

DATE IN 4/12/10	SUSPENSE	ENGINEER WJS	LOGGED IN 4/13/10	TYPE SWD	APP NO. 0UNK 1010556250
--------------------	----------	-----------------	----------------------	-------------	----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*Barnett Oil Co. Inc.*  
*Power 31 Fed #3*

**ADMINISTRATIVE APPLICATION CHECKLIST**

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      Mark A. Jacoby      Engineering Mgr.      4/9/10  
Print or Type Name      Signature      Title      Date

mjacoby@barnettoil.com  
e-mail Address

*4/31/10 (EDP)*  
*30-05-31806*  
*2010 APR 12 P 1:02*  
*RECEIVED OCD*  
*8548-9200 pef*  
*1710 psc*

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage  
Application qualifies for administrative approval? ☒ Yes No
- II. OPERATOR: Burnett Oil Co. Inc.  
ADDRESS: Burnett Plaza - Suite 1500, 801 Cherry St. - Unit #9, Ft. Worth, Tx 76102  
CONTACT PARTY: Mark A. Jacoby PHONE: 817-332-2751
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Mark A. Jacoby TITLE: Engineering Mgr.  
SIGNATURE: Mark A. Jacoby DATE: 4/9/10  
E-MAIL ADDRESS: mjacoby@burnettoil.com
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

---

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

## **ATTACHMENT TO APPLICATION C-108**

Burnett Power 31 Federal 3 SWD

Unit H, Sect. 36, T17S, R31E

Eddy Co., NM

### **III. WELL DATA**

- A.
  - 1) See injection well data sheets and attached schematics.
  - 2) See injection well data sheets and attached schematics.
  - 3) 3 ½" 9.3#/ft L80 Ultra FJ internally coated w/ceramkote set at 8450'.
  - 4) Arrowset I w/ 2.25" profile nipple.
- B.
  - 1) Injection formation is Wolfcamp Reef.
  - 2) Injection interval is 8548' to 9400', perforated.
  - 3) Well was drilled as a Morrow gas test, then P & A.
  - 4) The next higher zone perforated and tested was Wolfcamp at 8548' – 8588'. CIBPSA 8528' and 35' cement on top.

### **IV. NO**

### **V. MAP ATTACHED**

### **VI. LIST OF WELLS AND DATA ATTACHED**

**VII.** Burnett proposes to re-enter this P & A well drill out cement plugs. Will then selectively perforate 5 ½" casing from 8800' to 9400' in the Wolfcamp Reef and acidize perforations. We will run 3 ½" internally coated tubing on packer in 5 ½" casing, and set packer at +/- 8450'. Packer fluid will be circulated and the annulus pressure tested according to OCD requirements.

- 1) Plan to inject approximately 10,000 bpd of produced water from Burnett operated leases in offset production.
- 2) Closed system.
- 3) Average injection pressure should be 800# to 1250#, or to a maximum per OCD order.
- 4) Injection water analysis is attached, is only produced water from Burnett operated leases. Sources of produced water include Yeso, San Andres, Grayburg, Queen, 7 Rivers.
- 5) Wolfcamp Reef is not productive of oil and gas in this area of interest so do not have a water analysis of the formation water.

### **VIII. WOLFCAMP REEF GEOLOGICAL DESCRIPTION**

**See attached cross section.**

Strata composing the Wolfcamp "Reef" are predominantly dolomite with interbedded gray to black argillaceous and carboniferous shales. The porous, tan to brown dolomites

range from very fine- to medium-crystalline dolostones to fossiliferous wackestones, packstones, and grainstones. The dominant fossil types are brachiopods, crinoids, horn corals, and bryozoans. Peloids are common. Intercrystalline (dolomite) and moldic porosity are the dominant reservoir types. This dolomitic reef section is thick with significant secondary porosity with high permeability. Natural fracturing may be present.

**IX. ACIDIZE WITH VOLUME TO BE DETERMINED, FRAC IF NECESSARY.**

**X. Previously submitted to OCD or will run.**

- 1) Gamma Ray
- 2) Compensated Density/Neutron
- 3) Cement Bond Log

**XI. NO FRESH WATER WELLS WITHIN ONE MILE.**

**XII.** I, Mark Jacoby, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well. The disposal formation will have several thousand feet of overburden which includes shales and evaporate zones of various thicknesses. These zones will prevent any hydraulic communication between strata.

**XIII. PROOF OF NOTICE ATTACHED.**

3-22-04

TO: JOE LARA  
FM: WYATT ABBITT / RONNIE SLACK

RE: Joe, ~~we currently~~ have rig on well. The  
Wolfcamp is wet, ~~we~~ would like to  
P: A well while we are on location.

PLEASE EXPEDITE Approval if Possible.

THANKS

WYATT ABBITT  
(405) 552-8137 PHONE  
(405) 552-4621 FAX

## DRILLING PROGRAM

**POWER "31" FEDERAL #3  
1980' FNL & 660' FEL  
Section 31-T17S-R31E  
Eddy County, New Mexico**

1. Geologic Name of Surface Formation

Permian

2. Estimated Tops of Important Geologic Markers

Rustler	395'
Salado	620'
Tansil	1,546'
Yates	1,707'
Seven Rivers	2,069'
Queen	2,744'
Grayburg	3,155'
San Andres	3,607'
Glorietta	5,120'
Tubb	6,620'
Abo	7,820'
Wolfcamp	8,420'
Penn Sand	9,470'
Strawn	10,420'
Atoka	10,920'
Morrow Clastics	11,270'
Chester Lime	11,520'
Mississippi Lime	11,720'
TD	±12,000'

## INJECTION WELL DATA SHEET

OPERATOR: BURNETT OIL Co. INC.WELL NAME & NUMBER: Power 31 Federal No. 3 SWDWELL LOCATION: 1980' ENL 660' FEL UNIT LETTER Unit H SECTION 31 TOWNSHIP 17S RANGE 31E

FOOTAGE LOCATION

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

See Attached

Hole Size: 17 1/2" Casing Size: 13 3/8"Cemented with: 782 sx. or        ft<sup>3</sup>Top of Cement: Surface Method Determined: CIRC.Intermediate CasingHole Size: 12 1/4" Casing Size: 8 5/8"Cemented with: 1830 sx. or        ft<sup>3</sup>Top of Cement: SURFACE Method Determined: CIRCProduction CasingHole Size: 7 7/8" Casing Size: 5 1/2"Cemented with: 2095 sx. or        ft<sup>3</sup>Top of Cement: 2916 Method Determined: CBLTotal Depth: 11875Injection Interval8548 feet to 7400 Perf

(Perforated or Open Hole; indicate which)



INJECTION WELL DATA SHEET

Tubing Size: 3 1/2" ULTRA FULBRO Lining Material: ceramkote  
 Type of Packer: Arrowset I 10K Double set w/ 2.25" Profile Nipple  
 Packer Setting Depth: 8450'  
 Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? Yes X No \_\_\_\_\_

If no, for what purpose was the well originally drilled? Morrow gas test

2. Name of the Injection Formation: Wolfcamp Reef  
 3. Name of Field or Pool (if applicable): \_\_\_\_\_

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Morrow 11462-11470, 11623-11630 Perf, CIBPSA 11440'+35' cmf, Wolfcamp 8548-8588 CIBPSA 8528'+35' cmf.  
 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

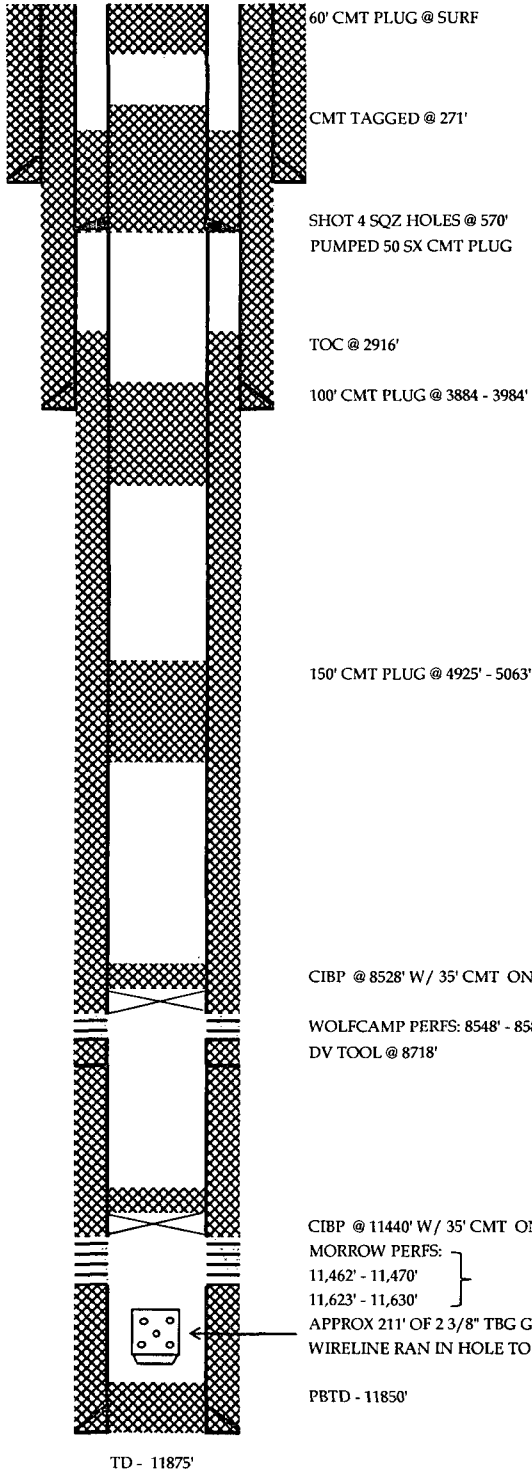
# BURNETT OIL CO., INC.

CCCC

WELL NAME: **Power 31 Federal 3**  
 FIELD: **CEDAR LAKE (MORROW GAS)**  
 COUNTY/STATE: **EDDY CO., NEW MEXICO**  
 LOCATION: SL: **UNIT H, 1980' FNL, 660' FEL**  
**SECTION 31, T17S, R31E**

SPUD DATE: **8/13/2001** API # **30-015-31806**  
 COMPL DATE: **11/21/2001** AFE # \_\_\_\_\_

## CURRENT



SURFACE CASING:  
 DEPTH: 520' SIZE: 13 3/8" WT: 48#  
 CEMENT: W/ 782 SX, CMT TO SURF

INTERMEDIATE CASING:  
 DEPTH: 3920' SIZE: 8 5/8" WT: 32#  
 CEMENT: CMT'D W/ 1830 SX, CMT TO SURF

PRODUCTION CASING:  
 DEPTH: 11875' SIZE: 5 1/2" WT: 17#  
 CEMENT: CMT'D W/ 2095 SX

TUBING:  
 DEPTH: \_\_\_\_\_ SIZE: \_\_\_\_\_

PUMP: \_\_\_\_\_

REMARKS:

Current

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: Power 31 Federal 3		Field: Cedar Lake (Morrow Gas)	
Location: 1980' FNL & 660' FEL Sec 31-17S-31E Unit H		County: Eddy	State: NM
Elevation: 3719' GR		Spud Date: 8/13/01	Compl Date: 11/21/01
API#: 30-015-31806	Prepared by: R Slack	Date: 3/30/04	Rev: NA

Lease Designation: NM-98824

Actual - Plugged & Abandoned 3/24/04

17-1/2" hole  
13-3/8", 48#, H40 @ 520'  
 Cmt'd w/ 782 sxs. Cmt to surf.

TOC @ 2916' - CBL (10/17/01)  
(1000 psi applied on casing)

12-1/4" hole  
8-5/8", 32#, J55, LT&C, @ 3920'  
 Cmt'd w/ 1830 sxs. Cmt to surf.

Geologic Markers	
Rustler	420'
Yates	1840'
Seven Rivers	2184'
Queen	2820'
Grayburg	3120'
San Andres	3652'
BoneSpring	5000'
WolfCamp	8450'
Canyon	9820'
Strawn	10672'
Atoka	10820'
Morrow	11138'
Barnett	11664'

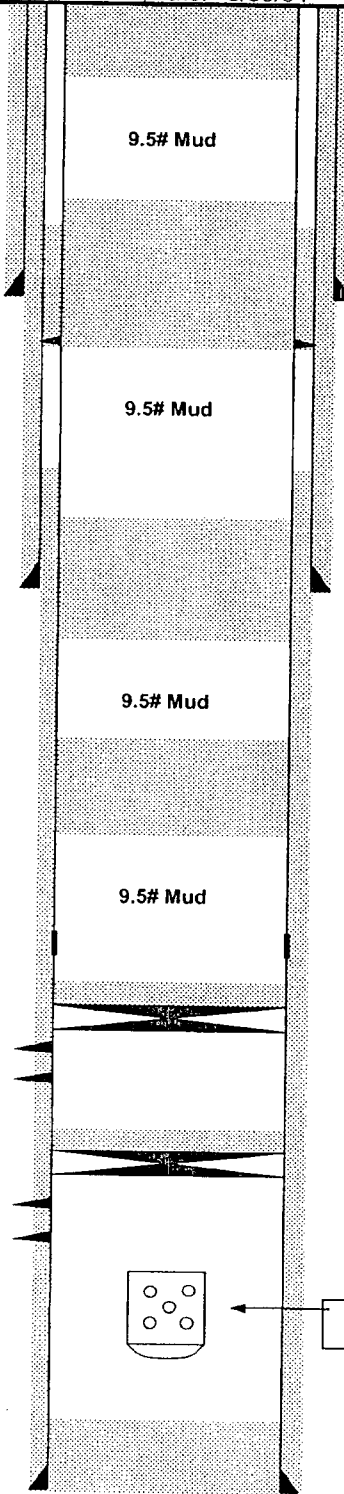
DV Tool @ 8718'

WOLFCAMP PERFS (perfed 3/11/04)  
 8548' - 8588' 4 spf 90 Deg Phasing

MORROW PERFS: (perfed 10/20/01)  
 11,462' - 11,470'  
 11,623' - 11,630' }

10/25/01: Acidized w/ 1000 gals acid, 30% methanol, 24 mscf N2

5-1/2", 17#, P110 & N80, @ 11875'  
 Cmt'd w/ 2095 sxs.



Set 60' cement plug @ surface  
 Cut off casing & installed dry hole marker  
 Covered pit and cleaned up location.  
 Well plugged & abandoned 3/24/04

Cement tagged @ 271'

Shot 4 sqz holes @ 570'. Circulated 9.5# mud in annulus & casing. Pumped 50 sx cement plug. 100' in annulus & remainder in casing. Cement tagged @ 271'.

100' Cement plug @ 3884' - 3984' (3/23/04)

150' Cement Plug @ 4925' to 5063' (3/22/04)

CIBP @ 8528' w/ 35' cement on top (3/22/04)

CIBP @ 11,440' w/35'cmt on top (3/12/04)

approx. 211' of 2-3/8" tbq guns released (10/24/01)  
 wireline ran in hole to 11600'

PBD @ 11,850'

TD @ 11,875'

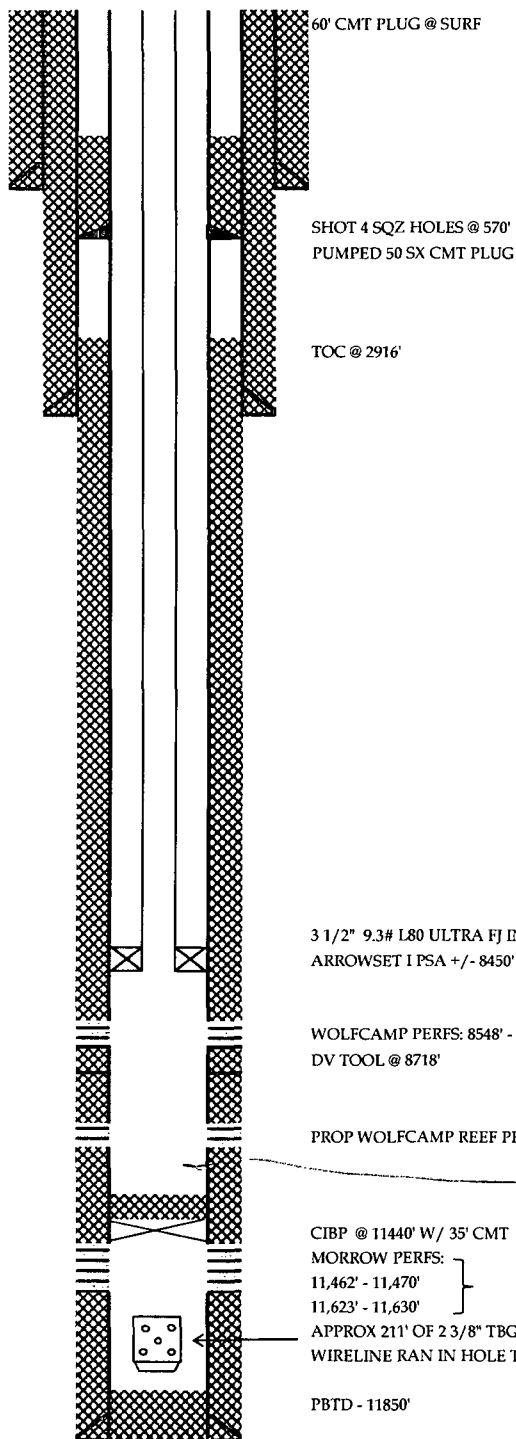
BURNETT OIL CO., INC.

6666

WELL NAME: **Power 31 Federal 3**  
 FIELD: **CEDAR LAKE (MORROW GAS)**  
 COUNTY/STATE: **EDDY CO., NEW MEXICO**  
 LOCATION: SL: **UNIT H, 1980' FNL, 660' FEL**  
**SECTION 31, T17S, R31E**

SPUD DATE: **8/13/2001** API # **30-015-31806**  
 COMPL DATE: **11/21/2001** AFE #

PROPOSED



SURFACE CASING:  
 DEPTH: 520' SIZE: 13 3/8" WT: 48#  
 CEMENT: W/ 782 SX, CMT TO SURF

INTERMEDIATE CASING:  
 DEPTH: 3920' SIZE: 8 5/8" WT: 32#  
 CEMENT: CMT'D W/ 1830 SX, CMT TO SURF

PRODUCTION CASING:  
 DEPTH: 11875' SIZE: 5 1/2" WT: 17#  
 CEMENT: CMT'D W/ 2095 SX

TUBING:  
 DEPTH: 8450' SIZE: 3 1/2" WT: 9.3#

PUMP: \_\_\_\_\_

REMARKS:

3 1/2" 9.3# L80 ULTRA FJ INTERNALLY COATED CERAMKOTE  
 ARROWSET I PSA +/- 8450'

WOLFCAMP PERFS: 8548' - 8588' 4 SPF 90° PHASING  
 DV TOOL @ 8718'

PROP WOLFCAMP REEF PERFS 8800' - 9400', SELECTIVELY

CIBP @ 11440' W/ 35' CMT ON TOP

MORROW PERFS:  
 11,462' - 11,470'  
 11,623' - 11,630'

APPROX 211' OF 2 3/8" TBG GUNS RELEASED  
 WIRELINE RAN IN HOLE TO 11600'

PBTD - 11850'

TD - 11875'

*Set CIBP after 200'*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE\*

(See other in  
reverse side)

Form approved.

45F-476

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL:

GIL  
WELL ☐GAS  
WELL ☒Other ☐SINGLE  
ZONE ☐MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

DEVON SFS OPERATING, INC.

3. ADDRESS AND TELEPHONE NO.

20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 235-3611

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 1980' FNL &amp; 660' FEL Unit H

At top proposed prod. zone (same)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 6 miles East and 2 miles South of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED  
LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

660'

(Also to nearest dir. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

306.56

19. PROPOSED DEPTH

12,000'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GL=3,719'

5. LEASE DESIGNATION AND SERIAL NO.

NM-98824

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME, WELL NO.

Power "31" Federal #3

9. API WELL NO.

30-015-

10. FIELD AND POOL, OR WILDCAT

Cedar Lake (Morrow Gas)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Section 31-T17S-R31E

12. COUNTY OR PARISH

Eddy County

13. STATE

NM

15. DISTANCE FROM PROPOSED  
LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

660'

(Also to nearest dir. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

306.56

19. PROPOSED DEPTH

12,000'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GL=3,719'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

306.56

20. ROTARY OR CABLE TOOLS\*

Rotary

22. APPROX. DATE WORK WILL START\*

March 1, 2001

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48#	595' 375'	897 sxs (est TOC @ surface)
12-1/4"	J-55 8-5/8"	32#	3920'	2,150 sxs (est TOC @ surface)
7-7/8"	S-95 & N-80 5-1/2"	17#	12,000'	713 sxs (est TOC @ 7,900')

Devon SFS Operating, Inc. proposes to drill a Morrow well to TD 11,800'± for commercial quantities of gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

## Drilling Program

## Surface Use and Operating Plan

Exhibits #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibits #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibits #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H<sub>2</sub>S Operating Plan

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below

Lease #: NM-98824

Legal Description: Section. 31-T17S-R31E

Bond Coverage: Statewide in CO., NM, UT &amp; WY

LM Bond No.: UT1195

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

2765'  
2440  
1300

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if a 24.

SIGNED

Charles H. Carleton

TITLE Sr. Engineering Technician

DATE February 15, 2001

\*(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

APPROVED BY /s/ LESLIE A. THEISS

TITLE

DATE

MAY 29 2001

See Instructions On Reverse Side

## SURFACE USE AND OPERATING PLAN

**POWER "31" FEDERAL #3  
1980' FNL & 660' FEL  
Section 31-T17S-R31E  
Eddy County, New Mexico**

### 1. Existing Roads

- A. The well site and elevation plat for the proposed Power "31" Federal #3 are reflected on Exhibit #2. This well was staked by Basin Surveys in Hobbs, NM.
- B. All roads into the location are depicted in Exhibit #3. New construction from the existing lease road will be used to access the location. New construction will conform to the specifications outlined in Item #2 below.
- C. Directions to location: From Jct. Hwy 82 & Hwy 31, go South on Hwy 31 1.2 mile to a lease road right; thence take lease road West 1.1 miles to a point  $\pm 500'$  North of location.

### 2. Proposed Access Road

Exhibit #3 shows the existing lease road. Access to this location will require the construction of about 1,502' of proposed access road. All new construction will adhere to the following.

- A. The maximum width of the road will be 15'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- B. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- C. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

### 3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed Power "31" Federal #3.

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form U-  
Revised 02-10

Instructions on t

Submit to the Approp.  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name Cedar Lake (Morrow Gas)
4 Property Code	5 Property Name POWER '31' FEDERAL	6 Well Number 3
7 OGRID No. 20305	8 Operator Name DEVON S.F.S. OPERATING, INC.	9 Elevation 3719'

10 SURFACE LOCATION

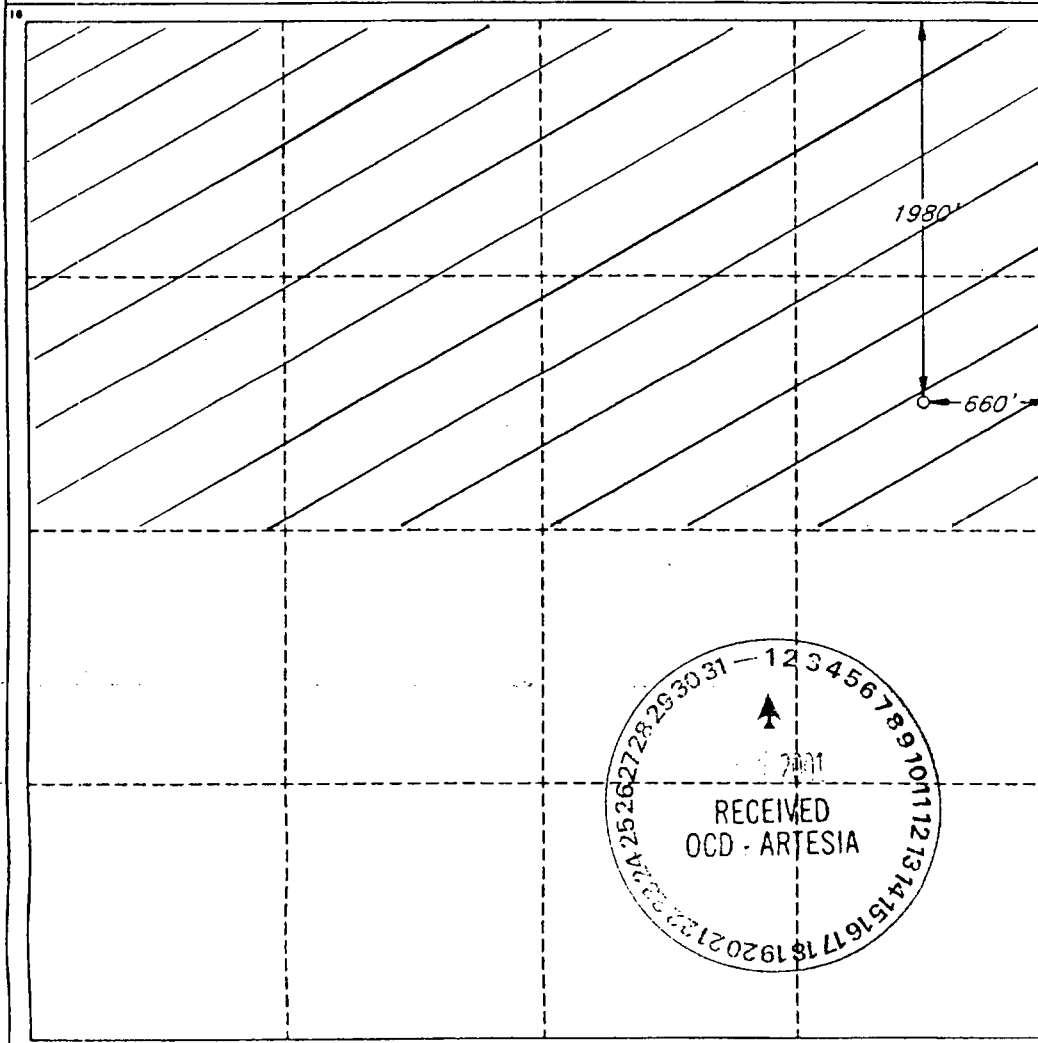
UL or lot no. H	Section 31	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 660'	East/West line EAST	County EDD
--------------------	---------------	----------------------	----------------------------	---------	------------------------	---------------------------	-----------------------	------------------------	---------------

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 306.56	13 Joint or Infill	14 Consolidation Code	15 Order No.
------------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL 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.

Signature

Printed Name  
Charles H. Carleton

Title  
Sr. Engineering Technician

Date  
January 30, 2001

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.

Date of Survey

JANUARY 12, 2001

Signature and Seal of  
Professional Surveyor

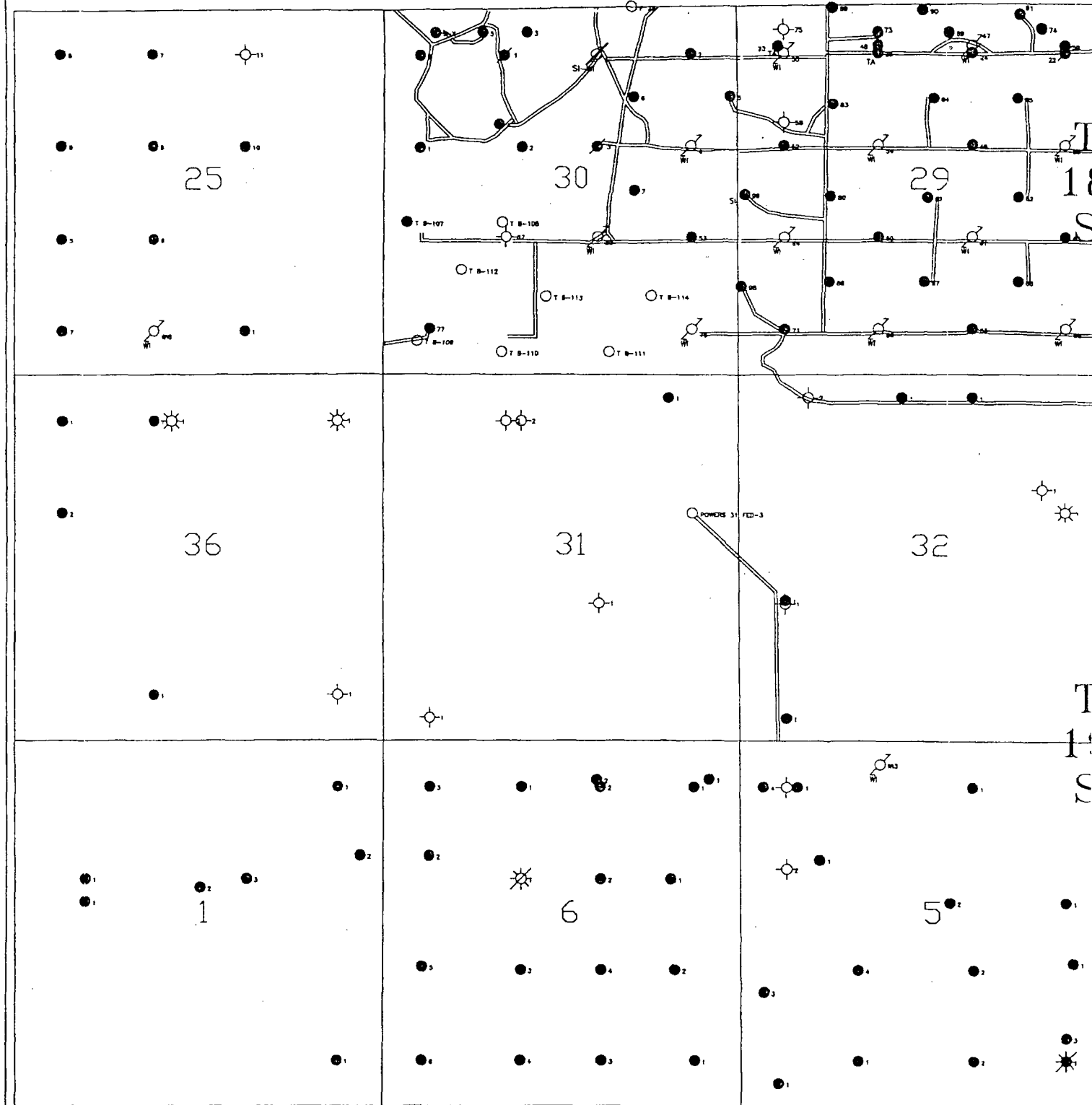
Certificate No.

V. L. BEZNER R.P.S. #792

JOB #73882 / 98 SW / J.C.

R 30 E

R 31 E



DEVON SFS OPERATING, INC.  
CEDAR LAKE (MORROW GAS)  
EDDY COUNTY, NEW MEXICO

ROAD PLAT  
POWER "31" FED #3  
EXHIBIT 3

Scale in Feet  
0 1000 2000 3000 400



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

1301 W. Grand Avenue  
Artesia, NM 88210

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT	
TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RES. <input type="checkbox"/> OTHER <input type="checkbox"/>		8. FARM OR LEASE NAME <b>Power 31 Federal</b> <i>SI</i> <b>3</b>	
2. NAME OF OPERATOR <b>Devon SFS Operating, Inc.</b>		9. API WELL NO. <b>30-015-31806</b>	
3. ADDRESS OF OPERATOR <b>20 North Broadway, Suite 1500, OKC, OK 73102</b>		10. FIELD NAME <b>Cedar Lake (Morrow Gas)</b>	
4. LOCATION OF WELL, Show quarter-quarter description and footage measurements At surface <b>1980'FNL &amp; 660' FEL</b> Unit <b>H</b> At top prod. interval, reported below At total depth		11. SEC. T, R, M, OR BLOCK AND SURVEY OR AREA <b>31 T17S R31E</b>	
14. DATE SPUDDED <b>8/13/01</b>		15. DATE T.D. REACHED <b>9/29/01</b>	
16. DATE COMPL. <b>11/21/01</b>		17. ELEVATIONS (DF, RKB, RT, GR, etc.)* <b>3719' GR</b>	
18. Total Depth (MD & TVD) <b>11,875'</b>		19. Plug back T.D. (MD & TVD) <b>11,850'</b>	
20. Depth Bridge Plug Set (MD & TVD)		21. TYPE ELECTRIC AND OTHER LOGS RUN (Submit one copy of each) <b>Multipole Array Acoustilog, Dual Laterolog Micro Laterolog, Compensated Z-Densilog, Compensated Neutron Log</b>	
22. Was well cored? Was DST run? Directional Survey?		<input checked="" type="checkbox"/> NO <input type="checkbox"/> Yes (submit analysis) <input checked="" type="checkbox"/> NO <input type="checkbox"/> Yes (submit report) <input type="checkbox"/> NO <input checked="" type="checkbox"/> Yes (Submit copy)	

[illegible]

SIZE	Depth Set (MD)	Packer Depth (MD)	SIZE	Depth Set (MD)	Packer Depth (MD)	SIZE	Depth Set (MD)	Packer Depth (MD)
2 3/8	11,599'							

25. Producing Intervals				26. Perforation Record			
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status	
Morrow	11,462'	11,470'				SI	
Morrow	11,623'	11,630'				SI	

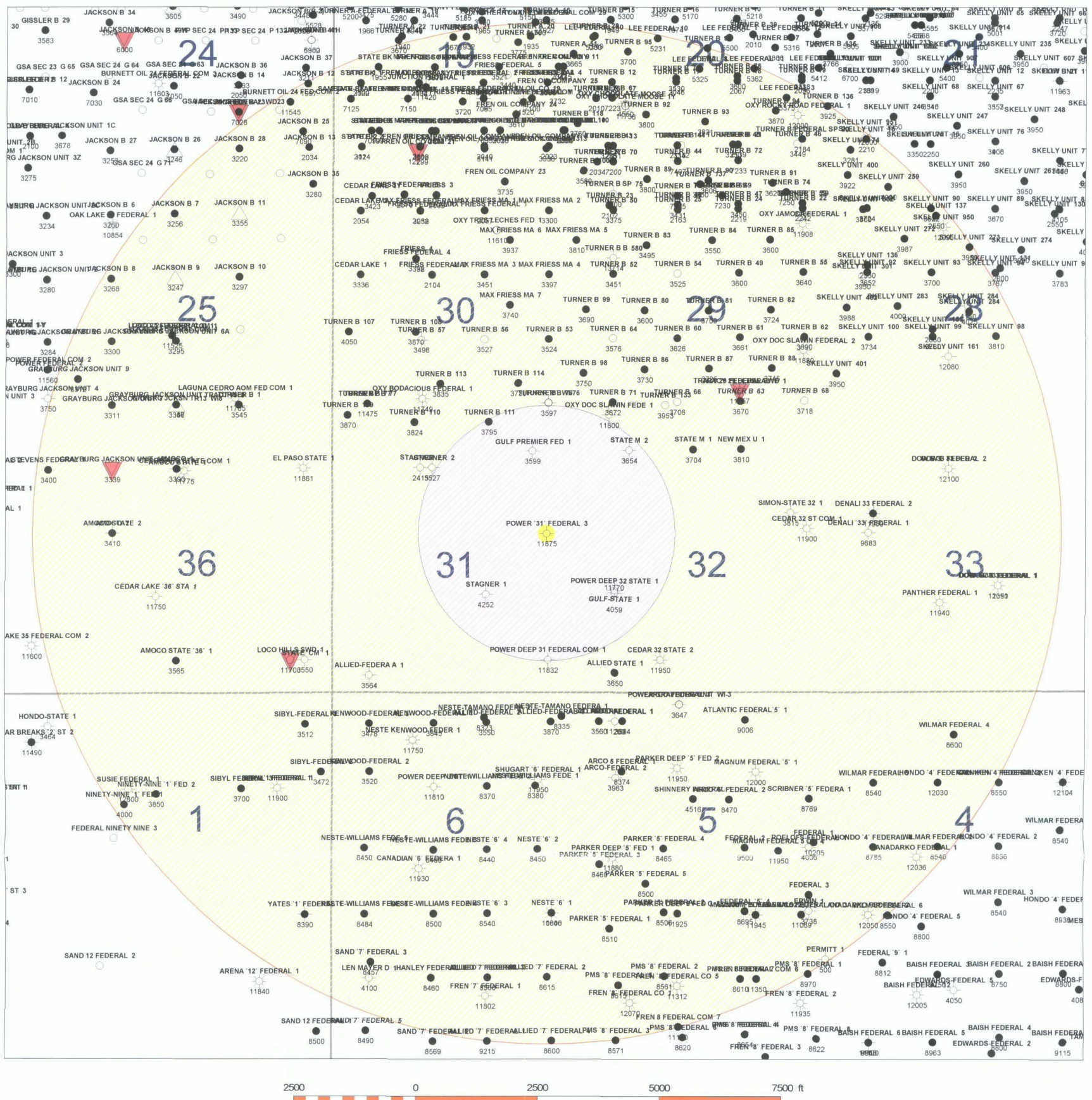
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.	
Depth Interval	Amount and Type of Material
11,462' - 11,630'	acidized w/1000 gal acid & 30% methanol & 24 mscf nitrogen

Date First Produced	Test Date	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
SI	SI							<div style="border: 1px solid black; padding: 5px;">ACCEPTED FOR RECORD</div>
Choke Size	Tbg. Press FLWG or SI	24 hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	<div style="border: 1px solid black; padding: 5px;">Shut In</div>

28. Production - Interval B								
Date First Produced	Test Date	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. FLWG or SI	24 hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

PENASCO SHUGARTON SD.JUT.  
VINTAGE (OPER.)





Well Status

- D&A
- GAS
- O&G
- OIL
- LOC
- INJ
- SWD

- POWER 31 FED 3
- 2 MILE RADIUS
- 1/2 MILE RADIUS

Burnett Oil Co., Inc.

6666

SWD Location  
Loco Hills, New Mexico

Author: CLK - Eng Tech	Date: April 8, 2010
Scale: 1 inch = 2,500 ft	



Does Penetrate Proposed SWD Zone																
API	WELL NAME	WELL #	OPERATOR	WELL TYPE												
CONSTRUCTION																
					Surface Casing				Intermediate Casing				Production Casing			
					Size	Dpth Set	Sx cmt	TOC	Method	Top of Csg, P&A	Size	Dpth Set	Sx cmt	TOC	Method	Top of Csg, P&A
30015250630000	Power Deep 32 State		1 Yates Harvey Co Inc	P&A	13-3/8"	608'	500	Srfc	Circ	Srfc	8-5/8"	3622'	1400	Srfc	Circ	Srfc
30015318060000	Power '31' Federal		3' Devon Sfs Opr Inc	P&A	13-3/8"	520'	782	Srfc	Circ	Srfc	8-5/8"	3,290'	1830	Srfc	Circ	Srfc
30015315720000	Power Deep 31 Federal Com		1 Yates Harvey E Co	P&A	13-3/8"	352'	1045	Srfc	Circ	Srfc	8-5/8"	4,500'	4250	Srfc	Circ	Srfc
											7"	6,804'	500	Srfc	Calc	Srfc
Does not Penetrate Proposed SWD Zone																
API	WELL NAME	WELL #	OPERATOR	WELL TYPE												
CONSTRUCTION																
					Surface Casing				Intermediate Casing				Production Casing			
					Size	Dpth Set	Sx cmt	TOC	Method	Top of Csg, P&A	Size	Dpth Set	Sx cmt	TOC	Method	Top of csg, P&A
30015054780000	Stagner		1 English-Harmon	P&A	8 1/4"	670'	50	462'	Calc	Srfc	*****	4100'	???	???		???
30015054810000	Gulf Premier Fed		1 Mclellan Jack L	P&A	8-5/8"	608'	50	400'	Calc	30'	*****	3,525'	100	2955'	Calc	2885'
30015054850000	Gulf-State		1 Hanson Ernst A	P&A	8-5/8"	713'	100	458'	Calc	Srfc	*****	3815'	250	2385'	Calc	2335'
30015054880000	State M		2 Brown James G & Assoc	P&A	8-5/8"	681'	50	475	Calc	32'	*****	no casing run, D & A				
30015295300000	Turner B		111 Devon Energy Corp	OIL	8-5/8"	498'	500	Srfc	Circ	Srfc	*****	3,794'	1300	Srfc	Circ	Srfc
NOTE: All TOC Calc use 80% fill factor.																



WELL NAME: POWER DEEP 32 STATE 01

SPUD DATE: 11/8/1984

API#

30015250530000

FIELD: MORROW/BONE SPRINGS

RIG RELEASE: 1/5/1985

PROJECT AREA:

COUNTY/STATE: EDDY CO., NM

LOCATKSL: UNIT I, SEC 32 17S 31E, 2,030' FSL 660' FWL

BHL:

KE \_\_\_\_\_ GL: \_\_\_\_\_

50' cmt plug @ surface

13-3/8" 54.5# CSA 608'

100' cmt plug @ 660'

**SURFACE CASING:**

DEPTH: 608' SIZE: 13-3/8" WT: 54.5# GRADE: \_\_\_\_\_ BIT SIZE: 17-1/2"

CEMENT: 500 sx

**INTERMEDIATE CASING:**

DEPTH: 3,622' SIZE: 8-5/8" WT: 24# & 32# GRADE: \_\_\_\_\_ BIT SIZE: 11"

CEMENT: 1,400 sx

**PRODUCTION CASING:**

DEPTH: 9,611' SIZE: 5-1/2" WT: 17# GRADE: \_\_\_\_\_ BIT SIZE: 7-7/8"

CEMENT: 550 sx

P&amp;A 10/16/1985

**PERFS (ft.)**

1	9474-9360
2	9294-9270
3	8910-8880
4	8687-8680
5	8390-8380
6	8206-8116
7	8034-8020
8	8014-8008
9	7926-7742
10	3510-3518

CIBP @ 3,454, 35' cmt

150' cmt plug across the perfs 3,510'-3,518'

CIBP @ 3,610', 9 sx cmt

8-5/8" 24# & 32# CSA 3,622'

120' cmt plug @ 3,673'

200' cmt plug @ 4,400'

107' cmt plug @ 5,135'

Cut and pull 7,500' csg. 43 sx cmt

CIBP @ 7,700', 35' cmt

CIBP @ 8,000', 35' cmt

CIBP @ 8,105', 35' cmt

CIBP @ 8,370', 35' cmt

CIBP @ 8,650', 35' cmt

CIBP @ 8,860', 35' cmt

CIBP @ 9,240', 35' cmt

CIBP @ 9,350', 30' cmt

5-1/2" 17# CSA 9,611'

100' cmt plug @ 9,917'

100' cmt plug @ 11,052'

100' cmt plug @ 11,276'

Total Depth: 11,770

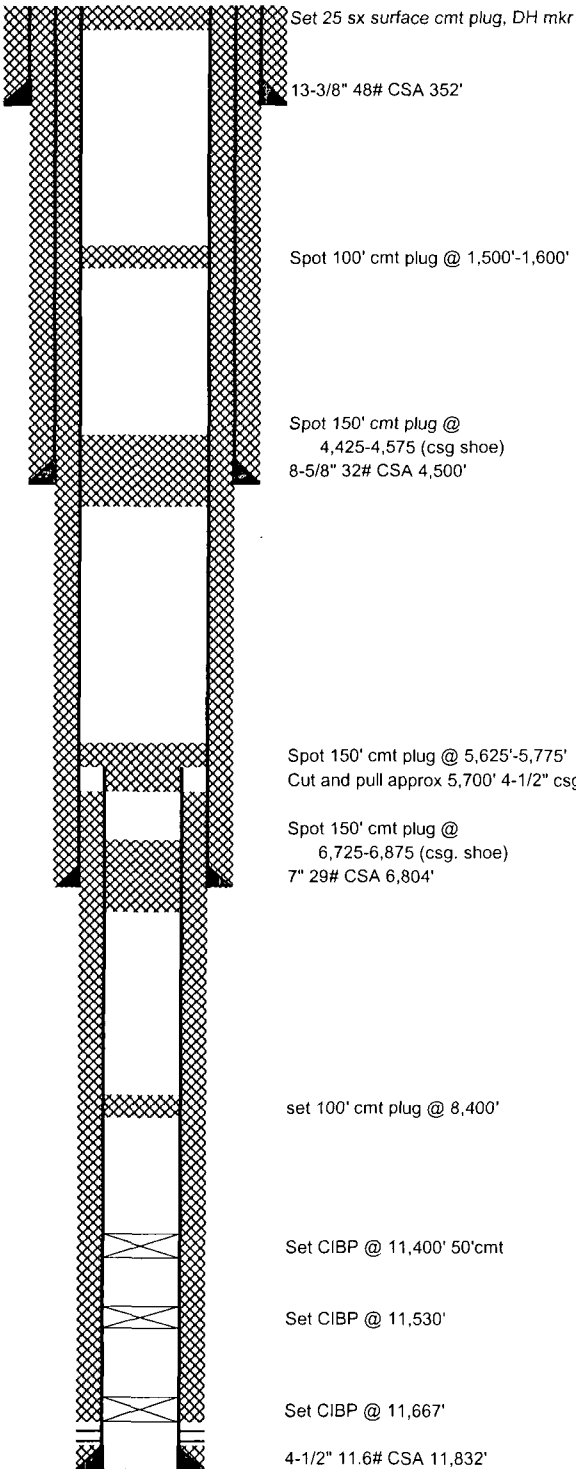
PBTD: 8,000

# Harvey E. Yates Company

WELL NAME: POWER DEEP 31 FED COM 01  
 FIELD: NORTH SHUGART  
 PROJECT AREA:  
 COUNTY/STATE: EDDY CO., NM  
 LOCATION:SL: UNIT M, SEC 32 17S 31E, 660' FSL 660' FEL  
 BHL:

SPUD DATE: 4/18/2001  
 RIG RELEASE: 6/25/2001  
 API# 30015315720000

KB: GL:



**SURFACE CASING:**  
 DEPTH: 352' SIZE: 13-3/8" WT: 48# GRADE: BIT SIZE: 17-1/2"  
 CEMENT: 1,045 sxs cmt circ

**INTERMEDIATE CASING:**  
 DEPTH: 4,500' SIZE: 8-5/8" WT: 32# GRADE: BIT SIZE: 12-1/4"  
 CEMENT: 2,850 sxs cmt circ

**INTERMEDIATE CASING:**  
 DEPTH: 6,804' SIZE: 7" WT: 29# GRADE: BIT SIZE: 7-7/8"  
 CEMENT: 500 sxs cmt

**PRODUCTION CASING:**  
 DEPTH: 11,832' SIZE: 4-1/2" WT: 11.6# GRADE: BIT SIZE: 6"  
 CEMENT: 500 sxs cmt, TOC 5,860'

Spot 150' cmt plug @ 5,625'-5,775'  
 Cut and pull approx 5,700' 4-1/2" csg

Spot 150' cmt plug @  
 6,725-6,875 (csg. shoe)  
 7" 29# CSA 6,804'

set 100' cmt plug @ 8,400'

Set CIBP @ 11,400' 50'cmt

Set CIBP @ 11,530'

Set CIBP @ 11,667'

4-1/2" 11.6# CSA 11,832'

**PERFS (ft.)**  
 1 11,686'-11,703'

Total Depth: 11,832'  
 PBTD: 11,767'



# WOLFCAMP REEF SWD ANALYSIS STRATIGRAPHIC CROSS-SECTION A - A'

**A** 30015372680000 5320 ft 30015316350000 5874 ft 30015318060000 1824 ft 30015250530000 **A'**

COG OPERATING LLC  
LOCO HILLS SWD 35 2  
SE SE  
TWP: 17 S - Range: 30 E - Sec. 35  
TD=11600

COG OPERATING LLC  
LOCO HILLS SWD 1  
W2 SE SE  
TWP: 17 S - Range: 30 E - Sec. 36  
TD=11700

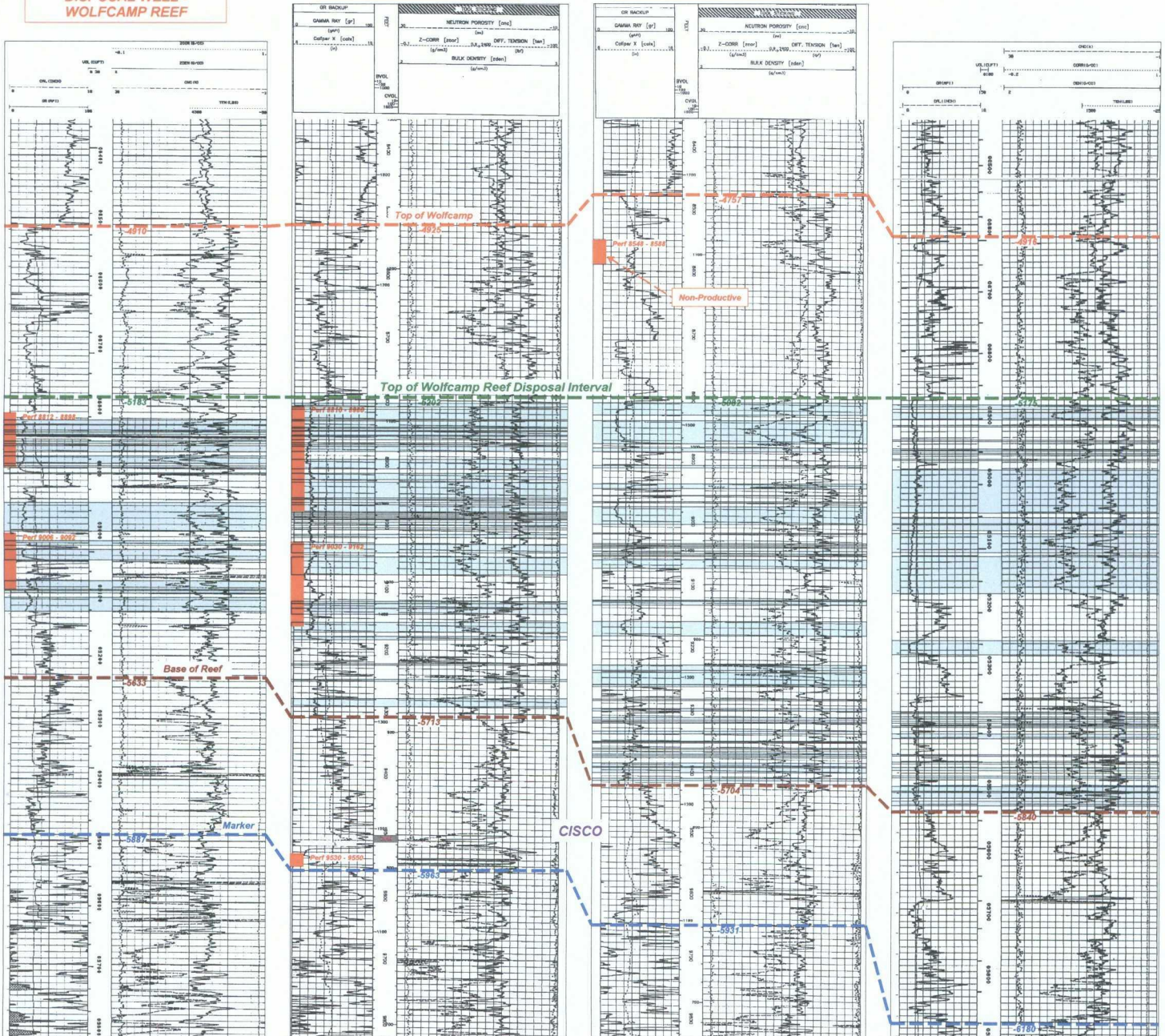
DEVON SFS OPR INC  
POWER '31' FEDERAL 3  
1980 FNL 660 FEL  
TWP: 17 S - Range: 31 E - Sec. 31  
TD=11875

YATES HARVEY CO INC  
POWER DEEP 32 STATE 1  
2030 FSL/660 FWL  
TWP: 17 S - Range: 31 E - Sec. 32  
TD=11770

SALTWATER  
DISPOSAL WELL -  
WOLFCAMP REEF

SALTWATER  
DISPOSAL WELL -  
WOLFCAMP REEF

POTENTIAL SALTWATER  
DISPOSAL WELL -  
WOLFCAMP REEF

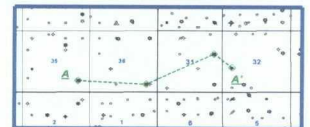


Original Completion - Morrow -  
IP 2000 MCFGD + 24 BDPD

Original Completion - Morrow - IP UG  
Re-completed U. Wolfcamp - Non-productive

PERFORATIONS

NET PAY (>6%)







Catalyst Oilfield Services  
11999 E Hwy 158  
Gardendale, TX 79758  
(432) 563-0727  
Fax: (432) 224-1038

## Water Analysis Report

Customer: Burnett Oil Company Sample #: 1405  
Area: Loco Hills Analysis ID #: 3578  
Lease: GJSAU  
Location: water flood plant 0  
Sample Point: Wellhead

		Anions		Cations	
		mg/l	meq/l	mg/l	meq/l
Sampling Date:	3/24/2010	Chloride:	118097.6	Sodium:	61470.0
Analysis Date:	3/26/2010	Bicarbonate:	256.2	Magnesium:	2083.0
Analyst:	Catalyst	Carbonate:		Calcium:	9668.0
TDS (mg/l or g/m3):	194094.1	Sulfate:	1200.0	Strontium:	251.3
Density (g/cm3):	1.134			Barium:	6.0
Hydrogen Sulfide:	0			Iron:	0.0
Carbon Dioxide:	100			Manganese:	0.000
Comments:		pH at time of sampling:	6.1		
		pH at time of analysis:			
		pH used in Calculation:	6.1		
		Temperature @ lab conditions (F):	75	Conductivity (micro-ohms/cm):	136400
				Resistivity (ohm meter):	.0733

### Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl

Calcite CaCO <sub>3</sub>			Gypsum CaSO <sub>4</sub> ·2H <sub>2</sub> O		Anhydrite CaSO <sub>4</sub>		Celestite SrSO <sub>4</sub>		Barite BaSO <sub>4</sub>		
Temp											
°F	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
80	0.21	9.30	-0.04	0.00	-0.02	0.00	0.04	11.91	1.52	3.20	
100	0.29	12.78	-0.11	0.00	-0.02	0.00	0.02	5.23	1.33	2.91	
120	0.38	16.56	-0.17	0.00	0.00	0.00	0.01	2.03	1.15	2.91	
140	0.47	20.34	-0.22	0.00	0.04	47.93	0.01	2.03	1.00	2.91	
160	0.57	24.40	-0.26	0.00	0.11	110.40	0.01	4.07	0.88	2.61	
180	0.67	28.18	-0.29	0.00	0.18	177.50	0.03	7.84	0.77	2.61	
200	0.77	32.25	-0.32	0.00	0.28	242.58	0.04	12.78	0.68	2.61	
220	0.88	36.31	-0.34	0.00	0.38	301.26	0.06	18.30	0.61	2.32	



April 9, 2010

BLM  
320 East Greene St.  
Carlsbad, NM 88220  
**Attn: Right of Way Dept**

RE: Notice of SWD Application  
Burnett Oil Co., Inc.  
Eddy Co., N.M.

To whom it may concern:

Enclosed is a copy of Oil Conversation Division Form C-108 (Application for Authorization to Inject) for Burnett Oil Co., Inc. Power 31 Federal #3 SWD. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. Burnett purposes to re-enter the subject well and convert to a disposal well, injection to occur into the Wolfcamp formation through perforations from 8548'-9400'. This is only a notice. No action is needed unless you have questions or objections.

Objections must be filed with the Oil Conversation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

Thank you for your cooperation in this matter.

Sincerely,

Mark A. Jacoby  
Engineering Manager



April 9, 2010

Devon Energy Corp  
20 N. Broadway  
Oklahoma City, OK 73102-8260

RE: Notice of SWD Application  
Burnett Oil Co., Inc.  
Eddy Co., N.M.

To whom it may concern:

Enclosed is a copy of Oil Conversation Division Form C-108 (Application for Authorization to Inject) for Burnett Oil Co., Inc. Power 31 Federal #3 SWD. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. Burnett purposes to re-enter the subject well and convert to a disposal well, injection to occur into the Wolfcamp formation through perforations from 8548'-9400'. This is only a notice. No action is needed unless you have questions or objections.

Objections must be filed with the Oil Conversation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

Thank you for your cooperation in this matter.

Sincerely,

Mark A. Jacoby  
Engineering Manager



April 9, 2010

Harvey Yates Co.  
Box 1933  
Roswell, NM 88202-1933

RE: Notice of SWD Application  
Burnett Oil Co., Inc.  
Eddy Co., N.M.

To whom it may concern:

Enclosed is a copy of Oil Conversation Division Form C-108 (Application for Authorization to Inject) for Burnett Oil Co., Inc. Power 31 Federal #3 SWD. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. Burnett purposes to re-enter the subject well and convert to a disposal well, injection to occur into the Wolfcamp formation through perforations from 8548'-9400'. This is only a notice. No action is needed unless you have questions or objections.

Objections must be filed with the Oil Conversation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

Thank you for your cooperation in this matter.

Sincerely,

Mark A. Jacoby  
Engineering Manager

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Devon Energy Corp.  
20 N. Broadway  
Oklahoma City, OK  
73102-8260

## 2. Article Number

(Transfer from service label)

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •

Mark Jacoby  
% Burnett Oil Co. Inc.  
801 Cherry St.  
Suite 1500  
Fort Worth, TX 76102-6881

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Harvey Yates Co.  
PO Box 1933  
Roswell, NM 88202-1933

## 2. Article Number

(Transfer from service label)

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent

☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

## D. Is delivery address different from item 1?

☒ Yes

If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Mark Jacoby  
% Burnett Oil Co., Inc.  
801 Cherry St.  
Suite 1500  
Fort Worth, TX 76102-6881

STATE OF NEW MEXICO

County of Eddy:

**GARY D. SCOTT** being duly

sworn,says: That he is the **PUBLISHER** of The

Artesia Daily Press, a daily newspaper of general  
circulation, published in English at Artesia, said county  
and county and state, and that the here to attached

**Legal Notice**

was published in a regular and entire issue of the said

Artesia Daily Press,a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication April 9, 2010

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Fifth Publication \_\_\_\_\_

Subscribed and sworn to before me this

9 Day April 2010



**OFFICIAL SEAL**

Jo Morgan

**NOTARY PUBLIC-STATE OF NEW MEXICO**

My commission expires: 6/6/2012

*Jo Morgan*

Jo Morgan

Notary Public, Eddy County, New Mexico

**LEGAL NOTICE**

**Legal Notice**

Burnett Oil Co. Inc. is applying to re-enter the Power 31 Federal #3 and convert to SWD. The well is located at 1980' FNL & 660' FEL, Sec. 31, T17S, R31E, Eddy Co., NM. The well will dispose of water produced from oil and gas wells into the Wolfcamp zone at a depth of 8540' to 9400' at a maximum rate of 10,000 barrels of water per day and at a maximum pressure of 1700 psi. Interested must file objections or requests for hearing with the NM Oil Conservation

Division, 1220 South Saint Francis Dr., Santa Fe, NM within 15 days. Additional information can be obtained by contacting Mark Jacoby at Burnett Oil at Burnett Plaza - Suite 1500, 801 Cherry Street - Unit #9, Ft. Worth, Tx 76102, phone 817-332-5108. Published in the Artesia Daily Press, Artesia, NM April 9, 2010. Legal No. 21099

## Jones, William V., EMNRD

---

**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, May 04, 2010 3:21 PM  
**To:** 'Mark Jacoby'  
**Cc:** Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Wesley\_Ingram@blm.gov  
**Subject:** Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806 Wolfcamp Reef Disposal

Hello Mark:

After reviewing your application, just a few questions or requests:

- a. If you can find any windmills or other fresh water sources within 1 mile of this well, please send a fresh water analysis.
- b. Send a copy of proof of notice to the BLM.
- c. Has the BLM sent any comments concerning this application?
- d. Have you any feedback from our Artesia office?
- e. Devon and Heyco were noticed, but there were no details about where they control acreage. For all applications requiring formal notice, we have been asking for details on what "affected party" owns the minerals at what location. Please ask your landman to determine who controls the Wolfcamp minerals in:
  - a. Unit Letter M of Section 29
  - b. Unit Letters O and P of Section 30
  - c. W/2 of Section 32
  - d. Area within Section 31 inside the ½ mile AOR circle.

Thank You,



William V Jones

Engineering Bureau, Oil Conservation Division  
Energy, Minerals & Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Tel 505.476.3448 ~ Fax 505.476.3462



**Jones, William V., EMNRD**

---

**From:** Roger\_Hall@blm.gov  
**Sent:** Monday, April 26, 2010 8:48 AM  
**To:** Jones, William V., EMNRD; Roger\_Hall@blm.gov  
**Subject:** RE: Review of the SWD application for BOPCO's - Poker Lake Unit #213 SWD and the Burnett Oil Co's - Power 31 Federal #3 SWD.  
**Attachments:** SWD Appl's- Burnett - Power 31 Federal #3 SWD & BOPCO's - PLU #213 SWD.docx

Mr. Jones,

BLM does not have any objection to the above wells being used for SWD. I have attached the comments on the SWD applications. Hope you are having a good Monday!

Roger G. Hall  
Petroleum Engineer  
BLM/Carlsbad Field Office  
(575)234-2231  
[Roger\\_Hall@nm.blm.gov](mailto:Roger_Hall@nm.blm.gov)

---

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

April 26, 2010

RE: Class II SWD injection well application for BOPCO, L.P.'s **Poker Lake Unit Well #213**, 860' FSL & 660' FEL (Ut P) Section 18-24S-30E, Eddy County, New Mexico; API No. 3001533859. This well is located in the Secretary's Potash area. They intend to convert the Delaware producing well to a produced water injection well into the Delaware/Bone Spring, Avalon Sd ( 7038-7460 ft) at an average injection rate of 2000 BWPD/ 2500 BWPD maximum at an average injection pressure of 1357 psi/ 1408 psi maximum (0.20 psi/ft). They did not say for EOR purposes; but I would assume that is their intent. The source of the disposal water will be wells in the area operated by BOPCO, L.P. that produce from the Delaware formation.

Comments: The well is in Secretary's Potash, but is over a mile outside open mine workings. From an engineering standpoint the well seems to be structurally sound for conversion purposes. The well has 8-5/8 inch surface casing set at 454 ft with cement circulated to surface and 5-1/2 inch longstring casing set at 7596 ft with cement circulated to surface. All the wells (12) in the ½ mile area of review that penetrate the injection zone are adequately constructed. The operators well schematic shows the well with 2-7/8" J-55 Seal Tite IPC tubing with a 5-1/2" nickel plated Lokset packer set at 7370 ft. They mention that initially they intend to inject in the Avalon perfs (7388-7460') and add the upper perfs (7038-7289') later. This would be fine but the diagram shows existing Delaware perfs from 7194-7204' and 7279-7289'. This would mean that the packer would need to be set at approximately +/- 7100 ft and at approximately +/- 7000 ft if they intend to inject starting at 7038 ft. With the packer set at 7370 ft the well would not pass a conventional MIT with open perfs above the packer.

RE : Class II SWD injection well application for Burnett Oil Company's **Power 31 Federal #3** SWD, 1980' FNL & 660' FEL (Ut H) SE NE Section 31-17S-31E, Eddy County, New Mexico; API No. 3001531806. They intend to renter and convert this P&A, former Morrow and Wolfcamp producing well to a produced water injection well into the existing Wolfcamp perfs (8548-8588 ft) and adding Wolfcamp Reef; selectively perforating from 8800-9400 ft at an injection rate of 10000 BWPD at an injection pressure range of 800-1250 psi (0.15 psi/ft). This will be injected through 3-1/2 inch 9.3# L-80 Ultra FJ Ceramkote coated tubing set on an Arrowset I PSA packer at approximately 8450 ft. The source of the disposal water will be wells in the area operated by Burnett Oil Company that produce from the Yeso, San Andres, Grayburg, Queen and 7 Rivers formations.

Comments: From an engineering standpoint the well seems to be structurally sound for conversion purposes. The well has 13-3/8 inch surface casing at 520 ft with cement circulated to surface, 8-5/8 inch intermediate at 3920 ft with cement circulated to surface and 5-1/2 inch longstring casing at 11875 ft with TOC at 2916 ft (CBL). The 3 wells in the ½ mile area of review that penetrate the injection zone are adequately constructed. One well approximately 5442 ft from the subject well, the EL Paso St #1, 660'FNL & 600' FEL Section 36-17S-30E is plugged OK across the lower part of the well from 7550-11861 ft. The upper part does not have

**Jones, William V., EMNRD**

---

**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, May 04, 2010 3:21 PM  
**To:** 'Mark Jacoby'  
**Cc:** Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Wesley\_Ingram@blm.gov  
**Subject:** Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806 Wolfcamp Reef Disposal

Hello Mark:

After reviewing your application, just a few questions or requests:

- a. If you can find any windmills or other fresh water sources within 1 mile of this well, please send a fresh water analysis.
- b. Send a copy of proof of notice to the BLM.
- c. Has the BLM sent any comments concerning this application?
- d. Have you any feedback from our Artesia office?
- e. Devon and Heyco were noticed, but there were no details about where they control acreage. For all applications requiring formal notice, we have been asking for details on what "affected party" owns the minerals at what location. Please ask your landman to determine who controls the Wolfcamp minerals in:
  - a. Unit Letter M of Section 29
  - b. Unit Letters O and P of Section 30
  - c. W/2 of Section 32
  - d. Area within Section 31 inside the ½ mile AOR circle.

Thank You,



William V Jones

Engineering Bureau, Oil Conservation Division  
Energy, Minerals & Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Tel 505.476.3448 ~ Fax 505.476.3462

*no feedback  
as of 6/2/10*

Tracking:

**Recipient**

'Mark Jacoby'

Ezeanyim, Richard, EMNRD

Dade, Randy, EMNRD

Reeves, Jacqueta, EMNRD

Wesley\_Ingram@blm.gov

**Read**

Read: 5/5/2010 8:34 AM

Read: 5/4/2010 3:30 PM

100521 Re Burnett Oil Filing for Power 31 Fed #3 SWD application.txt  
From: Wesley\_Ingram@blm.gov  
Sent: Friday, May 21, 2010 11:59 AM  
To: Mark Jacoby  
Subject: Re: Burnett Oil Filing for Power 31 Fed #3 SWD application

Mark,

The document is here and engineering has reviewed.  
Am I understanding correctly that you have typed in the green card number  
online and there is no record of the document being received by the BLM.

Thanks, Wesley

"Mark Jacoby"	
<mjacoby@burnnetto	
il.com>	To
	<Wesley_Ingram@nm.blm.gov>
05/20/2010 03:25	cc
PM	
	Subject
	Burnett Oil Filing for Power 31 Fed
	#3 SWD application

Wesley,  
We cannot find that Burnett ever received the green receipt that BLM Carlsbad  
received by Certified Mail the Application for SWD which was mailed by Burnett  
on April 9, 2010.  
We have checked US Mail and they do not have a record of it. Can you check or  
forward this to the appropriate person in BLM office who could see if you  
received our application? I am delinquent in asking this, received an email  
from Will Jones, engr in OCD Santa Fe with a few notes of additional info he  
needs, one of which is notice of BLM receipt so we began looking and it  
appears BLM maybe did not receive.  
Thank you much for your help.

Mark A Jacoby  
Engineering Manager  
Burnett Oil Co., Inc.  
Burnett Plaza - Suite 1500  
801 Cherry Street - Unit #9  
Ft. Worth, Tx 76102-6881

Office: 817-332-5108  
Cell: 817-312-2751

## Jones, William V., EMNRD

---

**From:** Mark Jacoby [mjacoby@burnettoil.com]  
**Sent:** Thursday, July 01, 2010 4:04 PM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806  
Wolfcamp Reef Disposal  
**Attachments:** 100521 Re Burnett Oil Filing for Power 31 Fed #3 SWD application.txt

Will,

We just received the answer to e. below so I will answer each question/request in order:

a. We drove and searched all the area within 1 mile of this well and did not find any fresh water sources.

b. Attached is a note I received back from Wesley Ingram, Supv Petr Engr at BLM, Carlsbad, stating receipt of the C108 filing. For some reason BOCI did not receive a record from mail that BLM had received.

c. BLM comments: see the attached email comments from the lead Petroleum Engineer at BLM.

d. Feedback from Artesia office: I have been unable to get any email or phone call backs from Randy Dade or Jackie Reeves regarding the C108. Eddie

Seay does contract work for us, so I asked him if he could check on it...he told me Jackie had been in a car wreck and was out of office for a

While and he knew that Paul Kraus in Hobbs had 'filled in' for Jackie so he asked Paul about it. Paul found the application and reviewed and told

Eddie that it looked good to him, that he agreed with our geologic interpretations on Wolfcamp Reef tops etc. He said if you have some questions to call him and he can fill in the details of your questions.

e. Listed below is the information from our landman giving the Wolfcamp minerals ownership in same order you listed:

a. Unit Letter M of Section 29 - Paloma Resources, Roswell, NM

b. Unit Letters O and P of Section 30 - 50% Marbob Energy, Artesia, NM  
- 50% Pitch Energy, Artesia, NM

c. W/2 of Section 32 - Harvey E. Yates Co., Roswell, NM

N/2 NE/4, SW/4 NE/4, NW/4 NW/4, S/2 NW/4, NE/4 NW/4 (3735' to all depths) - Jalapeno Corp., Albuquerque, NM

d. Area within Section 31 inside the 1/2 mile AOR circle:

N/2, N/2 SW/4 - Open

S/2 SW/4, SE/4 - HBP Burlington Res. O & G L.P., Midland, Tx.

Will, I think this addresses each of your questions/requests. It has taken me awhile to get the final item, the land info, but I am very interested in getting this SWD approved. The other appropriate filings for ROW, the reentry APD with BLM, the reentry with OCD in District office have all been filed. Please let me know if you need other info. I re-read the C108 directions regarding noticing offsets, and the language is leasehold operators so I believe we have satisfied that requirement since the other interest owners listed above are not operating production in each of their respective areas.

Thank you for your consideration. We look forward to receiving approval for this SWD.

Mark A Jacoby  
Engineering Manager  
Burnett Oil Co., Inc.

Burnett Plaza - Suite 1500  
801 Cherry Street - Unit #9  
Ft. Worth, Tx 76102-6881

Office: 817-332-5108  
Cell: 817-312-2751

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
Sent: Tuesday, May 04, 2010 4:21 PM  
To: Mark Jacoby  
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD;  
Wesley\_Ingram@blm.gov  
Subject: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806  
Wolfcamp Reef Disposal

Hello Mark:

After reviewing your application, just a few questions or requests:

- a. If you can find any windmills or other fresh water sources within 1 mile of this well, please send a fresh water analysis.
- b. Send a copy of proof of notice to the BLM.
- c. Has the BLM sent any comments concerning this application?
- d. Have you any feedback from our Artesia office?
- e. Devon and Heyco were noticed, but there were no details about where they control acreage. For all applications requiring formal notice, we have been asking for details on what "affected party" owns the minerals at what location. Please ask your landman to determine who controls the Wolfcamp minerals in:
  - a. Unit Letter M of Section 29
  - b. Unit Letters O and P of Section 30
  - c. W/2 of Section 32
  - d. Area within Section 31 inside the ½ mile AOR circle.

Thank You,

---

William V Jones <<mailto:William.V.Jones@State.NM.US>>

other appropriate filings for ROW, the reentry APD with BLM, the reentry with OCD in District office have all been filed. Please let me know if you need other info. I re-read the C108 directions regarding noticing offsets, and the language is leasehold operators so I believe we have satisfied that requirement since the other interest owners listed above are not operating production in each of their respective areas.

Thank you for your consideration. We look forward to receiving approval for this SWD.

Mark A Jacoby  
Engineering Manager  
Burnett Oil Co., Inc.  
Burnett Plaza - Suite 1500  
801 Cherry Street - Unit #9  
Ft. Worth, Tx 76102-6881

Office: 817-332-5108  
Cell: 817-312-2751

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
Sent: Tuesday, May 04, 2010 4:21 PM  
To: Mark Jacoby  
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD;  
Wesley\_Ingram@blm.gov  
Subject: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806  
Wolfcamp Reef Disposal

Hello Mark:

After reviewing your application, just a few questions or requests:

- a. If you can find any windmills or other fresh water sources within 1 mile of this well, please send a fresh water analysis.
- b. Send a copy of proof of notice to the BLM.
- c. Has the BLM sent any comments concerning this application?
- d. Have you any feedback from our Artesia office?
- e. Devon and Heyco were noticed, but there were no details about where they control acreage. For all applications requiring formal notice, we have been asking for details on what "affected party" owns the minerals at what location. Please ask your landman to determine who controls the Wolfcamp minerals in:
  - a. Unit Letter M of Section 29
  - b. Unit Letters O and P of Section 30
  - c. W/2 of Section 32
  - d. Area within Section 31 inside the 1/4 mile AOR circle.



Thank You,

---

William V Jones <<mailto:William.V.Jones@State.NM.US>>

Engineering Bureau, Oil Conservation Division

Energy, Minerals & Natural Resources Department

1220 South St. Francis Drive

Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 9.0.837 / Virus Database: 271.1.1/2955 - Release Date: 06/22/10 01:36:00

**Jones, William V., EMNRD**

---

**From:** Jones, William V., EMNRD  
**Sent:** Friday, July 02, 2010 9:03 AM  
**To:** 'Mark Jacoby'  
**Cc:** Brooks, David K., EMNRD  
**Subject:** RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806  
Wolfcamp Reef Disposal

*Handwritten signature/initials*

Hello Mark:  
Thanks for sending this.

The language in the form C-108 is incorrect and needs to be updated to reflect the actual rule - which does change from time to time. The C-108 form is ancient and evolved with the sharks in the Cretaceous seaways and has not changed since (I may be exaggerating a bit...) The fact that this form is frozen in place while the actual rule changes is unfortunate and always causes problems especially from operators who only occasionally send in applications for disposal or injection.

A link to the Division rules and the actual language of the Injection Rule (Part 26) concerning "notice" is copied below:

<http://www.emnrd.state.nm.us/ocd/documents/20098-5currentrules-new17and39.pdf>

**19.15.26.7 DEFINITIONS:**

A. **"Affected person"** means the division designated operator; in the absence of an operator, a lessee whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant files the application; or in the absence of an operator or lessee, a mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application for permit to inject.

B. Method of making application.

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the land surface on which each injection or disposal well is to be located and to each leasehold operator or other **affected person** within any tract wholly or partially contained within one-half mile of the well.

C. Administrative approval.

(1) If the application is for administrative approval rather than for a hearing, it shall be accompanied by a copy of a legal notice the applicant published in a newspaper of general circulation in the county in which the proposed injection well is located....

Based on that Rule and going by your application and the recent Landman report, the following parties should be noticed:

- a. Devon (already noticed)
- b. BLM as surface owner (already noticed)
- c. Burlington
- d. Jalapeno
- e. Heyco (already noticed)
- f. Pitch Energy
- g. Paloma Resources

- h. Marbob Energy
- i. The mineral interest owners in the "Open" acreage in the N/2 and N/2 SW/4 of Section 31. Please ask your Landman who are the mineral interest owners in that "open" acreage, and send out notice to each person.

Thanks Again,

Will Jones  
New Mexico  
Oil Conservation Division  
Images Contacts

-----Original Message-----

From: Mark Jacoby [mailto:mjacoby@burnettoil.com]  
Sent: Thursday, July 01, 2010 4:04 PM  
To: Jones, William V., EMNRD  
Subject: RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806  
Wolfcamp Reef Disposal

Will,

We just received the answer to e. below so I will answer each question/request in order:

a. We drove and searched all the area within 1 mile of this well and did not find any fresh water sources.

b. Attached is a note I received back from Wesley Ingram, Supv Petr Engr at BLM, Carlsbad, stating receipt of the C108 filing. For some reason BOCI did not receive a record from mail that BLM had received.

c. BLM comments: see the attached email comments from the lead Petroleum Engineer at BLM.

d. Feedback from Artesia office: I have been unable to get any email or phone call backs from Randy Dade or Jackie Reeves regarding the C108. Eddie

Seay does contract work for us, so I asked him if he could check on it...he told me Jackie had been in a car wreck and was out of office for a

While and he knew that Paul Kraus in Hobbs had 'filled in' for Jackie so he asked Paul about it. Paul found the application and reviewed and told

Eddie that it looked good to him, that he agreed with our geologic interpretations on Wolfcamp Reef tops etc. He said if you have some questions to call him and he can fill in the details of your questions.

e. Listed below is the information from our landman giving the Wolfcamp minerals ownership in same order you listed:

a. Unit Letter M of Section 29 - Paloma Resources, Roswell, NM

b. Unit Letters O and P of Section 30 - 50% Marbob Energy, Artesia, NM  
- 50% Pitch Energy, Artesia, NM

c. W/2 of Section 32 - Harvey E. Yates Co., Roswell, NM

N/2 NE/4, SW/4 NE/4, NW/4 NW/4, S/2 NW/4, NE/4 NW/4 (3735' to all depths) - Jalapeno Corp., Albuquerque, NM

d. Area within Section 31 inside the 1/2 mile AOR circle:

N/2, N/2 SW/4 - Open

S/2 SW/4, SE/4 - HBP Burlington Res. O & G L.P., Midland, Tx.

Will, I think this addresses each of your questions/requests. It has taken me awhile to get the final item, the land info, but I am very interested in getting this SWD approved. The

b. Attached is a note I received back from Wesley Ingram, Supv Petr Engr at BLM, Carlsbad, stating receipt of the C108 filing. For some reason BOCI did not receive a record from mail that BLM had received.

c. BLM comments: see the attached email comments from the lead Petroleum Engineer at BLM.

d. Feedback from Artesia office: I have been unable to get any email or phone call backs from Randy Dade or Jackie Reeves regarding the C108. Eddie

Seay does contract work for us, so I asked him if he could check on it...he told me Jackie had been in a car wreck and was out of office for a

While and he knew that Paul Kraus in Hobbs had 'filled in' for Jackie so he asked Paul about it. Paul found the application and reviewed and told

Eddie that it looked good to him, that he agreed with our geologic interpretations on Wolfcamp Reef tops etc. He said if you have some questions to call him and he can fill in the details of your questions.

e. Listed below is the information from our landman giving the Wolfcamp minerals ownership in same order you listed:

a. Unit Letter M of Section 29 - Paloma Resources, Roswell, NM

b. Unit Letters O and P of Section 30 - 50% Marbob Energy, Artesia, NM  
- 50% Pitch Energy, Artesia, NM

c. W/2 of Section 32 - Harvey E. Yates Co., Roswell, NM

N/2 NE/4, SW/4 NE/4, NW/4 NW/4, S/2 NW/4, NE/4 NW/4 (3735' to all depths) - Jalapeno Corp., Albuquerque, NM

d. Area within Section 31 inside the 1/2 mile AOR circle:

N/2, N/2 SW/4 - Open

S/2 SW/4, SE/4 - HBP Burlington Res. O & G L.P., Midland, Tx.

Will, I think this addresses each of your questions/requests. It has taken me awhile to get the final item, the land info, but I am very interested in getting this SWD approved. The other appropriate filings for ROW, the reentry APD with BLM, the reentry with OCD in District office have all been filed. Please let me know if you need other info. I re-read the C108 directions regarding noticing offsets, and the language is leasehold operators so I believe we have satisfied that requirement since the other interest owners listed above are not operating production in each of their respective areas.

Thank you for your consideration. We look forward to receiving approval for this SWD.

Mark A Jacoby  
Engineering Manager  
Burnett Oil Co., Inc.  
Burnett Plaza - Suite 1500  
801 Cherry Street - Unit #9  
Ft. Worth, Tx 76102-6881

Office: 817-332-5108

Cell: 817-312-2751

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

Sent: Tuesday, May 04, 2010 4:21 PM

To: Mark Jacoby

Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD;

Wesley\_Ingram@blm.gov

Subject: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806

Wolfcamp Reef Disposal

Hello Mark:

After reviewing your application, just a few questions or requests:

- a. If you can find any windmills or other fresh water sources within 1 mile of this well, please send a fresh water analysis.
- b. Send a copy of proof of notice to the BLM.
- c. Has the BLM sent any comments concerning this application?
- d. Have you any feedback from our Artesia office?
- e. Devon and Heyco were noticed, but there were no details about where they control acreage. For all applications requiring formal notice, we have been asking for details on what "affected party" owns the minerals at what location. Please ask your landman to determine who controls the Wolfcamp minerals in:
  - a. Unit Letter M of Section 29
  - b. Unit Letters O and P of Section 30
  - c. W/2 of Section 32
  - d. Area within Section 31 inside the ½ mile AOR circle.

Thank You,

---

William V Jones <<mailto:William.V.Jones@State.NM.US>>

Engineering Bureau, Oil Conservation Division

Energy, Minerals & Natural Resources Department

1220 South St. Francis Drive

Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462

## Jones, William V., EMNRD

---

**From:** Mark Jacoby [mjacoby@burnettoil.com]  
**Sent:** Wednesday, July 14, 2010 10:17 AM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806 Wolfcamp Reef Disposal

Good Morning Will,

In follow up to your email below, we have noticed each party listed that had not been noticed previously. The last item i. regarding mineral interest owners in the N/2 and N/2 SW/4 of Section 31 – all of this, actually all of Section 31, is Federal subsurface ownership.

We are getting receipts back from the notice letters mailed as noted here. As soon as we receive all of these, we will mail them to you to make the filing complete.

I am anxious to receive approval for SWD in this well.

Thank you much!

*Mark A Jacoby*  
Engineering Manager  
Burnett Oil Co., Inc.  
Burnett Plaza - Suite 1500  
801 Cherry Street - Unit #9  
Ft. Worth, Tx 76102-6881

Office: 817-332-5108

Cell: 817-312-2751

---

**From:** Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
**Sent:** Friday, July 02, 2010 10:03 AM  
**To:** Mark Jacoby  
**Cc:** Brooks, David K., EMNRD  
**Subject:** RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806 Wolfcamp Reef Disposal

Hello Mark:

Thanks for sending this.

The language in the form C-108 is incorrect and needs to be updated to reflect the actual rule - which does change from time to time. The C-108 form is ancient and evolved with the sharks in the Cretaceous seaways and has not changed since (I may be exaggerating a bit...) The fact that this form is frozen in place while the actual rule changes is unfortunate and always causes problems especially from operators who only occasionally send in applications for disposal or injection.

A link to the Division rules and the actual language of the Injection Rule (Part 26) concerning "notice" is copied below:

<http://www.emnrd.state.nm.us/ocd/documents/20098-5currentrules-new17and39.pdf>

### **19.15.26.7 DEFINITIONS:**

A. ***"Affected person"*** means the division designated operator; in the absence of an operator, a lessee whose interest is evidence by a

written conveyance document either of record or known to the applicant as of the date the applicant files the application; or in the absence of an operator or lessee, a mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application for permit to inject.

**B. Method of making application.**

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the land surface on which each injection or disposal well is to be located and to each leasehold operator or other affected person within any tract wholly or partially contained within one-half mile of the well.

**C. Administrative approval.**

(1) If the application is for administrative approval rather than for a hearing, it shall be accompanied by a copy of a legal notice the applicant published in a newspaper of general circulation in the county in which the proposed injection well is located....

Based on that Rule and going by your application and the recent Landman report, the following parties should be noticed:

- a. Devon (already noticed)
- b. BLM as surface owner (already noticed)
- c. Burlington
- d. Jalapeno
- e. Heyco (already noticed)
- f. Pitch Energy
- g. Paloma Resources
- h. Marbob Energy
- i. The mineral interest owners in the "Open" acreage in the N/2 and N/2 SW/4 of Section 31. Please ask your Landman who are the mineral interest owners in that "open" acreage, and send out notice to each person.

Thanks Again,

Will Jones  
New Mexico  
Oil Conservation Division  
Images Contacts

-----Original Message-----

From: Mark Jacoby [mailto:mjacoby@burnettoil.com]  
Sent: Thursday, July 01, 2010 4:04 PM  
To: Jones, William V., EMNRD  
Subject: RE: Disposal application from Burnett Oil Co., Inc.: Power 31 Fed #3 30-015-31806 Wolfcamp Reef Disposal

Will,  
We just received the answer to e. below so I will answer each question/request in order:

- a. We drove and searched all the area within 1 mile of this well and did not find any fresh water sources.

**Jones, William V., EMNRD**

---

**From:** Christy Keeton [ckeeton@burnettoil.com]  
**Sent:** Wednesday, July 21, 2010 10:15 AM  
**To:** Jones, William V., EMNRD  
**Cc:** Mark Jacoby  
**Subject:** BOCI Application for Injection  
**Attachments:** BOCI Nofications.pdf

Will,

Please see the attached file.

The following have been notified of Burnett Application for Injection

Burlington Resources (originally notified by certified mail 07/06/2010, returned to BOCI 07/09/2010) Re-sent to new address 07/20/2010, spoke with Tom Scarborough (07/20)

Jalapeno Corp notified by certified mail 07/13/2010

Pitch Energy notified by certified mail 07/14/2010

Marbob Energy notified by certified mail 07/13/2010

Paloma Resources Inc. notified by certified mail 07/21/2010, spoke with Charles Foster (07/21)

Thank you for your help.

Sincerely,

*Christy Keeton*

Engineering Technician

**Burnett Oil Co., Inc.**



Burnett Plaza - Suite 1500  
Fort Worth, TX 76102-6881  
817-332-5108 ext 6328



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Jalapeno Corp.  
 1429 Central Ave NW  
 Albuquerque, NM  
 87104-1148

7-6-10

2. Article Number  
 (Transfer from service label) 7008 0500 0000 4381 9993

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X Jun Barack ☐ Agent ☐ Addressee

B. Received by (Printed Name) Jun Barack C. Date of Delivery 7/13/10

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

**RECEIVED**  
 JUL 15 2010

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☒ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)  
 For delivery information visit our website at www.usps.com

**OFFICIAL USE**

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

Postmark Here

7-20-10

Sent to Burlington Resources  
 Street, Apt. No. 100 N. Dairy Ashford  
 or PO Box No. 100 N. Dairy Ashford  
 City, State, ZIP+4 Houston, TX 77079

PS Form 3800, August 2006 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Pitch Energy  
 P.O. Box 227  
 Artesia, NM 88211

7-7-10

2. Article Number  
 (Transfer from service label) 7008 0500 0000 4382 0005

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X Kanda Robin ☐ Agent ☐ Addressee

B. Received by (Printed Name) Kanda Robin C. Date of Delivery 7/14/10

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

**RECEIVED**  
 JUL 14 2010

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)  
 For delivery information visit our website at www.usps.com

**OFFICIAL USE**

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

Postmark Here

7/14/10

Sent to Burlington Resources Oil & Gas  
 Street, Apt. No. 717 Jeyas Ave  
 or PO Box No. 717 Jeyas Ave  
 City, State, ZIP+4 Houston, TX 77002

PS Form 3800, August 2006 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Marbob Energy  
 2208 W. Main St.  
 Artesia, NM 88210-3720

7-6-10

2. Article Number  
 (Transfer from service label) 7008 0500 0000 4381 9962

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X Kanda Robin ☐ Agent ☐ Addressee

B. Received by (Printed Name) Kanda Robin C. Date of Delivery 7-7-10

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

**RECEIVED**  
 JUL 13 2010

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)  
 For delivery information visit our website at www.usps.com

**OFFICIAL USE**

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

Postmark Here

7-21-10

Sent to Paloma Resources, Attn: Charles Foster  
 Street, Apt. No. 103 E. Berrendo Rd.  
 or PO Box No. 103 E. Berrendo Rd.  
 City, State, ZIP+4 Roswell, NM 88201

PS Form 3800, August 2006 See Reverse for Instructions

# Injection Permit Checklist (03/15/2010)

Case SWD 1230 WFX PMX IPI Permit Date 8/13/01 UIC Qtr (A)(1)(J)

# Wells 1 Well Name: Power 31 F&E #3 SWD

API Num: (30-) 015-31806 Spud Date: 8/13/01 New/Old: N (UIC primacy March 7, 1982)

Footages 1980FNL/660FEL Unit A Sec 31 Tsp 17S Rge 31E County EDDY

Operator: Burnett OIL CO., INC. Contact Mark JACOBY

OGRID: 3080 RULE 5.9 Compliance (Wells) 5/174 (Finan Assur) OK IS 5.9 OK? OK (Barely)

Operator Address: 801 Cherry St. - UNIT #9 (Burnett Plaza - Suite 1500) Ft Worth TX 76102  
3/24/04

Current Status: PEAED Monar Test

Planned Work to Well:

Planned Tubing Size/Depth: 3 1/2 @ 8,450'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing Surface	<u>17 1/2 13 5/8</u>	<u>520</u>	<u>782</u>	<u>CIRC</u>
Existing Intermediate	<u>12 1/4 8 5/8</u>	<u>3920</u>	<u>1830</u>	<u>CIRC</u>
Existing Long String	<u>7 7/8 5 1/2</u>	<u>11,875 (911,875)</u>	<u>2095 CIRC</u>	<u>2916 CBL</u>

DV Tool 8718 Liner Open Hole Total Depth 11,875

Well File Reviewed ✓

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)	<u>7820</u>	<u>ABO</u>	
Above (Name and Top)	<u>8420</u>	<u>WC TOP</u>	
Injection.....	<u>8540</u>	<u>WC Roof</u>	<u>NO</u>
Interval TOP:	<u>8540</u>		
Injection.....	<u>9400</u>	<u>WC Roof</u>	<u>NO</u>
Interval BOTTOM:	<u>9400</u>		
Below (Name and Top)	<u>9470</u>	<u>Pona Sand</u>	
	<u>10,420</u>	<u>STRAWN</u>	

GENERAL LOCATION

Cadiz Lake  
1 MILE FROM  
POTASH

1710 PSI Max. WHIP

Open Hole (Y/N) Area

Deviated Hole?

Sensitive Areas: Capitan Reef

Cliff House

Salt Depths

6203 1636

... Potash Area (R-111-P)

Potash Lessee

Noticed?

Fresh Water: Depths: 0-300' Wells 0

Analysis?

Affirmative Statement ✓

Disposal Fluid Sources: Yeso, SA, GBS, QN, TRURS

Analysis?

Disposal Interval Production Potential/Testing/Analysis Analysis: Tested already

Notice: Newspaper (Y/N) ✓ Surface Owner BLM

Mineral Owner(s)

RULE 26.7(A) Affected Parties: DEVON H&CO

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

1 Active Wells 0 Num Repairs — Producing in Injection Interval in AOR NO

6 P&A Wells 2 Num Repairs 0 All Wellbore Diagrams Included? ✓

Questions/Required Work:

Request Sent — Reply: —

Request Sent — Reply: —

Request Sent — Reply: —