

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

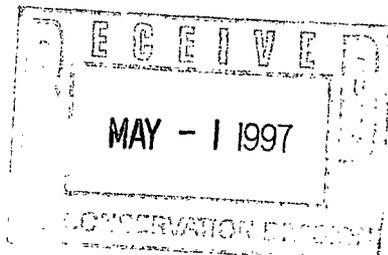
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
[] NSL [] NSP [] DD [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
[] DHC [] CTB [] PLC [] PC [] OLS [] OLM
[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[] WFX [] PMX [] SWD [] IPI [] EOR [] PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [X] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners
[B] [] Offset Operators, Leaseholders or Surface Owner
[C] [] Application is One Which Requires Published Legal Notice
[D] [] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

BURNETT OIL CO., INC.

JOHN H. MASON

Print or Type Name

Signature

PRESIDENT

Title

4/29/97
Date

6666

April 29, 1997

NEW MEXICO OIL CONSERVATION DIVISION
ATTN: Mike Stogner or David Catanach
2040 S. Pacheco
Santa Fe, New Mexico 87505

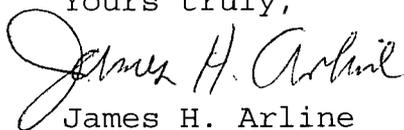
Re: Unorthodox location of Stevens A #7
Unit N 25'FSL, 1345'FWL,
Sec 13, T17S, R30E
Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. request an exception without notice and hearing to Rule 104 for the Stevens A #7 recompletion in the Grayburg formation. This well was drilled in May 1976 and completed in October 1976 as the Grayburg Jackson San Andres Unit #43 as a legal location without regard to the original lease lines. The cost of plugging this well bore and drilling a new well would not be an economic probability. Our intention is to lay a flowline to the existing tank battery @ the Stevens A #6 well to handle the production. The attached plat shows that we are the operator of record for all adjacent lease. No archaeological survey was done for this area since it is an existing well site pad. We are requesting an archaeological review for a portion of the flowline since it will traverse an undisturbed area. A copy of the submitted BLM 3160-5 is also attached for your reference.

Please advise if any further information is needed.

Yours truly,



James H. Arline
Material Coordination

xc: NMOCD-Artesia

Lse. # NM.2746 Gissler

Gissler

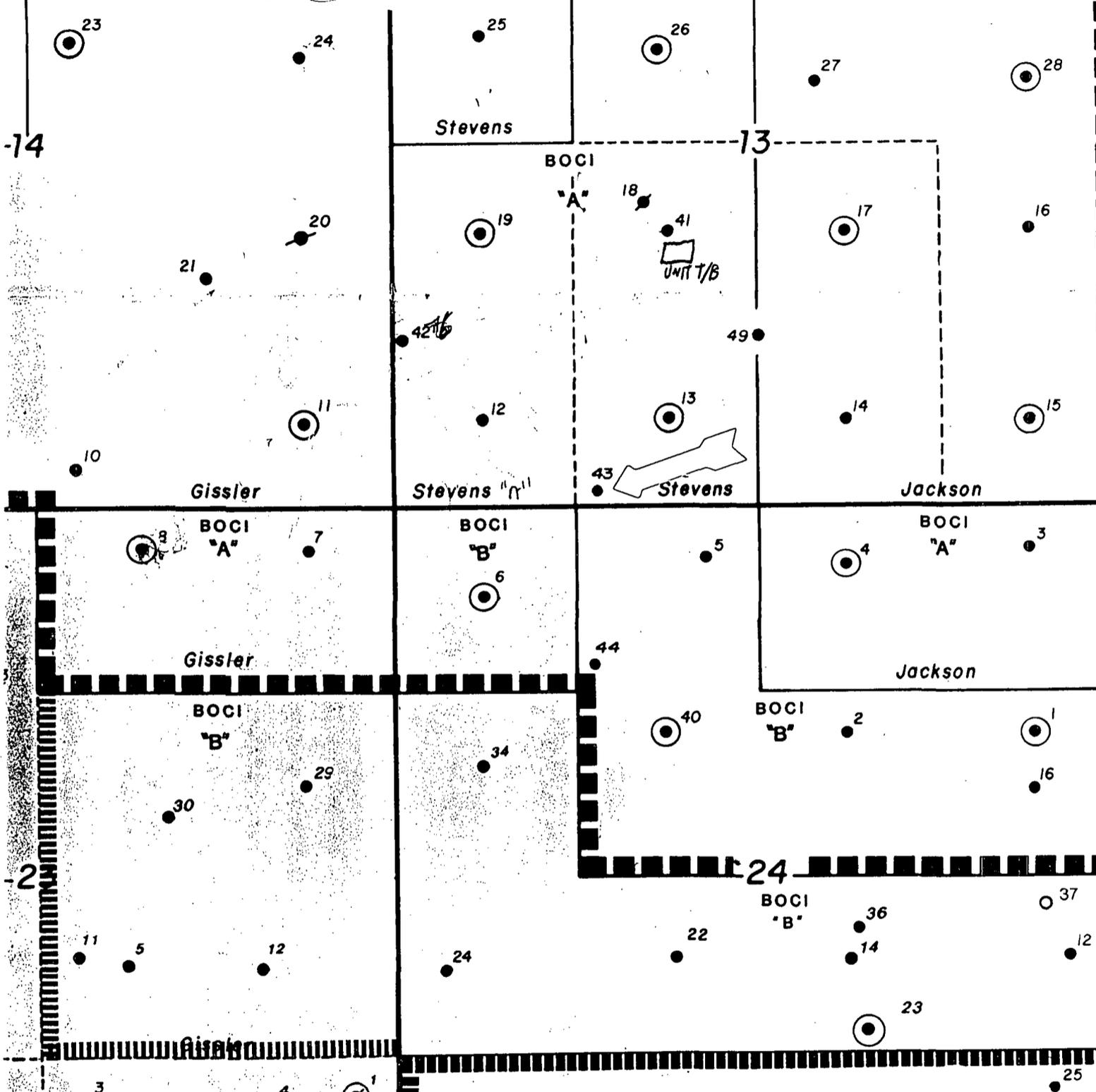
U. S. Jackson

BOCI
"A"

BOCI
"B"

BOCI
"A"

GRAYBURG - JACKSON
(SAN ANDRES) UNIT



BURNETT OIL CO, INC.

GRAYBURG JACKSON -
SAN ANDRES UNIT
EDDY COUNTY, NEW MEXICO

1" = 1000'



SOUTHWEST ROYALTIES
Arnold

Arnold

LBO
OPERATOR

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5663
Order No. R-5206

APPLICATION OF ANNE BURNETT TANDY
dba WINDFOHR OIL COMPANY FOR 12
UNORTHODOX OIL WELL LOCATIONS AND
AN ADMINISTRATIVE PROCEDURE, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 14, 1976,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 27th day of April, 1976, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Anne Burnett Tandy dba Windfohr
Oil Company, seeks approval of 12 unorthodox oil well locations
to be drilled to the San Andres formation at the following
locations in the Grayburg-Jackson Unit, Township 17 South, Range
30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico,
as follows:

Section 13:

2615 feet from the South line and 1345 feet
from the East line.

2415 feet from the South line and 2415 feet
from the West line.

2615 feet from the North line and 1295 feet
from the West line.

1295 feet from the South line and 1295 feet
from the East line.

1295 feet from the South line and 2615 feet
from the East line.

1295 feet from the South line and 1345 feet from the West line.

1295 feet from the South line and 25 feet from the West line.

200 feet from the South line and 1345 feet from the East line.

25 feet from the South line and 1345 feet from the West line.

Section 14:

2500 feet from the North line and 25 feet from the East line.

Section 24:

25 feet from the North line and 25 feet from the West line.

1120 feet from the North line and 1345 feet from the West line.

(3) That applicant further seeks the establishment of an administrative procedure whereby the above wells could be relocated and other similar unorthodox locations approved without notice and hearing.

(4) That wells at said unorthodox locations will better enable applicant to produce the oil underlying the Grayburg-Jackson Unit Area.

(5) That no offset operator objected to the proposed unorthodox locations.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That 12 unorthodox oil well locations for the San Andres formation are hereby approved for wells to be located in the Grayburg-Jackson Unit, Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico, as follows:

Section 13:

2615 feet from the South line and 1345 feet from the East line.

2415 feet from the South line and 2415 feet from the West line.

2615 feet from the North line and 1295 feet from the West line.

1295 feet from the South line and 1295 feet from the East line.

1295 feet from the South line and 2615 feet from the East line.

1295 feet from the South line and 1345 feet from the West line.

1295 feet from the South line and 25 feet from the West line.

200 feet from the South line and 1345 feet from the East line.

25 feet from the South line and 1345 feet from the West line.

Section 14:

2500 feet from the North line and 25 feet from the East line.

Section 24:

25 feet from the North line and 25 feet from the West line.

1120 feet from the North line and 1345 feet from the West line.

(2) The Secretary-Director of the Commission is hereby authorized to amend the locations of the hereinabove authorized wells and to approve additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Grayburg-Jackson Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Grayburg-Jackson Unit nor closer than 10 feet to any quarter-quarter section of subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (A) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

- (B) A schematic drawing of any proposed injection well which fully describes the casing, tubing, packer, leak detection equipment, perforated interval, and depth.

The Secretary-Director may grant immediate approval of the proposed well, if in his opinion, the well is necessary to complete an efficient injection and production pattern for the project.

PROVIDED HOWEVER, if the application is for a well closer than 330 feet to the outer boundary of the Grayburg-Jackson Unit, a copy of the application shall be sent to the operator of any proration unit outside of the Grayburg-Jackson Unit which offsets, directly or diagonally, the proration unit upon which such unorthodox location is proposed. The Secretary-Director shall wait 20 days before approving such unorthodox location, and shall do so only in the absence of objection from the offset operator(s). The 20-day waiting period may be dispensed with upon receipt of waiver of objection from the aforesaid operator(s)

- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

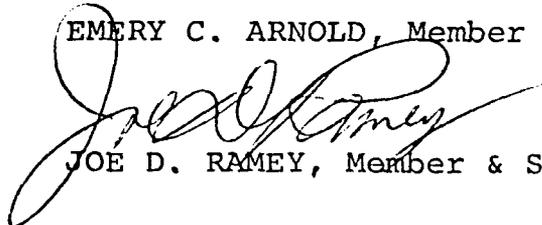
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/