

12-13-12 DATE IN	HA SUSPENSE	ENGINEER	DB	LOGGED IN 12-17	TYPE NSL	PKB 1235240175 APP NO.
---------------------	---------------------------	----------	----	-----------------	----------	---------------------------

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



Burnett Oil Co., Inc.
 Waler 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

6758

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.

Leslie M. Garvis _____
 Print or Type Name Signature Title Date

 e-mail Address

Brooks, David K., EMNRD

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Thursday, December 13, 2012 4:41 PM
To: Brooks, David K., EMNRD
Subject: NSL Approval Request for Nosler Federal 3
Attachments: 12.12.13NF3_NSL.pdf; NF3 Lease Map.pdf; 12.03.29 NOSLER 3-26479.pdf

David,

Attached is the request letter for the NSL approval and supporting documents.
Please let me know if you have any questions or need any additional information.

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com



BURNETT OIL CO., INC.

13 December 2012

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

Re: Nosler Federal #3 | Federal Lease #NMLC029415(b) | NSL Approval Request
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E – Eddy County, New Mexico
API # 30-015-38636

Mr. Brooks:

Burnett Oil Co., Inc. respectfully requests an exception without notice and hearing to NMOCD Rule 104 for the Nosler Federal #3 (Fren Glorieta Yeso).

This location is 305' feet unorthodox at the surface and only affects Burnett and no other lease holders. The working interests of Unit A, Section 25 is the same as Unit P Section 24. I have attached a map showing the Burnett leases in this area as well as a copy of our C-102.

Please contact me if you have any questions or need any additional information.

Thank you,

Leslie M. Garvis
Regulatory Coordinator

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8181 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-019-38635	Pool Code 26770	Pool Name <i>Fren Howard Jones</i>
Property Code 38562	Property Name NOSLER Fed	Well Number 3
OGRID No.	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3900'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	17 S	31 E		25	SOUTH	380	EAST	EDDY

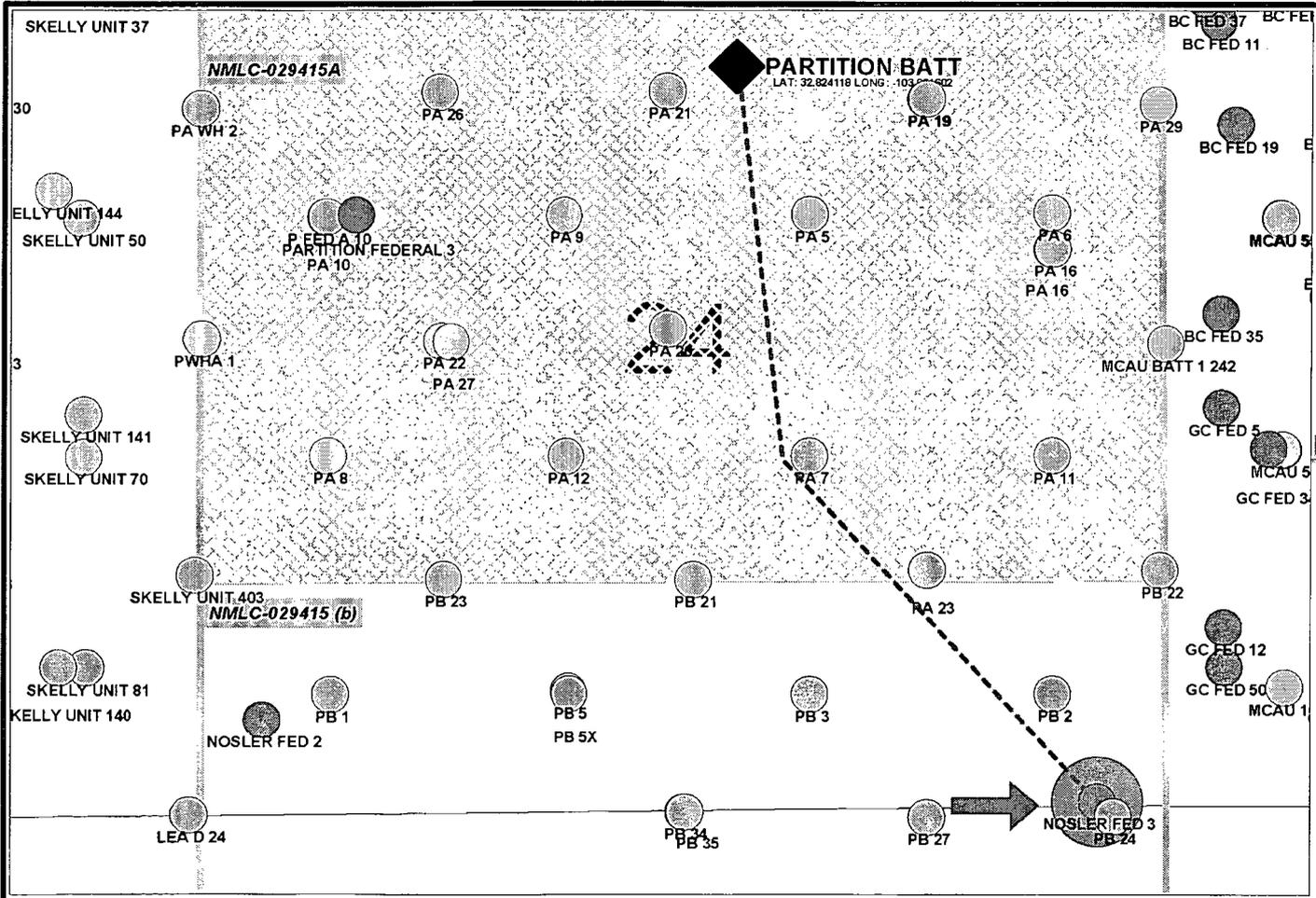
Bottom Hole Location If Different From Surface

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

<p style="text-align: center;">SURFACE LOCATION</p> <p>Lat - N 32.812863408° Long - W 103.815210416° NMSPC - N 659820.800 E 659183.188 (NAD-27)</p> <div style="text-align: right;"> </div>	<p>OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>Email Address _____</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date Surveyed APR 14 2012</p> <p>Signature & Seal of Professional Surveyor 7977</p> <p> License No. 26479</p> <p>Certificate No. Gary L. Jones 7977</p> <p style="text-align: right;">BASIN SURVEYS 26479</p>
--	--



Well Names

PN = Puckett North
 PA = Puckett A
 PB = Puckett B

Puckett Area
 Producing Zone

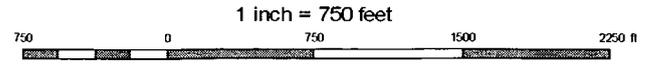
- YESO
- GBSA

— — FLOWLINE

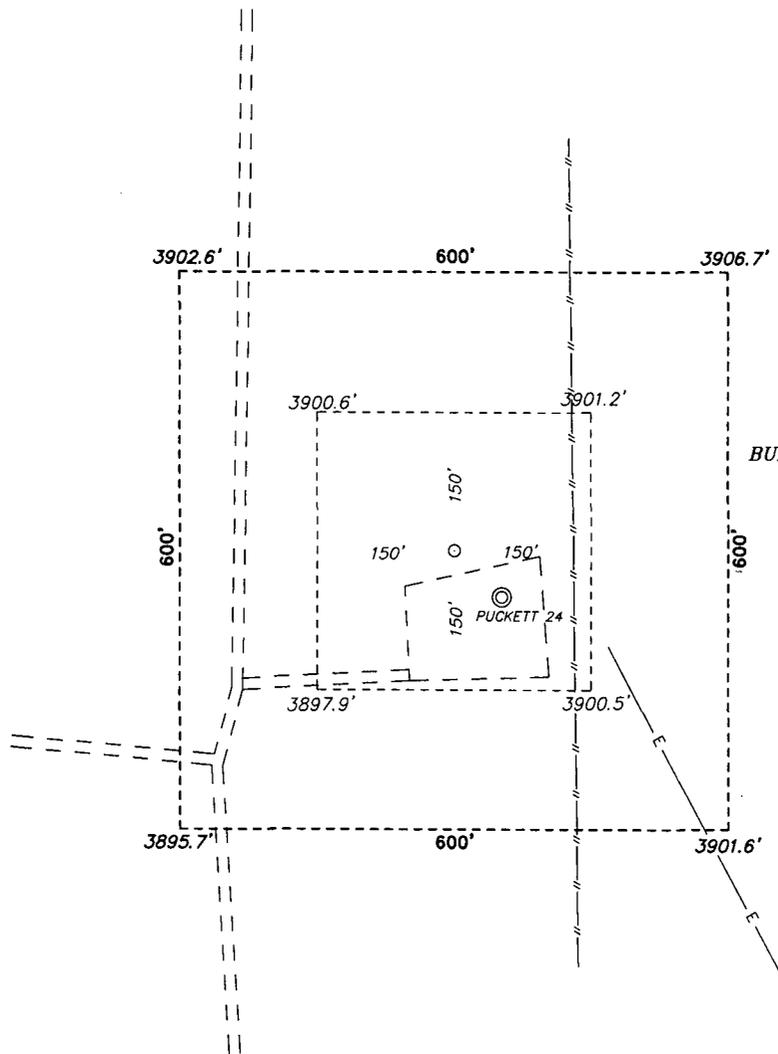
Nosler Fed 3

T17S, R31E, Sect 24, Unit F
 NMLC029415(b)
 25' FSL, 380' FEL
 Lat/Long: 32.812883, -103.815231

Burnett Oil Co., Inc. 6666	
Nosler Federal 3 Proposed NSL Map Eddy County, New Mexico	
Author: CLK, Engineering Technician	Date: June 27, 2012

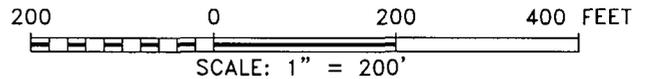


SECTION 24, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



BURNETT OIL COMPANY, INC.
 NOSLER #3
 ELEV. - 3900'

Lat - N 32.812863408°
 Long - W 103.815210416°
 NMSPCE- N 659820.800
 E 659183.188
 (NAD-27)



Directions to Location:

FROM THE JUNCTION OF HWY 82 AND RIPLEY, GO
 SOUTHWEST 0.9 MILES VEERING SOUTH 0.3 MILES TO
 LEASE ROAD, ON LEASE ROAD GO WEST 0.1 MILES
 TURNING SOUTH 0.6 MILES TO PROPOSED LOCATION.

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

W.O. Number: 26479 Drawn By: J. SMALL
 Date: 03-29-2012 Disk: JMS 26479

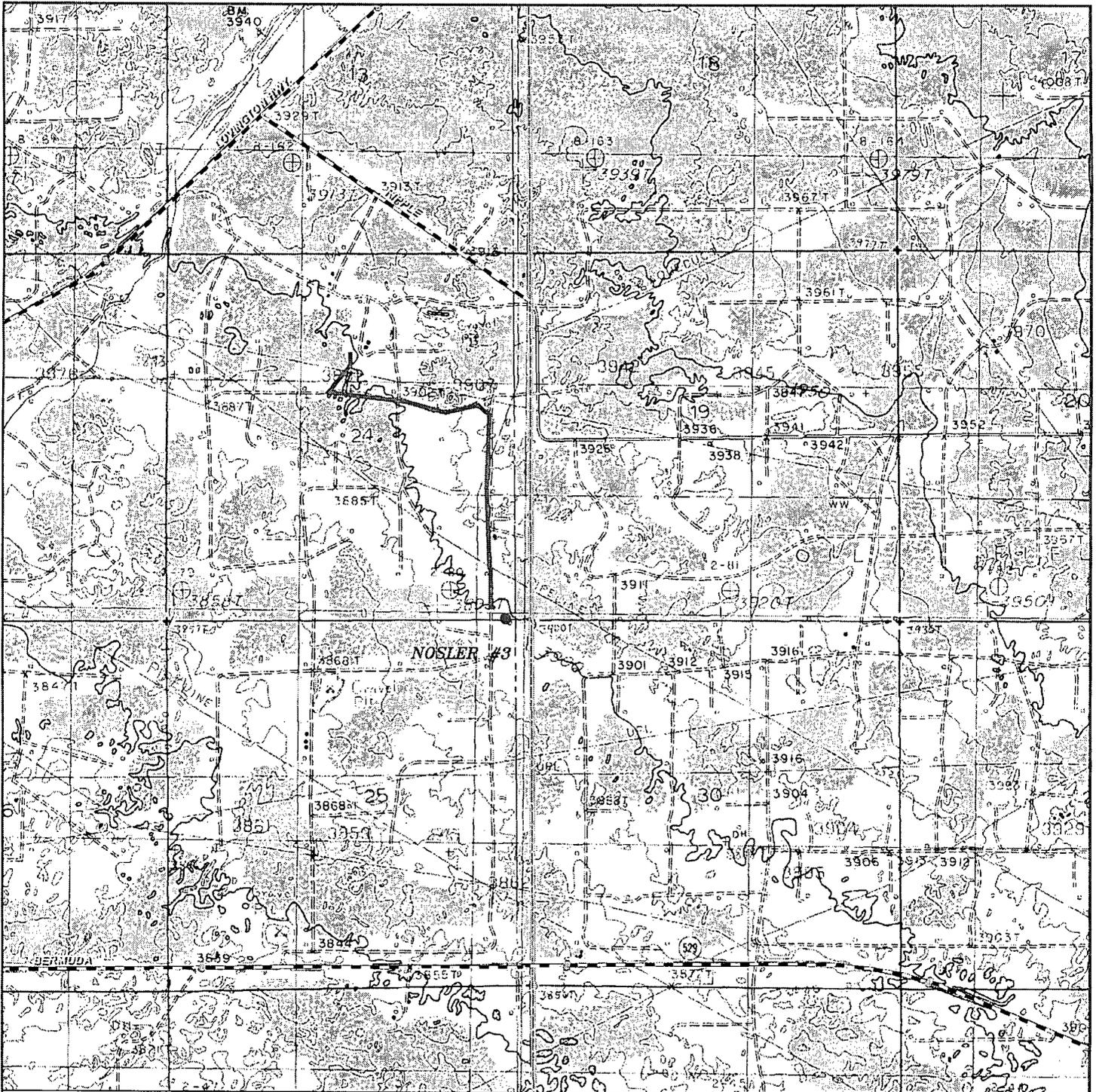
BURNETT OIL COMPANY, INC.

REF: NOSLER #3 / WELL PAD TOPO

THE NOSLER #3 LOCATED 25'

FROM THE SOUTH LINE AND 380' FROM THE EAST LINE OF
 SECTION 24, TOWNSHIP 17 SOUTH, RANGE 31 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 03-28-2012 Sheet 1 of 1 Sheets



NOSLER #3
 Located 25' FSL and 380' FEL
 Section 24, Township 17 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.



focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

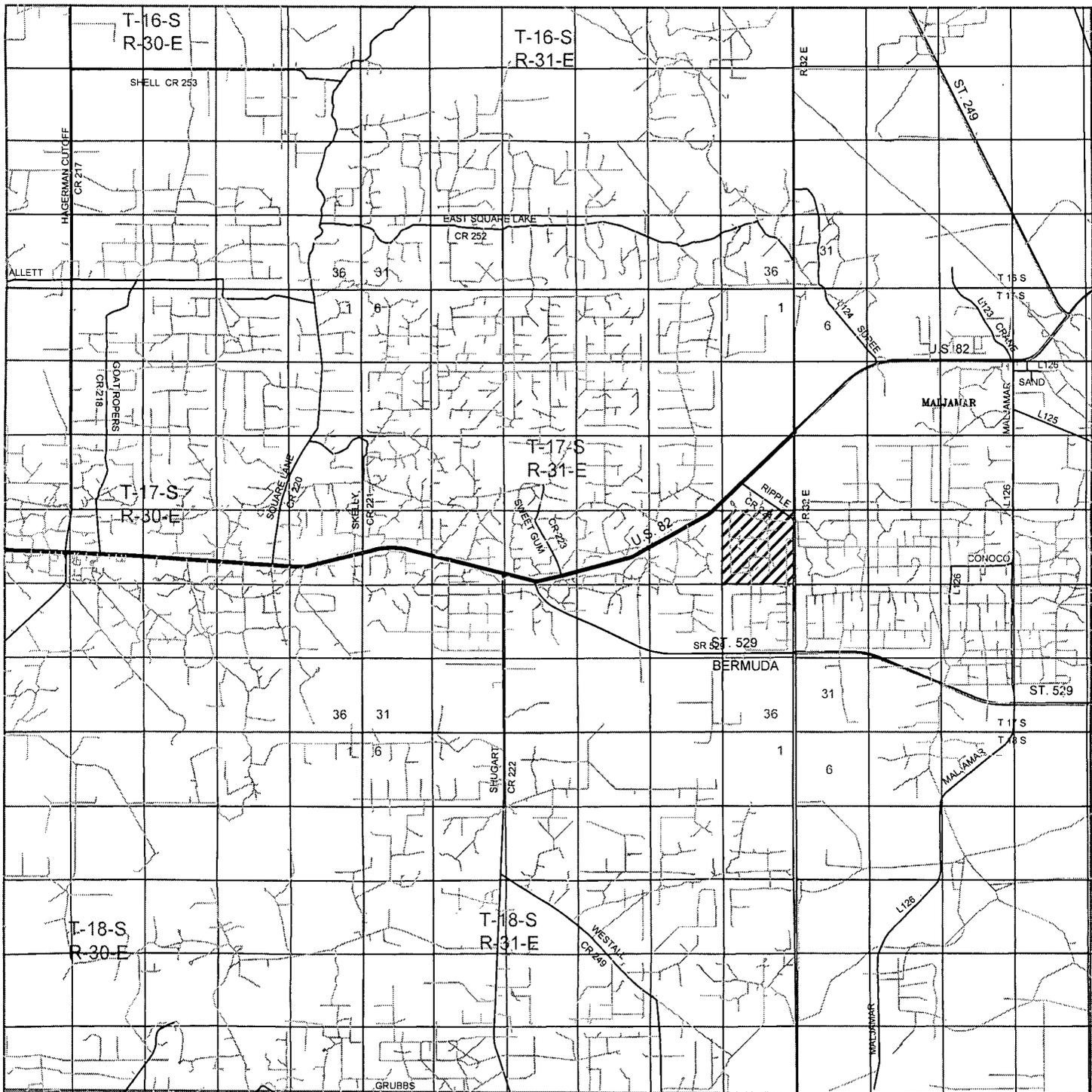
W.O. Number: JMS 26479

Survey Date: 03-28-2012

Scale: 1" = 2000'

Date: 03-29-2012

**BURNETT OIL
 COMPANY, INC.**



NOSLER #3

Located 25' FSL and 380' FEL

Section 24, Township 17 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 26479

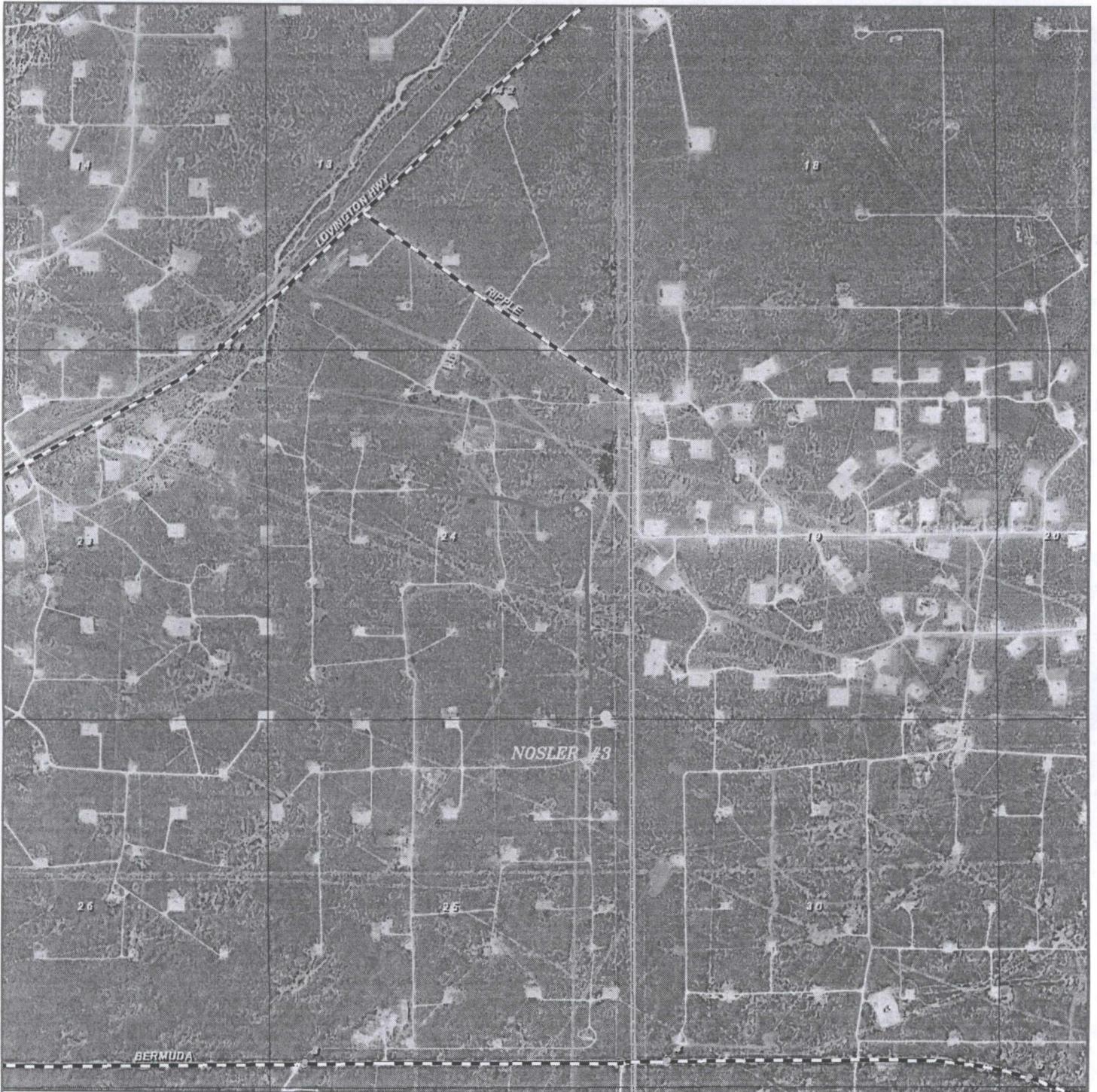
Survey Date: 03-28-2012

Scale: 1" = 2 Miles

Date: 03-29-2012



**BURNETT OIL
COMPANY, INC.**



NOSLER #3
 Located 25' FSL and 380' FEL
 Section 24, Township 17 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basin-surveys.com

W.O. Number: JMS 26479

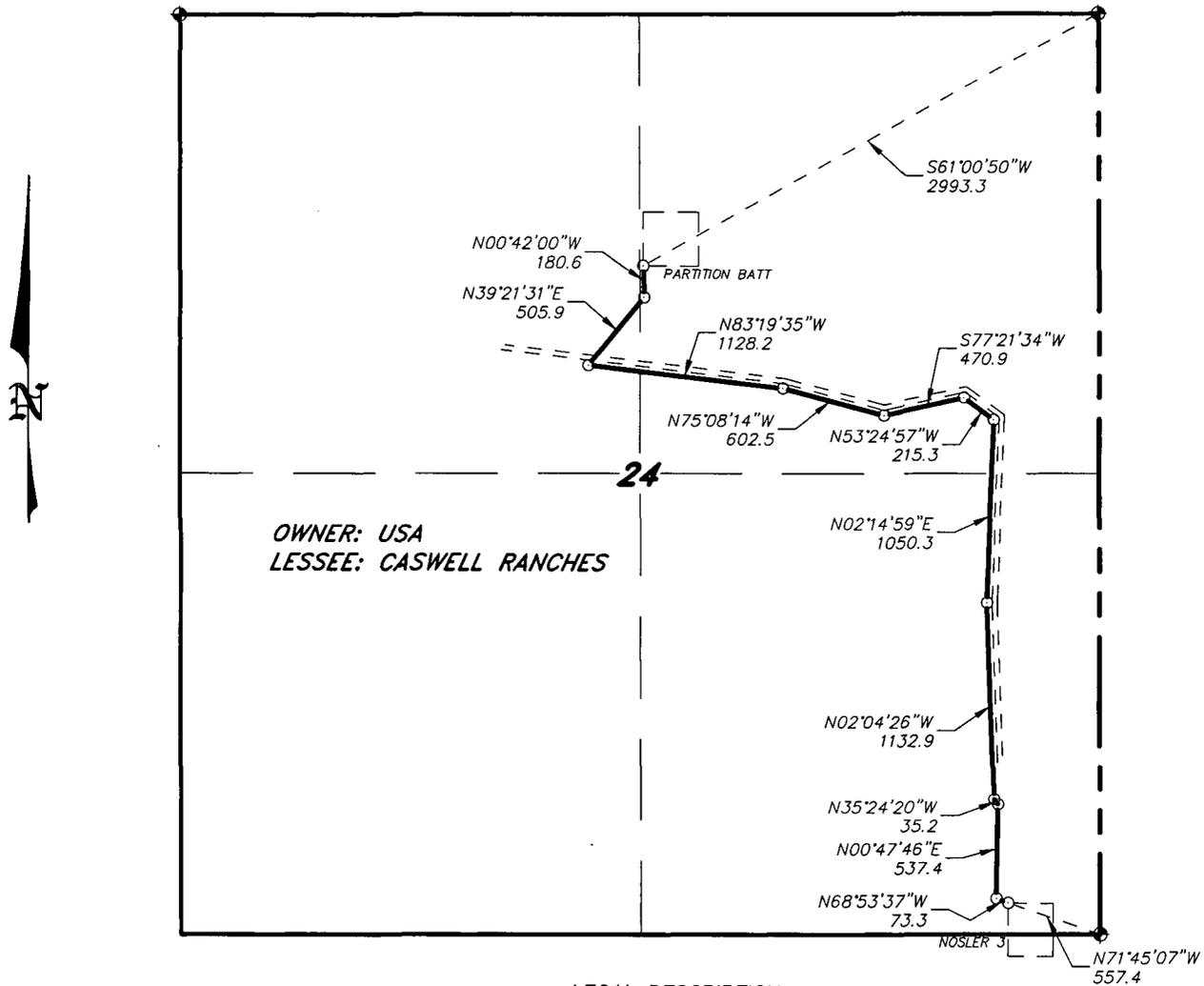
Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



BURNETT OIL
COMPANY, INC.

SECTION 24, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



OWNER: USA
LESSEE: CASWELL RANCHES

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 24, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 24 = 5932.5 FEET = 359.55 RODS = 1.12 MILES = 4.09 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES AND AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 7977
TEXAS P.L.S.

GARY L. JONES No. 7977
No. 5074



BURNETT OIL COMPANY, INC.

REF: PROPOSED FLOWLINE TO THE NOSLER #3

A FLOWLINE CROSSING USA LAND IN
SECTION 24, TOWNSHIP 17 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 26479

Drawn By: J. M. SMALL

Date: 03-29-2012

Disk: JMS 26479

Survey Date: 03-28-2012

Sheet 1 of 1 Sheets

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, December 17, 2012 11:22 AM
To: lgarvis@burnettoil.com
Subject: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

You have advised us in your referenced application that working interest ownership is identical between the well unit (Unit P of Section 24) and the adjoining unit to the south (Unit A of Section 25).

However, due to the proximity of the proposed location to the southeast corner of Section 25, we also need to be concerned about the ownership of the adjoining unit to the southeast (presumably Unit D of Section 30-17S-32E). Is the working interest ownership in that unit also identical with ownership of the well unit? If not notice to affected persons in the unit to the southeast is required.

Please advise.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, December 17, 2012 2:02 PM
To: 'Leslie Garvis'
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

The answer to your question is "yes."

OCD's interpretation of "spacing units towards which the unorthodox location encroaches" in 19.15.4.12.A.(2)(c), in the context of a diagonally adjoining unit, is that a location encroaches toward the diagonally offsetting unit is closer to the common corner than the nearest standard location would be. Where the setback is 330 feet, the nearest standard location would be a distance equal to the square root of twice the square of 330, or approximately 467 feet. The reasoning supporting this interpretation is that if the owner of the diagonally adjoining tract wanted to drill a protective well the same distance from the corner as the unorthodox well, that owner would have to obtain an NSL exception.

Sincerely

David Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 11:35 AM
To: Brooks, David K., EMNRD
Cc: Deb Brown; Mark Jacoby
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

David,

Section 30 that you referenced is not part of Burnett's Lease. We do not know who the owner is. Do we need to notify the operator even though the location is not Non-Standard to the East?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 12:22 PM
To: Leslie Garvis
Subject: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application



Dear Ms. Garvis

You have advised us in your referenced application that working interest ownership is identical between the well unit (Unit P of Section 24) and the adjoining unit to the south (Unit A of Section 25).

However, due to the proximity of the proposed location to the southeast corner of Section 25, we also need to be concerned about the ownership of the adjoining unit to the southeast (presumably Unit D of Section 30-17S-32E). Is the working interest ownership in that unit also identical with ownership of the well unit? If not notice to affected persons in the unit to the southeast is required.

Please advise.

Sincerely

David K. Brooks

 **Brooks, David K., EMNRD**

From: Brooks, David K., EMNRD
Sent: Monday, December 17, 2012 2:13 PM
To: 'Leslie Garvis'
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

Notification should be sent to the affected persons by certified mail. The contents of the notification should conform to Rule 19.15.15.13.D.

Sincerely

David K. Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 2:06 PM
To: Brooks, David K., EMNRD
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Thanks David. I understand. I don't believe we have had this situation since I have been here. Can you please tell me the process for this? Do I need to just notify them by registered mail or is there a form? And do I need to wait for a reply?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 3:02 PM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

The answer to your question is "yes."

OCD's interpretation of "spacing units towards which the unorthodox location encroaches" in 19.15.4.12.A.(2)(c), in the context of a diagonally adjoining unit, is that a location encroaches toward the diagonally offsetting unit is closer to the common corner that the nearest standard location would be. Where the setback is 330 feet, the nearest standard location would be a distance equal to the square root of twice the square of 330, or approximately 467 feet. The

reasoning supporting this interpretation is that if the owner of the diagonally adjoining tract wanted to drill a protective well the same distance from the corner as the unorthodox well, that owner would have to obtain an NSL exception.

Sincerely

David Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 11:35 AM
To: Brooks, David K., EMNRD
Cc: Deb Brown; Mark Jacoby
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

David,

Section 30 that you referenced is not part of Burnett's Lease. We do not know who the owner is. Do we need to notify the operator even though the location is not Non-Standard to the East?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 12:22 PM
To: Leslie Garvis
Subject: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

You have advised us in your referenced application that working interest ownership is identical between the well unit (Unit P of Section 24) and the adjoining unit to the south (Unit A of Section 25).

However, due to the proximity of the proposed location to the southeast corner of Section 25, we also need to be concerned about the ownership of the adjoining unit to the southeast (presumably Unit D of Section 30-17S-32E). Is the working interest ownership in that unit also identical with ownership of the well unit? If not notice to affected persons in the unit to the southeast is required.

Please advise.

Sincerely

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, January 04, 2013 9:51 AM
To: 'Leslie Garvis'
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

We only need a letter to the effect that you have notified everyone, together with a specimen copy of your notice letter to show that the notice conformed to the requirements of the Rule.

Sincerely

David K. Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Friday, January 04, 2013 9:10 AM
To: Brooks, David K., EMNRD
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Hi David,

Hope you had a nice holiday.

I wanted to follow up on this with you and let you know that notification letters were sent to the operators of the surrounding units on 12/20. Do I need to resubmit the request to you or just send a statement that we notified everyone?

Thanks,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 3:13 PM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

Notification should be sent to the affected persons by certified mail. The contents of the notification should conform to Rule 19.15.15.13.D.

Sincerely

David K. Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 2:06 PM
To: Brooks, David K., EMNRD
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Thanks David. I understand. I don't believe we have had this situation since I have been here. Can you please tell me the process for this? Do I need to just notify them by registered mail or is there a form? And do I need to wait for a reply ?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 3:02 PM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

The answer to your question is "yes."

OCD's interpretation of "spacing units towards which the unorthodox location encroaches" in 19.15.4.12.A.(2)(c), in the context of a diagonally adjoining unit, is that a location encroaches toward the diagonally offsetting unit is closer to the common corner than the nearest standard location would be. Where the setback is 330 feet, the nearest standard location would be a distance equal to the square root of twice the square of 330, or approximately 467 feet. The reasoning supporting this interpretation is that if the owner of the diagonally adjoining tract wanted to drill a protective well the same distance from the corner as the unorthodox well, that owner would have to obtain an NSL exception.

Sincerely

David Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 11:35 AM
To: Brooks, David K., EMNRD
Cc: Deb Brown; Mark Jacoby
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

David,

Section 30 that you referenced is not part of Burnett's Lease. We do not know who the owner is. Do we need to notify the operator even though the location is not Non-Standard to the East?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 12:22 PM
To: Leslie Garvis
Subject: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

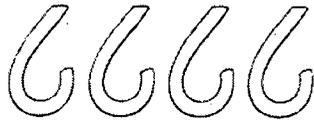
You have advised us in your referenced application that working interest ownership is identical between the well unit (Unit P of Section 24) and the adjoining unit to the south (Unit A of Section 25).

However, due to the proximity of the proposed location to the southeast corner of Section 25, we also need to be concerned about the ownership of the adjoining unit to the southeast (presumably Unit D of Section 30-17S-32E). Is the working interest ownership in that unit also identical with ownership of the well unit? If not notice to affected persons in the unit to the southeast is required.

Please advise.

Sincerely

David K. Brooks



BURNETT OIL CO., INC.

20 December, 2012

Sent via Certified Mail

Mr. Mark Hoskins
Glen Plemons
1301 W. Grand Avenue
Artesia, New Mexico 88210

Re: Non Standard Location Request Notice | Nosler Federal 3, Federal Lease 29415B
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E- Eddy County, New Mexico
API # 30-015-38636

Dear Mark,

Burnett Oil Company has submitted a request approval of a Non-Standard Location on the above referenced well. This letter is to notify you of this request as per OCD Rule 19.15.15.13. According to the OCD rules, you have twenty (20) days to respond to the OCD regarding this request.

Enclosed you will find a copy of our request, a plat showing the spacing unit and proposed location and the adjoining spacing unit. A non-standard location was necessary in order to avoid sand dune lizard habitat in the area.

If you have any questions or need any additional information, please do not hesitate to contact me or Mark Jacoby.

Regards,

Leslie M. Garvis
Regulatory Coordinator

cc: BOCI - Jacoby

enclosures (3)



BURNETT OIL CO., INC.

15 January, 2013

Sent via Certified Mail

Ms. Jalyn Fiske
Regulatory Specialist
Conoco Phillips Company
3300 N."A" Street, Bldg 6
Midland, Texas 79705

Re: Non Standard Location Request Notice
Nosler Federal 3, Federal Lease 29415B
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E- Eddy County, New Mexico
API # 30-015-38636

Dear Jalyn,

Burnett Oil Company has submitted a request approval of a Non-Standard Location on the above referenced well. This letter is to notify you of this request as per OCD Rule 19.15.15.13. According to the OCD rules, you have twenty (20) days to respond to the OCD regarding this request.

Enclosed you will find a copy of our request, a plat showing the spacing unit and proposed location and the adjoining spacing unit. A non-standard location was necessary in order to avoid sand dune lizard habitat in the area.

If you have any questions or need any additional information, please do not hesitate to contact me or Mark Jacoby.

Yours truly,

Leslie M. Garvis
Regulatory Coordinator

cc: BOCI -

enclosures (3)



BURNETT OIL Co., INC.

16 January 2013

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

Re: Nosler Federal #3 | Federal Lease #NMLC029415(b) |NSL Approval Request
Unit P, 25' FSL, 380' FEL
Sec 24, T17S, R31E – Eddy County, New Mexico
API # 30-015-38636

Dear David:

As required, Burnett Oil has notified the operators of Unit D of Section 30-17S-32E via certified mail on 20 December 2013. We did however discover that we had missed four (4) operators of this section and they were notified via certified mail on 15 January 2013. Attached you will find a copies of the letter and documents that were sent on both occasions.

Please contact me if you have any questions or need any additional information.

Thank you,

Leslie M. Garvis
Regulatory Coordinator

cc: BOCI – Jacoby

Enclosures (2)



BURNETT OIL Co., INC.

13 December 2012

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

Re: Nosler Federal #3 | Federal Lease #NMLC029415(b) | NSL Approval Request
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E – Eddy County, New Mexico
API # 30-015-38636

Mr. Brooks:

Burnett Oil Co., Inc. respectfully requests an exception without notice and hearing to NMOCD Rule 104 for the Nosler Federal #3 (Fren Glorieta Yeso).

This location is 305' feet unorthodox at the surface and only affects Burnett and no other lease holders. The working interests of Unit A, Section 25 is the same as Unit P Section 24. I have attached a map showing the Burnett leases in this area as well as a copy of our C-102.

Please contact me if you have any questions or need any additional information.

Thank you,

Leslie M. Garvis
Regulatory Coordinator

DISTRICT I
1805 N. French Dr., Hobbs, NM 88240
Phone (505) 283-0141 Fax (505) 283-0280

DISTRICT II
511 S. First St., Artesia, NM 88210
Phone (505) 746-1863 Fax (505) 746-0780

DISTRICT III
1000 Edo Eranson Ed., Anton, NM 87410
Phone (505) 536-4179 Fax (505) 536-4176

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-5680 Fax (505) 476-5688

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-38636	Pool Code 26770	Pool Name FREN GLORIETA YESO
Property Code 38634	Property Name NOSLER	Well Number 3
OGED No. 03080	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3900'

Surface Location

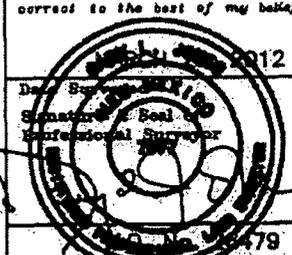
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	17 S	31 E		25	SOUTH	380	EAST	EDDY

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

<p style="text-align: center;">SURFACE LOCATION</p> <p>Lat - N 32.812863408 Long - W 103.815210418 NMSPC - N 859820.800 E 859183.188 (NAD-27)</p> <p style="text-align: right;">3902.6' 3906.7' 3901' 3895.7' 3891.6'</p>	<p>OPERATOR CERTIFICATION</p> <p>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 retained 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.</p> <p style="text-align: right;"><i>Leslie M. Jones</i> 3/26/12 Signature Date</p> <p style="text-align: right;">Leslie Jones Printed Name ljones@burnettol.com Email Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p>
	<p style="text-align: right;">2012</p> <p style="text-align: center;"></p> <p style="text-align: right;">2012</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p style="text-align: right;">EAST SURVEYS 26479</p>

Brooks, David K., EMNRD

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Wednesday, January 16, 2013 10:50 AM
To: Brooks, David K., EMNRD
Cc: Mark Jacoby
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application | Compliance Letter
Attachments: 13.01.16NF3Compliance Letter.pdf; 12.12.20NF#NSL Letter.pdf; 13.01.15NF3NSL Letter.pdf

Good Morning David,

Attached you will find our letter of compliance with the notification process as well as samples of the documents that we sent out on 20 December 2012 and 15 January 2013.

Please let me know if you have any questions or need any additional information.

Thank you

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Friday, January 04, 2013 10:51 AM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

We only need a letter to the effect that you have notified everyone, together with a specimen copy of your notice letter to show that the notice conformed to the requirements of the Rule.

Sincerely

David K. Brooks

From: Leslie Garvis [mailto:lgarvis@burnettoil.com]
Sent: Friday, January 04, 2013 9:10 AM
To: Brooks, David K., EMNRD
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Hi David,

Hope you had a nice holiday.

I wanted to follow up on this with you and let you know that notification letters were sent to the operators of the surrounding units on 12/20. Do I need to resubmit the request to you or just send a statement that we notified everyone?

Thanks,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 3:13 PM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

Notification should be sent to the affected persons by certified mail. The contents of the notification should conform to Rule 19.15.15.13.D.

Sincerely

David K. Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 2:06 PM
To: Brooks, David K., EMNRD
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Thanks David. I understand. I don't believe we have had this situation since I have been here. Can you please tell me the process for this? Do I need to just notify them by registered mail or is there a form? And do I need to wait for a reply ?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 3:02 PM
To: Leslie Garvis
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

The answer to your question is "yes."

OCD's interpretation of "spacing units towards which the unorthodox location encroaches" in 19.15.4.12.A.(2)(c), in the context of a diagonally adjoining unit, is that a location encroaches toward the diagonally offsetting unit is closer to the common corner that the nearest standard location would be. Where the setback is 330 feet, the nearest standard location would be a distance equal to the square root of twice the square of 330, or approximately 467 feet. The reasoning supporting this interpretation is that if the owner of the diagonally adjoining tract wanted to drill a protective well the same distance from the corner as the unorthodox well, that owner would have to obtain an NSL exception.

Sincerely

David Brooks

From: Leslie Garvis [<mailto:lgarvis@burnettoil.com>]
Sent: Monday, December 17, 2012 11:35 AM
To: Brooks, David K., EMNRD
Cc: Deb Brown; Mark Jacoby
Subject: RE: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

David,

Section 30 that you referenced is not part of Burnett's Lease. We do not know who the owner is. Do we need to notify the operator even though the location is not Non-Standard to the East?

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, December 17, 2012 12:22 PM
To: Leslie Garvis
Subject: Burnett Oil Co., Inc. - Nosler Federal #3; NSL Application

Dear Ms. Garvis

You have advised us in your referenced application that working interest ownership is identical between the well unit (Unit P of Section 24) and the adjoining unit to the south (Unit A of Section 25).

However, due to the proximity of the proposed location to the southeast corner of Section 25, we also need to be concerned about the ownership of the adjoining unit to the southeast (presumably Unit D of Section 30-17S-32E). Is the working interest ownership in that unit also identical with ownership of the well unit? If not notice to affected persons in the unit to the southeast is required.

Please advise.

Sincerely

David K. Brooks

Davidson, Florene, EMNRD

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Wednesday, February 06, 2013 1:47 PM
To: Davidson, Florene, EMNRD
Cc: Mark Jacoby; David Rhodes
Subject: RE: NSL Application

Florene,

I have forwarded your email to Mark Jacoby (copied on this email). He is handling this and will be in contact with you soon regarding scheduling this.

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com

From: Davidson, Florene, EMNRD [<mailto:florene.davidson@state.nm.us>]
Sent: Thursday, January 31, 2013 3:48 PM
To: Leslie Garvis
Subject: NSL Application

Ms. Garvis, David Brooks has advised me that an objection has been received from COG Operating LLC to your administrative application for an unorthodox location for the Nosler Federal Well No. 3-P in Section 24, Township 17 South, Range 31 East in Eddy County, New Mexico. He has asked me to set it for hearing. The next available examiner hearing date is March 7, 2013. Would that date be acceptable to you or would you prefer a later date?

Thank you.

Florene Davidson
Staff Specialist



RECEIVED OOD

2013 JAN 30 P 1:49

January 30, 2013

HAND-DELIVERY

Ms. Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: *Florino* osler

In a l
Oil Co., Inc.
standard loca
Range 31 Ea
December 13
feet from the

*This NSL should be set
for hearing. Ocean can
prepare the notice.*

), Burnett
or a non-
17 South,
ivision on
ie and 380

As a
which the w
belief, Concl
Concho ther
Concho's objection is reserved and of a hearing

[Signature]

1-31

st towards
nation and
evaluation.
ut-in until

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry
Senior Attorney

OCD: mho
Enclosures
cc: David Rhodes, Burnett Oil Co., Inc.



BURNETT OIL CO., INC.

15 January, 2013

Sent via Certified Mail

Robyn Odom
COG Operating LLC
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Re: Non Standard Location Request Notice
Nosler Federal 3, Federal Lease 29415B
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E- Eddy County, New Mexico
API # 30-015-38636

Dear Robyn,

Burnett Oil Company has submitted a request approval of a Non-Standard Location on the above referenced well. This letter is to notify you of this request as per OCD Rule 19.15.15.13. According to the OCD rules, you have twenty (20) days to respond to the OCD regarding this request.

Enclosed you will find a copy of our request, a plat showing the spacing unit and proposed location and the adjoining spacing unit. A non-standard location was necessary in order to avoid sand dune lizard habitat in the area.

If you have any questions or need any additional information, please do not hesitate to contact me or Mark Jacoby.

Yours truly,

Leslie M. Garvis
Regulatory Coordinator

cc: BOCI -

enclosures (3)

DISTRICT I
 1820 N. French Dr., Hobbs, NM 88240
 Phone (505) 522-0141 Fax (505) 522-0140

DISTRICT II
 811 E. First St., Artesia, NM 86210
 Phone (505) 472-1222 Fax (505) 472-0222

DISTRICT III
 1000 E. Brasco Rd., Aztec, NM 87410
 Phone (505) 836-4770 Fax (505) 836-4770

DISTRICT IV
 1820 N. French Dr., Hobbs, NM 88240
 Phone (505) 472-0141 Fax (505) 472-0140

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-38636	Pool Code 26770	Pool Name FREN GLORIETA MESO
Property Code 38634	Property Name NOSLER	Well Number 3
OGUID No. 03080	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3900'

Surface Location

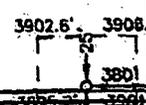
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	17 S	31 E		25	SOUTH	380	EAST	EDDY

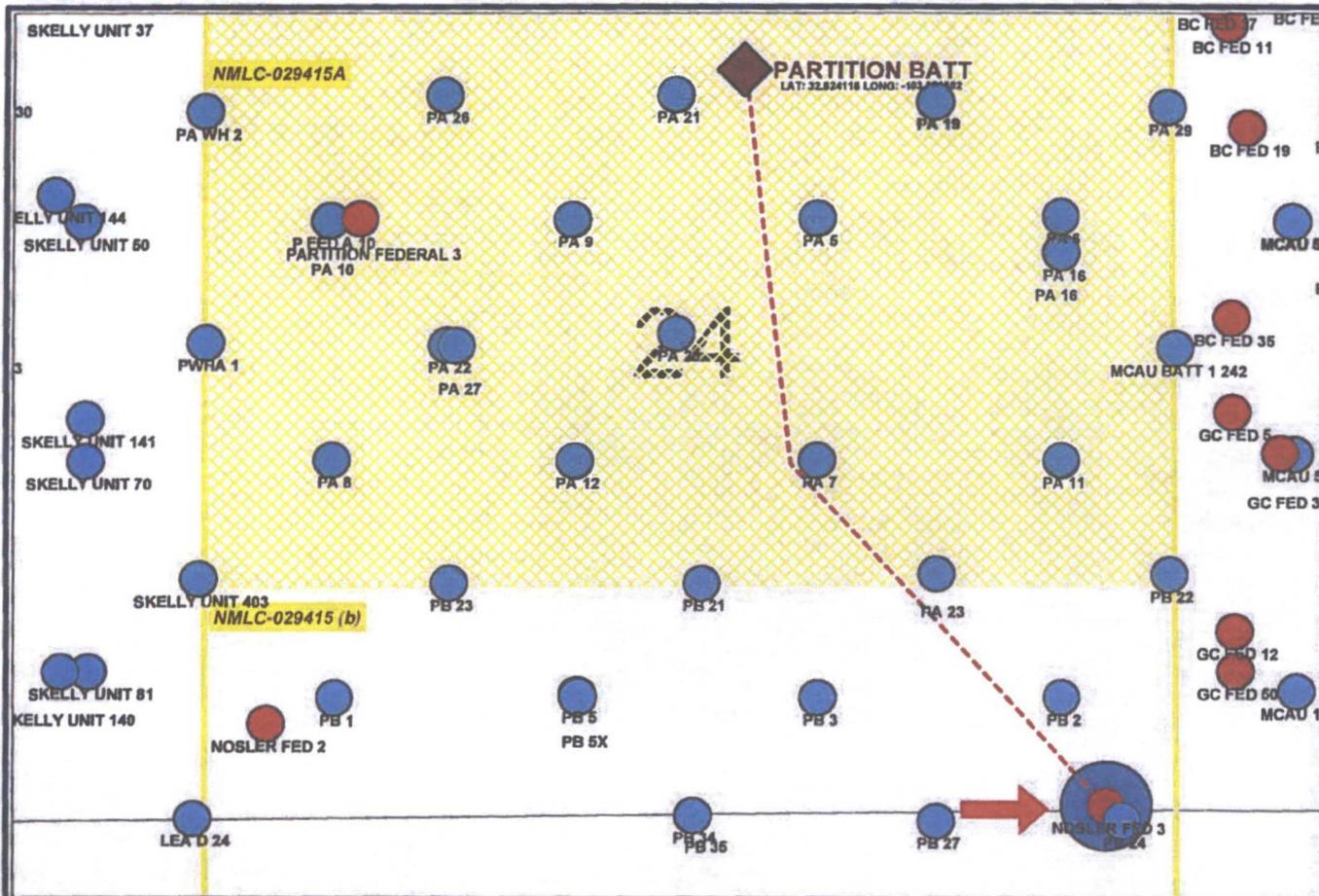
Bottom Hole Location If Different From Surface

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

<p>SURFACE LOCATION Lat - N 32.812863408° Long - W 103.815210415° NADSPCE - N 859820.800 E 859183.188 (NAD-27)</p>		<p>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 information either came 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.</p> <p><i>Leslie E. Jones</i> Signature Date</p> <p>LESIE E. JONES Printed Name</p> <p><i>ljones@burnett1.com</i> Email Address</p>
		<p>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.</p> <p><i>Gary L. Jones</i> Signature Date</p> <p>GARY L. JONES Printed Name</p> <p>Professional Surveyor No. 7979</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26479</p>



Well Names

- PN = Puckett North
- PA = Puckett A
- PB = Puckett B

Puckett Area Producing Zone

- YESO
- GBSA

--- FLOWLINE

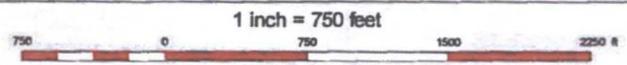
Nosler Fed 3

T17S, R31E, Sect 24, Unit P
 NMLC029415(b)
 830' FSL, 990' FEL
 Lat/Long: 32.815252, -103.817888

Burnett Oil Co., Inc.
 6666

Nosler Federal 3 Proposed NSL Map
 Eddy County, New Mexico

Author: CLK, Engineering Technician	Date: June 27, 2012
--	------------------------





BURNETT OIL CO., INC.

13 December 2012

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

Re: Nosler Federal #3 | Federal Lease #NMLC029415(b) | NSL Approval Request
Unit P, 25' FSL, 380' FEL
SEC. 24, T17S, R31E -- Eddy County, New Mexico
API # 30-015-38636

Mr. Brooks:

Burnett Oil Co., Inc. respectfully requests an exception without notice and hearing to NMOCD Rule 104 for the Nosler Federal #3 (Fren Glorieta Yeso).

This location is 305' feet unorthodox at the surface and only affects Burnett and no other lease holders. The working interests of Unit A, Section 25 is the same as Unit P Section 24. I have attached a map showing the Burnett leases in this area as well as a copy of our C-102.

Please contact me if you have any questions or need any additional information.

Thank you

Leslie M. Garvis
Regulatory Coordinator

Ms. Gayle Burleson

VP – New Mexico

COG Operating LLC

Artesia, NM

RE: Nosler Federal No. 3 NSL

February 15, 2013

Gayle,

This is to summarize our conversation yesterday outlining the issues and details of the drilling of Nosler 3 as a non-standard location. The well has produced 2805 BO since completion and is currently shut-in pending approval by OCD of the non-standard location (NSL). Burnett will not produce any more oil and/or gas from the vertical portion of this well bore even if the NSL is approved.

COG agrees to withdraw protest of this non-standard location (NSL). Burnett and COG will work together on a development plan for Section 25 pending additional evaluation of these Nosler completions. You were informed of our plan to cut windows and drill laterals out of Nosler Federal 5, Nosler Federal 2 and Nosler Federal 3, in this order, doing one per quarter.

Sincerely,



Mark A. Jacoby

VP Production Permian Basin

Gayle Burleson

Gayle Burleson 3/4/13
VP of New Mexico
Concho Resources - COG Operating LLC

Brooks, David K., EMNRD

From: Leslie Garvis <lgarvis@burnettoil.com>
Sent: Tuesday, March 05, 2013 1:51 PM
To: Brooks, David K., EMNRD
Cc: Davidson, Florene, EMNRD; Mark Jacoby; David Rhodes
Subject: Nosler Federal 3 NSL Request
Attachments: 2013.03.05 Nosler Federal 3 Signed.pdf

David,

As per recent discussions between COG and BOCI, COG has agreed to withdraw their objection to our NSL request on Nosler Federal 3.

Attached is the signed letter from COG outlining our discussion and the agreement that was reached.

Please let me know if you have any questions or need any additional information.

Thank you,

Leslie M. Garvis
Regulatory Coordinator
Burnett Oil Co., Inc.
Burnett Plaza-Suite 1500
801 Cherry Street - Unit #9
Fort Worth, TX 76102
Office: 817.332.5108 ext 6326
Fax: 817.332.2438
Email: lgarvis@burnettoil.com