

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JANE SHULER GRAY
JAMES E. HAAS

OF COUNSEL
A. J. LOSEE

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720
PHONE (505) 746-3505
FAX (505) 746-6316

September 24, 2001

Via Facsimile to (505) 476-3462

New Mexico Oil Conservation Division
Attn: Florence Davidson
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 12733

Dear Ms. Davidson:

Please find attached for filing the Entry of Appearance, Response by Burnett Oil Co., Inc. to Application for Compliance Orders and Civil Penalties and Motion for Continuance. If you have any questions, please do not hesitate to call. Thank you very much.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Hannah Palomin
Secretary to Ernest L. Carroll

Encl.

cc: Mr. David K. Brooks

**STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION, THROUGH THE SUPERVISOR OF DISTRICT II,
FOR AN ORDER REQUIRING OPERATORS TO BRING NINETY-
SIX (96) WELLS INTO COMPLIANCE WITH RULE 201.B, AND
ASSESSING APPROPRIATE CIVIL PENALTIES;
EDDY AND CHAVES COUNTIES, NEW MEXICO**

CASE NO. 12733

ENTRY OF APPEARANCE

COMES NOW Ernest L. Carroll, of Losee, Carson, Haas & Carroll, P. A. and hereby
enters his appearance on behalf of BURNETT OIL CO., INC.

LOSEE, CARSON, HAAS & CARROLL, P. A.

By: 

Ernest L. Carroll
P.O. Box 1720
Artesia, NM 88260
(505)746-3505

Attorneys for Burnett Oil Co., Inc.

I hereby certify that I caused a true and
correct copy of the foregoing pleading to be
mailed to counsel of record this September 24, 2001.


James E. Haas

**STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION, THROUGH THE SUPERVISOR OF DISTRICT II,
FOR AN ORDER REQUIRING OPERATORS TO BRING NINETY-
SIX (96) WELLS INTO COMPLIANCE WITH RULE 201.B, AND
ASSESSING APPROPRIATE CIVIL PENALTIES;
EDDY AND CHAVES COUNTIES, NEW MEXICO**

CASE NO. 12733

**RESPONSE BY BURNETT OIL CO., INC. TO
APPLICATION FOR COMPLIANCE ORDERS AND CIVIL PENALTIES**

COMES NOW Burnett Oil Co., Inc by and through its attorneys of record, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll) and for their response states as follows:

1. Burnett Oil Co., Inc. has not received any prior notice, oral or written, from the Oil Conservation Division Artesia office or otherwise that any of the wells listed in the Application are not in compliance with Oil Conservation regulations . All of the wells listed are active producing or injection wells.
2. Gissler B #11 (API #30-015-04301) is a flowing well. The well is economical and has consistently flowed 2 to 3 bbls of oil production per month with no water for the last few years. Production from the well is delivered to the Gissler B2 battery as approved by the NMOCD and BLM. The MMS and OCD reporting forms have been filed on a regular basis and the royalty is paid to the MMS on a monthly basis. Our field people will make themselves available to OCD personnel during normal business hours to demonstrate this productive capacity. The Artesia district office has received a copy of all reports.

1
6/9/01
12

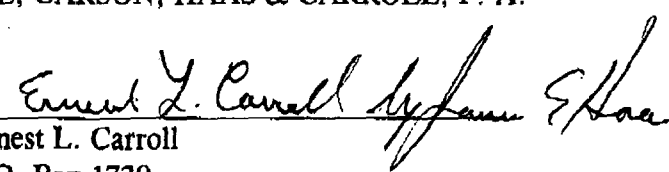
- JUL 24 2001 14:01 LUSSE CARSON R111 15057455310 P.04/07
3. Gisser B #007 (API #30-015-04120) is part of the Gissler B3 water injection system. This active injection well passed its April 2001 mechanical integrity test. This injection well is an active part of a ten well program of water injection. All the wells are open to the injection system but maintain varying pressures. The injection pressure for this well has been higher (1210 PSI for August 2001) than the other 9 wells. The range of injection pressures in the other wells is from 350 lbs to 400 lbs. These differentials allow the well with the lower pressures to take injected water before the #7 well. The #7 well is not shut in nor abandoned. It is utilized on a regular basis as injection pressures dictate. The status of this well as an active injector should not be changed.
 4. Gisser B (A-2) #027 (API #30-015-25987) is an active injection well in the Gissler B3 water injection system. This active injection well passed its April 2001 mechanical integrity test. This injection well is an active part of a ten well program of water injection. Our records indicate that water was injected into this well every month of the calendar year 2000 and water was injected in February and August of 2001. Our records indicate this information has been reported on the monthly State C115s and MMS 3160s for the year 2000 and through July 2001. The August 2001 filings are not required to be filed until the end of September but will show that 1,730 bbls of water were injected into this well in August 2001. This is an excellent example of an active injection well which does not take water every month. Its status as an active injection well is correct and there is no justification for the change of this status.
 5. The Jackson B #004 is an active part of the Jackson B5 water injection system. This active injection well passed its April 2001 mechanical integrity test. This injection well is part of an active five well program of water injection. All the wells are open to the injection

system but maintain different pressures. The average injection pressure for this well has been 1333 PSI through August 2001. The range of injection pressure over the other wells is 1300 PSI to 1324 PSI. The pressure differentials allow wells with lower pressures to take water before the #4 well. The well is not shut in nor abandoned. No change in the status of this well as an active injector is justified.

WHEREFORE, Burnett Oil Co, Inc. having fully responded to the allegations contained in the Application, and ask that this Application be dismissed and further that Burnett Oil Co., Inc. be provided such further and other relief as deemed just in the premises.

LOSEE, CARSON, HAAS & CARROLL, P. A.

By:


Ernest L. Carroll
P.O. Box 1720
Artesia, NM 88260
(505)746-3505

Attorneys for Burnett Oil Co., Inc.

I hereby certify that I caused a true and correct copy of the foregoing pleading to be mailed to counsel of record this September 24, 2001.


James E. Haas

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION, THROUGH THE SUPERVISOR OF DISTRICT II,
FOR AN ORDER REQUIRING OPERATORS TO BRING NINETY-
SIX (96) WELLS INTO COMPLIANCE WITH RULE 201.B, AND
ASSESSING APPROPRIATE CIVIL PENALTIES;
EDDY AND CHAVES COUNTIES, NEW MEXICO

CASE NO. 12733

MOTION FOR CONTINUANCE

COMES NOW BURNETT OIL CO., INC. ("Burnett"), by its attorneys, Losee, Carson,
Haas & Carroll, P. A. (Ernest L. Carroll), and in support hereof respectfully state:

1. On September 17, 2001, attorneys for Burnett received a letter dated September 12,
2001, written by David K. Brooks, Chief Hearing Officer/Engineer setting the referenced case for
a hearing on Thursday, October 4, 2001, at 8:15 a.m.

2. Ernest L. Carroll, counsel for Burnett, will commence a trial the week of October 1,
2001, which will in all likelihood not be completed by October 4, 2001, thereby denying counsel
the opportunity to appear or adequately prepare for the described hearing.

WHEREFORE, Applicant prays that Case No. 12733 and the hearing scheduled herefore as
to Burnett be continued to such other time as is convenient for both the examiner and opposing
counsel, and for such other and further relief as may be just in the premises.

Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 

Ernest L. Carroll

P.O. Box 1720

Artesia, New Mexico 88211-1720

(505)746-3505

Attorneys for Burnett Oil Co., Inc.

I hereby certify that I caused to be
mailed a true and correct copy of
the foregoing to all counsel of
record this September 24, 2001.


James E. Haas