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December 19, 2002

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

Re: Stevens A #9 API #30-015-32441 Federal lease #NMLC030570A
Unit K, 1650' FSL, 2310' FWL SEC 13, T17S, R30E Eddy County, N.M.

Gentlemen:

We request administrative approval to "On Lease Surface Commingle" the Cedar Lake Yeso zone (96831) production from the referenced well with the present NMLC 030570A Lease Grayburg production from the Stevens A #3,6,7 & 8 wells in the Stevens A Tank Battery in Unit M Sec. 13-17S-R30E (State POD #2818516, 2818862 & 2818866.) All production in this battery is presently being allocated based on periodic individual well test. The test method is a 1996 Natco built trailer mounted Huskie Jr. Port-A-Chek well tester. We have also installed a separate flow line from this well to the battery site with a metering separator before it enters the battery heater treater. This commingle allows us to test this zone using an existing storage facility instead of disturbing new acreage for a new battery site at this time.

This Federal lease does not qualify for reduced royalty. All Working, Royalty and Overriding interest owners are the same in the Grayburg, and Yeso producing intervals. As a matter of routine, a copy of this filing with the attachments is being sent to all interest owners.

A copy of this original filing is being sent to BLM- Roswell and NMOCD- Artesia. The BLM 3160-5 is also attached for your reference. The original C104 was sent to NMOCD in Artesia.

Yours truly,

James H. Arline
James H. Arline
Materials Coordinator

Xc: New Mexico Oil Conservation Division
811 South First
Artesia, New Mexico 88210

Called 1/7/03

*Talked to Leslie, She will have
Jim Arline FAX the Lease outline to
active on*

THURSDAY 1/9/03

(read Lease outline) Will Jones

*Called again
1/21/03 and asked
for Fax of Lease
outline. Talked to Leslie*

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RENVR. Other _____

2. NAME OF OPERATOR
BURNETT OIL CO., INC. 817/332-5108

3. ADDRESS OF OPERATOR BURNETT PLAZA- SUITE 1500
801 CHERRY STREET- UNIT #9 FORT WORTH, TEXAS 76102-6881

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface UNIT K, 1650' FSL, 2310' FWL
 At top prod. interval reported below SAME AS SURFACE
 At total depth SAME AS SURFACE

14. PERMIT NO. 3160-3 DATE ISSUED 9/10/02

5. LEASE DESIGNATION AND SERIAL NO.
NMLC030570A
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
STEVENS A
 9. WELL NO.
9 (API 30-015-32441) SI
 10. FIELD AND POOL, OR WILDCAT
CEDAR LAKE, YESO
 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC 13, T17S, R30E

12. COUNTY OR PARISH EDDY 13. STATE N. M.

15. DATE SPUDDED 9/23/02 16. DATE T.D. REACHED 10/05/02 17. DATE COMPL. (Ready to prod.) 11/01/02 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 3722' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5200' 21. PLUG BACK T.D., MD & TVD 5191' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY → ROTARY TOOLS X CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 4622'-4907' CEDAR LAKE YESO 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN THERMAL MULTIGATE DECAY LITHOLOGY 27. WAS WELL CORED NO

28. CASING RECORD (Report all strings set in well)

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	496'	12-1/4"	325 SKS. Class "C" + 3 Yrd Rat Hole	Cement.
5-1/2"	15.50#	5200'	7-7/8"	2000 sks. Cl "C" & 50-50 POZ	In 2 stages

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	4957'	

31. PERFORATION RECORD (Interval, size and number) 4622'-4907' Total 22 holes @ 2SPF. 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4622'-4907'	1,937 Gals 15% HCL
4622'-4907'	35,943 Gals 20% HCL w/62,057 Gals
WaterFrac 140 Ge	w/60,000# 100 mesh sand
4622'-4907'	5,000 Gals 15% HCL

33.* PRODUCTION

DATE FIRST PRODUCTION 11/01/02 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 25 x 20 x 20 RWTC WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11/04/02	24		→	27	49	540	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		→				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD TO CONOCO, INC. THROUGH STEVENS A BATTERY. TEST WITNESSED BY BOBBY CLABORN

35. LIST OF ATTACHMENTS THERMAL MULTIGATE DECAY LOG

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *Stevens A Battery* TITLE PETROLEUM ENGINEER DATE 12/19/2002

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				ALLUVIUM	SURFACE	
				ANHYDRITE	290'	
				SALT	460'	
				BASE SALT	1214'	
				SEVEN RIVERS	1682'	
				QUEEN	2290'	
				GRAYBURG	2682'	
				SAN ANDRES	2994'	
				YESO	4596'	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC030570A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
STEVENS A #9

9. API Well No.
30-015-32441 *SI*

10. Field and Pool, or Exploratory Area
CEDAR LAKE YESO

11. County or Parish, State
Eddy County, N.M.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
BURNETT OIL CO., INC.

3a. Address 801 CHERRY STREET, SUITE 1500
UNIT #9 FORT WORTH, TEXAS 76102

3b. Phone No. (include area code)
817/332-5108

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UNIT K, 1650' FSL, 2310' FWL, SEC 13,T17S,R30E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	_____	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

10/16-24/02 MI completion unit, Halliburton ran cased hole Thermal Multigate Decay Lithology log from 5144' to 2900' since we were unable to get open hole logs. Perforate from 4622' to 4903' total of 22 hole @ 2 SPF w/4 1/2" gun. Schlumberger acidized these perforation w/total 1937 gals 15% HCL acid. Schlumberger fractured same perforations w/ total of 62,057 gals WF140 gel w/60,000# 100 mesh sand & 35,943 gals headted 20% HCL. Finished w/5,000 gals cool 15% HCL acid. Ran 2. 875" tubing string and 7/8" & 3/4" sucker rods w/down hole pump. Laid 3 1/2" flowline along existing road way to existing Stevens A Battery to above ground storage commingling in tanks w/Grayburg production from existing Stevens A wells. Installed metering separator @ battery for accurate measurement before entering the battery heater treater. All existing production is allocated based on periodical well individual well test. CVEC installed electricity. We installed surface pumping unit and put well to pumping. Pumped all load and water until November.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) STERLING RANDOLPH	Title PETROLEUM ENGINEER
Signature <i>Sterling Randolph</i>	Date 12/19/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.		Office

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

District I
 PO Box 1968, Hobbs, NM 88241-1968
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Burnett Oil Co., Inc. Burnett Plaza-Suite 1500 801 Cherry Street- Unit #9 Fort Worth Tx 76102-6881		OGRID Number 003080
		Reason for Filing Code NW
API Number 30 30-015-32441	Pool Name Cedar Lake; Yeso	Pool Code 96831
Property Code 020145	Property Name Stevens A	Well Number 9

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
K	13	17S	30E		1650'	South	2310'	West	Eddy

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
SAME AS SURFACE									
Lea Code	Producing Method Code	Gas Connection Date			C-129 Permit Number	C-129 Effective Date		C-129 Expiration Date	
F	P	11/01/02							

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
'015694	Navajo Refining Co. P. O. Box 159 Artesia, NM 88211-0159	2818516	O	UNIT M SEC 13, T17S, R30E STEVENS A TANK BATTERY
'005097	Conoco, Inc P. O. Box 1267 Ponca City, OK 74602-1267	2818862	G	UNIT M SEC 13, T17S, R30E STEVENS A TANK BATTERY

IV. Produced Water

POD	POD ULSTR Location and Description
2818866	UNIT M SEC 13, T17S, R30E STEVENS A LEASE WATER

V. Well Completion Data

Spud Date	Ready Date	TD	FBTD	Perforations
09/23/02	11/01/02	5200'	5191'	4622' - 4907'
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
12 1/4"	8 5/8"	496'	325 SKS & 3 Yds Redi-Mix	
7 7/8"	5 1/2"	5200'	2000 SKS	
	2 7/8"	4957'		

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
11/01/02	11/01/02	11/04/02	24 hours		
Choke Size	Oil	Water	Gas	AOF	Test Method
	27	540	49		Pumping

* I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *STERLING RANDOLPH*
 Printed name: STERLING RANDOLPH
 Title: PETROLEUM ENGINEER
 Date: 12/19/2002 Phone: (817) 332-5108

OIL CONSERVATION DIVISION
 Approved by:
 Title:
 Approval Date:

* If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

New Mexico Oil Conservation Division
C-104 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT

Report all gas volumes at 15.025 PSIA at 60°.
Report all oil volumes to the nearest whole barrel.

A request for allowable for a newly drilled or deepened well must be accompanied by a tabulation of the deviation tests conducted in accordance with Rule 111.

All sections of this form must be filled out for allowable requests on new and recompleted wells.

Fill out only sections I, II, III, IV, and the operator certifications for changes of operator, property name, well number, transporter, or other such changes.

A separate C-104 must be filed for each pool in a multiple completion.

Improperly filled out or incomplete forms may be returned to operators unapproved.

1. Operator's name and address
2. Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
3. Reason for filing code from the following table:

NW	New Well
RC	Recompletion
CH	Change of Operator
AO	Add oil/condensate transporter
CO	Change oil/condensate transporter
AG	Add gas transporter
CG	Change gas transporter
RT	Request for test allowable (include volume requested)

If for any other reason write that reason in this box.
4. The API number of this well
5. The name of the pool for this completion
6. The pool code for this pool
7. The property code for this completion
8. The property name (well name) for this completion
9. The well number for this completion
10. The surface location of this completion **NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.**
11. The bottom hole location of this completion
12. Lease code from the following table:

F	Federal
S	State
P	Fee
J	Jicarilla
N	Navajo
U	Ute Mountain Ute
I	Other Indian Tribe
13. The producing method code from the following table:

F	Flowing
P	Pumping or other artificial lift
14. MO/DA/YR that this completion was first connected to a gas transporter
15. The permit number from the District approved C-129 for this completion
16. MO/DA/YR of the C-129 approval for this completion
17. MO/DA/YR of the expiration of C-129 approval for this completion
18. The gas or oil transporter's OGRID number
19. Name and address of the transporter of the product
20. The number assigned to the POD from which this product will be transported by this transporter. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
21. Product code from the following table:

O	Oil
G	Gas

22. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A", "Jones CPD", etc.)
 23. The POD number of the storage from which water is moved from this property. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
 24. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A Water Tank", "Jones CPD Water Tank", etc.)
 25. MO/DA/YR drilling commenced
 26. MO/DA/YR this completion was ready to produce
 27. Total vertical depth of the well
 28. Plugback vertical depth
 29. Top and bottom perforation in this completion or casing shoe and TD if openhole
 30. Inside diameter of the well bore
 31. Outside diameter of the casing and tubing
 32. Depth of casing and tubing. If a casing liner show top and bottom.
 33. Number of sacks of cement used per casing string
- The following test data is for an oil well it must be from a test conducted only after the total volume of load oil is recovered.
34. MO/DA/YR that new oil was first produced
 35. MO/DA/YR that gas was first produced into a pipeline
 36. MO/DA/YR that the following test was completed
 37. Length in hours of the test
 38. Flowing tubing pressure - oil wells
Shut-in tubing pressure - gas wells
 39. Flowing casing pressure - oil wells
Shut-in casing pressure - gas wells
 40. Diameter of the choke used in the test
 41. Barrels of oil produced during the test
 42. Barrels of water produced during the test
 43. MCF of gas produced during the test
 44. Gas well calculated absolute open flow in MCF/D
 45. The method used to test the well:

F	Flowing
P	Pumping
S	Swabbing

If other method please write it in.
 46. The signature, printed name, and title of the person authorized to make this report, the date this report was signed, and the telephone number to call for questions about this report
 47. The previous operator's name, the signature, printed name, and title of the previous operator's representative authorized to verify that the previous operator no longer operates this completion, and the date this report was signed by that person

BURNETT OIL CO., INC

6666

FACSIMILE TRANSMITTAL SHEET

TO: WILL JONES	FROM: JIM ARLOWE
FAX NUMBER:	DATE:
COMPANY:	TOTAL NO. OF PAGES INCL. COVER:
PHONE NUMBER:	SENDER'S PHONE NUMBER: (817) 332-5108
RE:	SENDER'S FAX NUMBER: (817) 332-2438

THANKS FOR THE PATIENCE WITH
ME ON THIS.

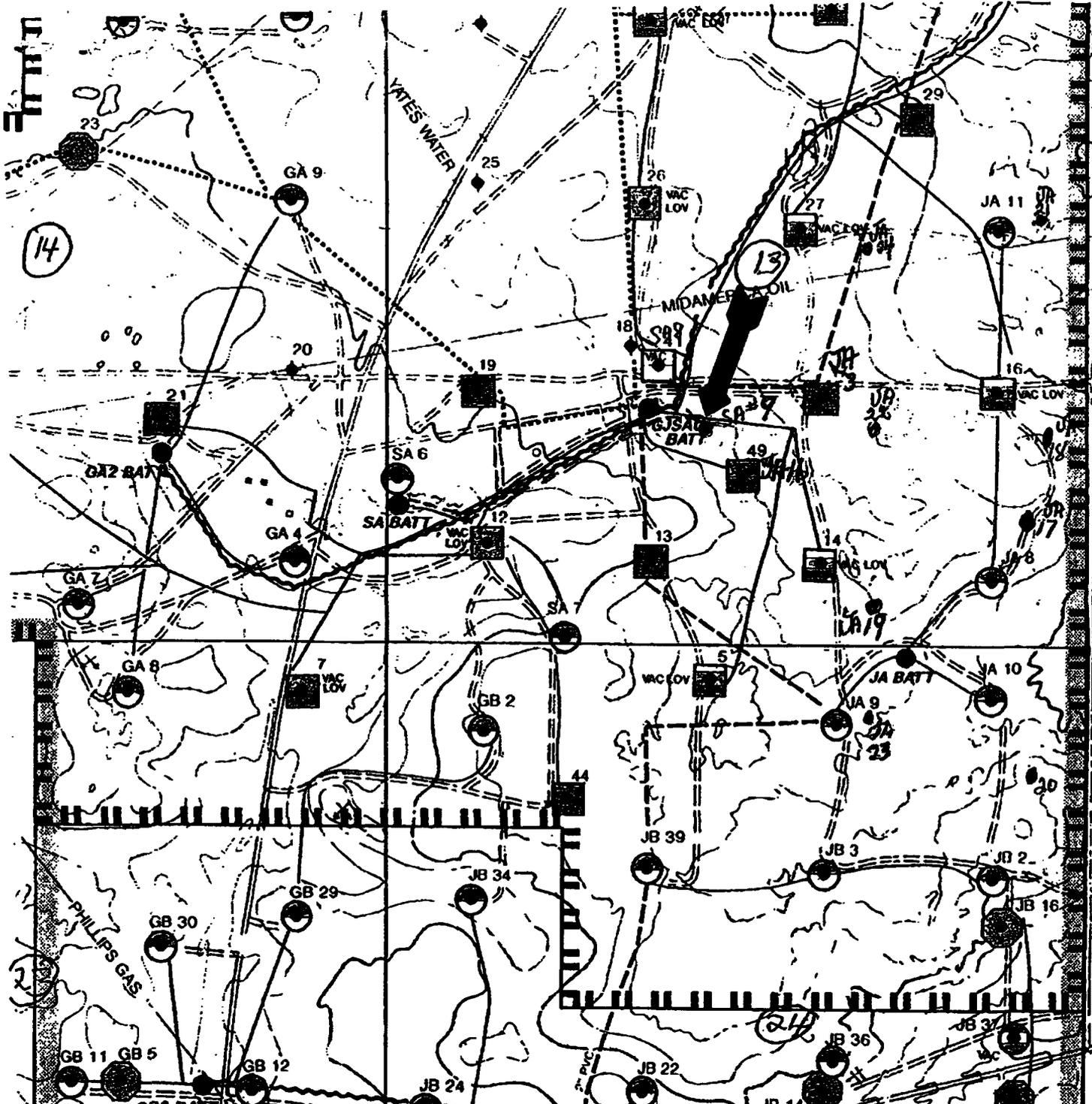
SHOULD BE IN TOWN REST OF THE WEEK.

ONE SHOWS STEVENS A TANK BATTERY

THE OTHER HAS LEASE OUTLINED (HIGHLIGHTED)

NOTICE OF CONFIDENTIALITY

THIS FACSIMILE MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND CONFIDENTIAL AND/OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. THIS TRANSMISSION IS INTENDED SOLELY FOR THE INDIVIDUAL OR ENTITY DESIGNATED ABOVE. IF YOU ARE NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU SHOULD UNDERSTAND THAT ANY DISTRIBUTION, COPYING OR USE OF THE INFORMATION CONTAINED IN THIS FACSIMILE BY ANYONE OTHER THAN THE DESIGNATED RECIPIENT IS UNAUTHORIZED AND STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE IMMEDIATELY NOTIFY THE SENDER BY TELEPHONE.



BURNETT OIL CO, INC.

GRAYBURG-JACKSON &
 SQUARE LAKE FIELDS
 CEDAR LAKE YESO
 EDDY COUNTY, N.M.
 STEVENS A #9
 SEC 13, T 17S, R 30E

1" = 1000'

--- FLOWLINE

LOCO HILLS DISTRICT

Revisions	
Date	By
17 1997	THURSTON

STEVENS A #9
 EXHIBIT A
 Injector