

DATE IN <u>1-6-10</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>1-6-10</u>	TYPE <u>NSL</u>	PTG <u>PTG</u> APP NO. <u>1000658179</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED
NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2010 JAN 6 APR 11 54
 200 South St. Francis Drive, Santa Fe, NM 87505



Burnett Oil Co
 (3080)
6137

ADMINISTRATIVE APPLICATION CHECKLIST

Jackson 'A' #37

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☒ NSL ☐ NSP ☐ 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

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ 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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

MARK A. JACOBY
 Print or Type Name

Mark A. Jacoby
 Signature

ENGINEERING MANAGER
 Title

1/4/2010
 Date

 e-mail Address



January 4, 2010

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504
Attn: Engineering Department

Re: Jackson A #37 Federal Lease NMLC029339A
Unit O, 1115' FSL, 2210' FEL
SEC.12, T17S, R30E- Eddy County, New Mexico

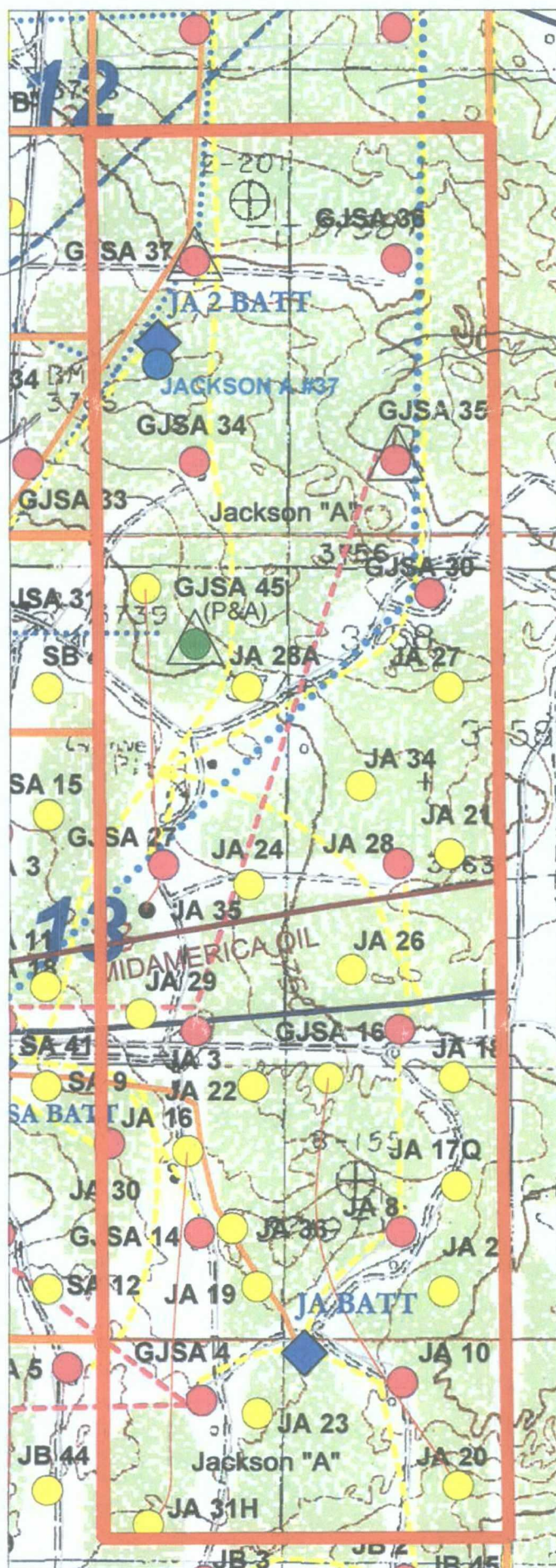
Gentlemen:

Burnett Oil Co., Inc. respectfully request's an exception without notice and hearing to NMOCD Rule 104 for the Jackson A #37 new drill (Cedar Lake Glorieta Yeso 96831) well. Our original spot for this location was moved by the Bureau of Land Management after sand dunes and an Archaeological site(LA164387) were found when trying to stake and survey the well and new battery site. A new **JACKSON A #2 Tank Battery** is to be erected on the well site. The attached plat shows we are the Operator of Record for all the wells on all sides of this well site including Federal Lease NMLC029338A, NMNM074939 and NMLC055264 in Section 12. The Federal Lease NMLC029339A is outlined in red. **All the interest ownership for the entire lease is the same.** A copy of our approved 3160-3, plats and AFE approval letter from the working interest owners are included for your easy reference. **NO API NUMBER HAS BEEN ASSIGNED TO THIS WELL ON THE WEB PAGE AS OF THIS DATE.**

Please contact the undersigned if you should need any more information or have any question.

Yours truly,

James H. Arline
Materials Coordinator



Well Names

GA = Gissler A
GB = Gissler B
SA = Stevens A
GJSA = Grayburg Jackson San Andres
JA = Jackson A
JB = Jackson B

Jackson A #37

**T17S, R30E, Sect 12, Unit O,
LC-029339(A)
1115' FSL, 2210' FEL, JA 2 Battery
Lat/Long: 32.84470/-103.923517**

Burnett Oil Co., Inc.

6666

**Jackson A #37 Proposed Well Location
(Map Reflects Burnett Operated Wells Only)
Eddy County, New Mexico**

Author:
S Spray, Geo Tech

Scale:
1" = 1,000'

Date:
November 25, 2009

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
1829 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

SW Rules

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015	Pool Code 96831	Pool Name CEDAR LAKE GLORIETA YESO
Property Code 002394	Property Name JACKSON "A"	Well Number 37
OGRD No. 3080 ✓	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3781'

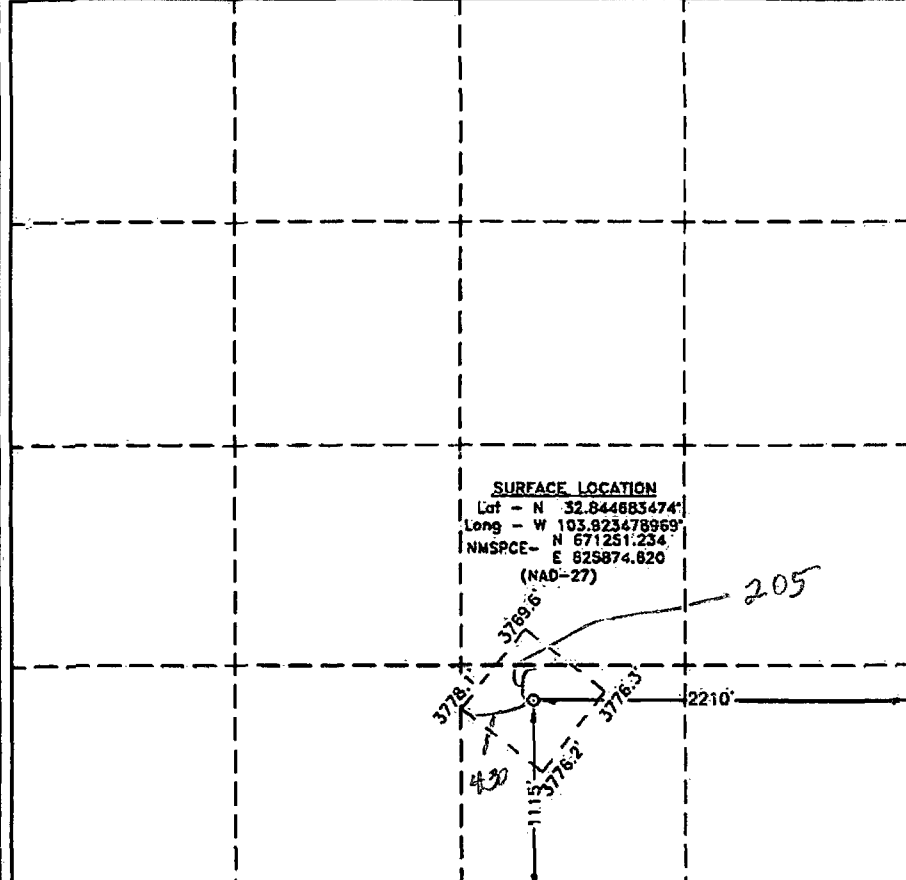
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	17 S	30 E		1115	SOUTH	2210	EAST	EDDY

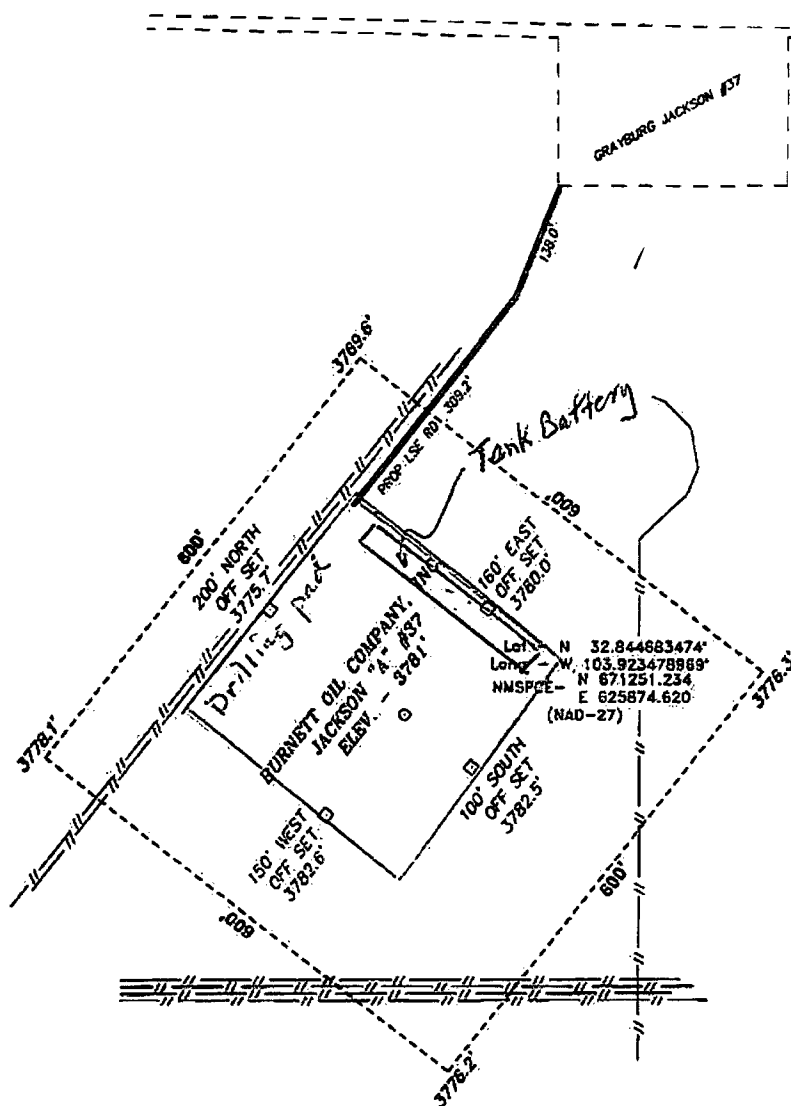
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Mark A. Jacoby Signature Date MARK A JACOBY Printed Name
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. NOVEMBER 28 2009 Date Surveyed Signature of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



SURFACE EXH C/
TANK BATTERY

Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 220, GO NORTH ON CO. RD. 220 FOR 2.2 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 0.2 MILES PROPOSED LEASE ROAD.

200 0 200 400 FEET
SCALE: 1" = 200'

BURNETT OIL COMPANY, INC.

REF: JACKSON "A" #37 / WELL PAD TOPO

THE JACKSON "A" #37 LOCATED 1115'
FROM THE SOUTH LINE AND 2210' FROM THE EAST LINE OF
SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 22010

Drawn By: J. SMALL

Date: 11-10-2009

Disk: JMS 22010

Survey Date: 11-09-2009

Sheet 1 of 1 Sheets

BURNETT OIL CO., INC.
AUTHORITY FOR EXPENDITURE- COST IMATE

WELL PFI #

DATE:

11/30/2009
 4443008

AFE #: 2043

OPERATOR: BURNETT OIL CO., INC

LEASE: JACKSON A

WELL #: 37

PROPERTY #: ADS301AC

COUNTY/STATE: Eddy Co., NM LOCATION: UNIT O, 1040' FSL, 2310' FEL, Sec 12, T17S, R30E FED LEASE NMLC029339A

PROSPECT/FIELD CEDAR LAKE GLORIETA YESO

11/3 TD: 6000' ~ 2340'

FORMATION: CLGY

RECOMMENDATION: DRILL & COMPLETE 6000' CEDAR LAKE GLORIETA YESO WELL & FLOWLINE, NEW JA2 BATTERY ON LEASE.

INTANGIBLE COSTS:					DRILL	COMPL./WO	TOTAL
01	LOCATION COST (Road, survey, damages, permit, etc.)				20,000	5,000	25,000
02	RIG MOVE-RIG UP, RIG DOWN				7,500		7,500
03	CONTRACT RATE-FTG/TURNKEY	FEET @		PER FOOT			
04	CONTRACT RATE/DAYWORK	14	DAYS @	\$9,500	PER DAY	133,000	133,000
05	COMPLETION, WORKOVER UNIT	6	DAYS @	\$2,800	PER DAY		16,800
06	BITS AND STABILIZERS				20,000		20,000
07	FUEL, LUBRICANTS, WATER				14,000		14,000
08	TRUCKING AND TRANSPORTATION				32,000		32,000
09	MUD AND CHEMICALS				7,000		7,000
10	PRIMARY CEMENTING (Incl. Equip.)				19,000	35,300	54,300
	SQUEEZE CEMENTING						
11	CORING AND CORE ANALYSIS						
12	MUD LOGGING				8,000		8,000
13	DRILL STEM TESTING						
14	OPEN HOLE LOGGING				16,000		16,000
15	PERFORATING AND CASSED HOLE LOGS					4,000	4,000
16	CASING CREWS, TONGS, HANDLING TOOLS				3,000	3,000	
17	EQUIPMENT RENTALS				7,000	SOL SEP	
18	MISCELLANEOUS LABOR				39,000	CRI DISP	
19	ACID, FRAC, SAND CONTROL						
20	BHP, OTHER PRODUCTION TESTING						
21	DIRECTIONAL DRILLING						
22	FISHING TOOLS AND SERVICES						
23	SUPERVISION						
24	OPERATING OVERHEAD						
25	OTHER / CONTINGENCIES						
26	PLUGGING EXPENSE						
27	INSURANCE						

TOTAL DRILLING AND COMPLETION INTANGIBLE COSTS:

TANGIBLE COSTS:					(FEET/SIZE OD (WEIGHT(S)) (GRADE)
50	CASING, DRIVE / CONDUCTOR				
51	CASING, SURFACE	400	400' 10 3/4"	32.75#	\$30.50
52	CASING / INTERMEDIATE				
53	CASING, PRODUC & RYTWRA	6000	6000' 7"	23# J55	\$25.50
54	CASING, LINER / HANGER				
55	TUBING	6000	6000' 2 7/8"	6.5# J55	\$6.50
56	RODS	5800	5800'	3/4", 7/8", 1"	\$4.00
60	SUBSURFACE PRODUCTION EQUIPMENT				
65	CHRISTMAS TREE, WELL HEAD EQUIPMENT				

TOTAL DRILLING AND COMPLETION TANGIBLE COSTS:

TOTAL DRILLING AND COMPLETION COSTS:

LEASE EQUIPMENT COSTS:				
69	TANKS, HEATERS, TREATING FACILITIES			
70	GAS PROCESSING EQUIPMENT			
71	FLOW LINE AND INSTALLATION			
72	PERM. IMPROVEMENTS (GATES, FENCES, ETC.)			
73	PUMPING UNIT, GAS LIFT, ETC.			
74	MISCELLANEOUS VALVES, FITTINGS, SAFETY EQUIPMENT			
75	INSTALLATION COSTS			
76	SUPERVISION			
77	OTHER			

TOTAL LEASE EQUIPMENT COSTS:

TOTAL WELL COST: \$1,023,040

TOTAL DRY HOLE COST: \$374,720 PREPARED BY: MAJ/JHA

BUDGET /QTR: 2010/1ST


DIVISION OF INTEREST:			
Abo Petroleum Corp	0.037761	JACKSON A #37	1.000000
Yates Drilling	0.037761	Burnett Oil Company(BBI)	0.364583
Myco Industries	0.037761	Anne B. Windfohr	0.030208
		Burnett Oil Company	0.491926

APPROVED BY BURNETT OIL CO., INC.

SIGNATURE  88.67%
 \$907,147
 WILLIAM D. POLLARD, PRESIDENT

DATE: 11/30/2009

Yates Drilling Company
 Abo Petroleum Corporation
 Myco Industries, Inc.


 By: Carolyn Bulovas Yates
 Title: Reservoir Engineering Manager
ENGINEERING MANAGER
 DATE 12-9-09

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**
APPLICATION FOR PERMIT TO DRILL OR REENTER

OPERATOR'S COPY

RECEIVED

DEC 28 2009

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

BURNETT OIL CO., INC.

3a. Address

801 Cherry St. Unit 9 Fort Worth, Tx 76102

3b. Phone No. (include area code)

(817) 332-5108

4. Location of Well (Report location clearly and in accordance with State requirements.)

At surface

Unit 9, 4040' FSL, 2310' FEL

At proposed prod. zone

SAME AS ABOVE

14. Distance in miles and direction from nearest town or post office*

Approx 6 miles East & North of Loco Hills, New Mexico

15. Distance from proposed*

location to nearest **330'**

property or lease line, ft.

(Also to nearest drig. unit line, if any)

18. Distance from proposed location*

to nearest well, drilling, completed, **330'**

applied for, on this lease, ft.

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3783' GL

16. No. of Acres in lease

560

17. Spacing Unit dedicated to this well

40

20. BLM/BIA Bond No. on file

NMB# 000197

22. Approximate date work will start*

DECEMBER 27, 2009

23. Estimated duration

16 Days to Drill

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Mark A Jacoby

Name (Printed/Typed)

MARK JACOBY

Title

ENGINEERING MANAGER

Approved by (Signature)

Don Peterson

Name (Printed/Typed)

**/s/ Don Peterson
FIELD MANAGER**

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.


(Continued on page 2)

*(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**Approval Subject to General Requirements
& Special Stipulations Attached**

Roswell Controlled Water Basin



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 11, 2010

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

Re: Jackson A Well No. 37 (proposed)
Eddy County, New Mexico
NSL Application

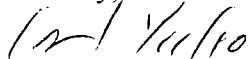
Dear Mr. Arline:

Reference is made to your application for non-standard location (NSL) approval for the above well.

This proposed location encroaches toward the 40-acre unit consisting of the SE/4 SW/4 of Section 12-17S-30E. Your letter states that you are the operator of that unit. However, your statement concerning ownership only asserts that "All interest ownership for the entire *lease* is the same." Presumably the lease referenced is Lease NMLC029339A or NMCL029338A (there is a discrepancy between your letter and the attached plat as to this lease number), the lease on which the subject well will be located.

Is ownership of the adjacent lease that includes the SE/4 SW/4 of Section 12 the same as the ownership of the subject lease?

Sincerely,



David K. Brooks
Legal Examiner



RECEIVED
2010 JAN 26 AM 8 41

6666

January 21, 2010

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504
Attn: Mr. David K. Brooks

Re: Jackson A #37 Federal Lease NMLC029339A
Unit O, 1115' FSL, 2210' FEL, **API #30-015-37494**
SEC.12, T17S, R30E- Eddy County, New Mexico

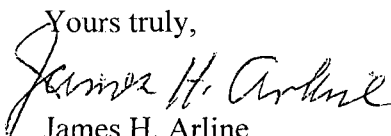
Dear Mr. Brooks:

I apologize for the number error in the original NSL application for the subject well. The offset lease is NMLC029338A. Burnett Oil Co., Inc. is the operator of Federal Lease NMLC029339A as well as NMLC029338A and NMNM074939 in the SW/4 of this Section 12. The ownerships are the same in all of these Federal Leases. A corrected plat is enclosed as well as a copy of my working map of this area.

An API number has now been assigned to this wellbore and is shown above.

Please contact the undersigned if you should need any additional information or have any question.

Yours truly,


James H. Arline
Materials Coordinator

UNITED STATES

OPERATOR'S COPY

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

DEC 28 2009

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1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

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4. Location of Well (Report location clearly ~~in accordance with~~ ^{in accordance with} any State requirements. *)

At surface Unit 9, 1040' FSL, 2310' FEL

At proposed prod. zone SAME AS ABOVE

14. Distance in miles and direction from nearest town or post office*

Approx 6 miles East & North of Loco Hills, New Mexico

Non-Standard Location

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

330'

16. No. of Acres in lease

560

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

330'

19. Proposed Depth

6100'

20. BLM/BIA Bond No. on file

NMB# 000197

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3783' GL

22. Approximate date work will start*

DECEMBER 27, 2009

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25. Signature

Mark A. Jacoby

Name (Printed/Typed)

MARK JACOBY

Date

10/30/2009

Title

ENGINEERING MANAGER

Approved by (Signature)

Is/ Don Peterson

Name (Printed/Typed)

Is/ Don Peterson
FIELD MANAGER

Date

12/18/09

Title

6. FIELD MANAGER

Office

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(Continued on page 2)

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

API 30-015-37494

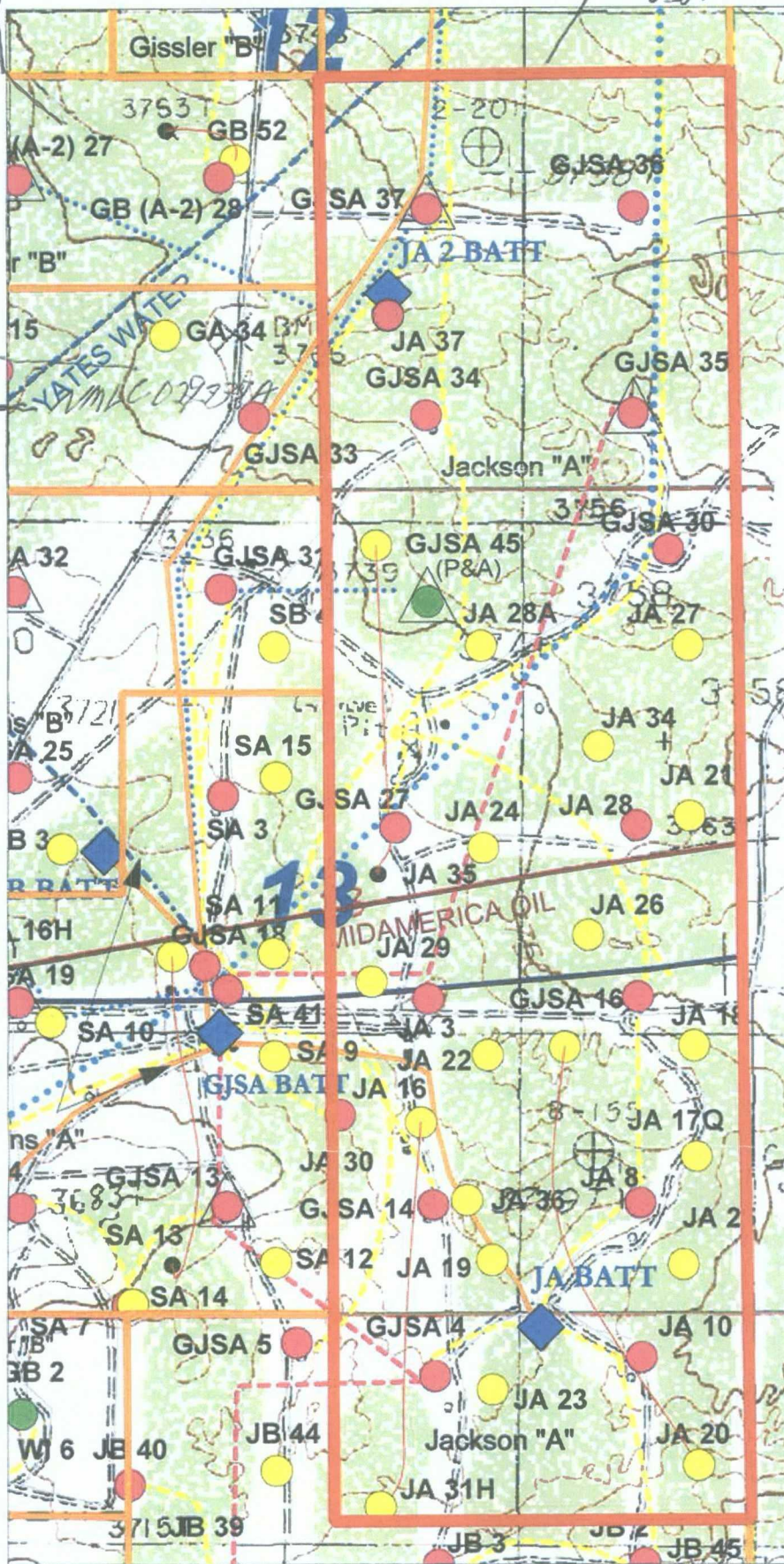
Approval Subject to General Requirements
& Special Stipulations Attached

Roswell Controlled Water Basin

NMNM 074939

NMLE
055264

NMLE
029339A



Well Names

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Jackson A #37

T17S, R30E, Sect 12, Unit O,
LC-029339(A)
1115' FSL, 2210' FEL, JA 2 Battery
Lat/Long: 32.84470/-103.923517

Burnett Oil Co., Inc.
6666

Jackson A #37 Proposed Well Location
(Map Reflects Burnett Operated Wells Only)
Eddy County, New Mexico

Author: Eng Tech CLK	Date: 01/19/2010
Scale: 1" = 1,000'	