated effective______, covering the S/2 NW/4 of Section 13 and the S/2 N/2 of Section 14, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Stevens A 13F-14E Well

Operator of Communitized Area: Burnett Oil Co., Inc.

Description of Leases Committed

<u>Tract #1:</u>

Serial No.: NMLC 030570-A Lease Date: February 1, 1931

Lease Term: 20 years

Lessor: United States of America

Original Lessee: M.B. Stevens

Number of Acres: 40 acres

Royalty Rate: 12.5% - 25% on oil; 12.5% - 16.67% on gas

Sliding Scale Royalty (Schedule C)

Description of Lands Committed: <u>T17S, R30E, NMPM</u>

Section 13: SE/4 NW/4

Present Lessee:

Burnett Oil Company	47.7860 %
OXY Y-1 Company	03.0942 %
AWM Management Trust	03.0210 %
Ollie L. Burnett Testamentary Trust	06.3440 %
Anne Burnett Tandy Testamentary Trust	33.3330 %
RF Windfohr Testamentary Trust	09.5160 %

Name and Percent of WI Owners:

Burnett Oil Company	96.9058 %
OXY Y-1 Company	03.0942 %

Tract #2:

Serial No.: NMLC 055958 Lease Date: November 18, 1931

Lease Term: 10 years

Lessor: United States of America

Original Lessee: R. F. Windfohr, James P. Nash, Herman Brown

Number of Acres: 40 acres

Royalty Rate: 12.5% (Schedule D)

Description of Lands Committed: <u>T17S, R30E, NMPM</u>

Section 13: SW/4 NW/4

Present Lessee:

Burnett Oil Company 44.0100 % OXY Y-1 Company 03.7760 % AWM Management Trust 03.0210 % Ollie L. Burnett Testamentary Trust 06.3440 % Anne Burnett Tandy Testamentary Trust 33.3330 % RF Windfohr Testamentary Trust 09.5160 %

Name and Percent of WI Owners:

Burnett Oil Company 96.2240 % OXY Y-1 Company 03.7760 %

<u>Tract #3:</u>

Serial No.: NMLC 029338-A Lease Date: June 30, 1930 Lease Term: 10 years

Lessor: United States of America

Original Lessee: W.T. Gissler

Number of Acres: 80 acres

Royalty Rate: 12.5% - 25% on oil; 12.5% - 16.67% on gas

Sliding Scale Royalty (Schedule C)

Description of Lands Committed: T17S, R30E, NMPM

Section 14: S/2 NE/4

Present Lessee:

Burnett Oil Company	54.1197 %
OXY Y-1 Company	03.0942 %
AWM Management Trust	02.4755 %
Ollie L. Burnett Testamentary Trust	05.1983 %
Anne Burnett Tandy Testamentary Trust	35.1123 %

Name and Percent of WI Owners:

Burnett Oil Company	96.9058 %
OXY Y-1 Company	03.0942 %

Tract #4:

Serial No.: NMNM 074939 Lease Date: June 1, 1966 Lease Term: 10 Years

Lessor: United States of America

Original Lessee: Anne Burnett Windfohr, Yates Petroleum Corporation,

Allied Chemical Corporation, Maconda Brown O'Connor, Louisa Stude Sarofim, M.S. Stude, Nancy Brown Negley

and Isabel Brown Mathis

Number of Acres: 80 acres

Royalty Rate: 12.5% (Schedule D)

Description of Lands Committed: <u>T17S, R30E, NMPM</u>

Section 14: S/2 NW/4

Present Lessee:

Burnett Oil Company	54.1197 %
OXY Y-1 Company	03.0944 %
AWM Management Trust	02.4754 %
Ollie L. Burnett Testamentary Trust	05.1983 %
RF Windfohr Testamentary Trust	07.7975 %
Anne Burnett Tandy Testamentary Trust	27.3147 %

Name and Percent of WI Owners:

Burnett Oil Company	96.9056 %
OXY Y-1 Company	03.0944 %

Recapitulation

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	16.67 %
2	40.00	16.67 %
3	80.00	33.33 %
4	80.00	<u>33.33 %</u>
	240.00 Acres	100.00%

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

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**

COMMENTS

Action 166053

COMMENTS

Operator:	OGRID:
BURNETT OIL CO INC	3080
801 Cherry Street Unit #9	Action Number:
Fort Worth, TX 76102	166053
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Rejected under Action ID: 52455	12/12/2022

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

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 166053

CONDITIONS

Operator:	OGRID:
BURNETT OIL CO INC	3080
801 Cherry Street Unit #9	Action Number:
Fort Worth, TX 76102	166053
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Rejected for the following reasons: • Failure to identify and demonstrate the "leases" proposed to be commingled; "leases" is defined by 19.15.12.7 C. NMAC	12/12/2022