New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 26, 2010

Burnett Oil Co., Inc. Attn: Mr. James H. Arline Burnett Plaza – Suite 1500 801 Cherry Street – Unit #9 Fort Worth, TX 76102-6881

Administrative Order NSL-6137

Re: Jackson A Well #37
API No. 30-315-37494
1115 feet FSL and 2210 feet FEL
Unit O, Section 12-17S-30E
Eddy County, New Mexico

Dear Mr. Arline:

Reference is made to the following:

- (a) your application (administrative application reference No. pTGW10-00658179) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 6, 2010,
 - (b) supplemental information furnished with your letter of January 21, 2010, and
 - (b) the Division's records pertinent to this request.

Burnett Oil Co., Inc. [OGRID 3080] (Burnett) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SW/4 SE/4 of Section 12 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Cedar Lake-Glorieta/Yeso Pool (96831). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).



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It is our understanding that you are seeking this location to comply with United States Bureau of Land Management surface siting requirements.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management - Carlsbad