Approved

NSL

Order

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary Gabriel Wade, Acting Director Oil Conservation Division



March 25, 2019

Ms. Leslie Garvis lgarvis@burnettoil.com

NON-STANDARD LOCATION

Administrative Order NSL-7868

Burnett Oil Co. Inc. [OGRID 03080] Gissler A Well No. 052 API No. 30-015-45640

Surface Location; Vertical Well

Footages	Unit	Sec.	Twsp	Range	County_
1650 FSL & 1100 FEL	I	14	17S	30E	Eddy

Proposed oil Unit

Description	Acres	Pool	Pool Code
NE4 SE4 of Section 14	40	Cedar Lake; Glorieta Yeso	96831

Reference is made to your application received on March 25, 2019.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by Hearing Order R-11067, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line and 660 feet from outer unit boundaries.

This well's completed interval is as close as 220 feet to the western edge of the spacing unit. Encroachments will impact the following tract.

Section 14, encroachment to the NW4 SE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, the ownership is identical in the affected tract; therefore, notice is not required.

Administrative Order NSL-7868 Burnett Oil Co. Inc. March 25, 2019 Page 2 of 2

The Division understands that you seeking this well location to reduce surface disturbance as noted by the BLM's guidance and it was determined to be located at an unorthodox location underlying the spacing unit within the NE4 SE4 of Section 14.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

Gabriel Wade

Acting Division Director

GW/lrl

cc: Oil Conservation Division – Artesia District Office

Bureau of Land Management - Carlsbad Field Office