



OIL CONSERVATION DIVISION
RECEIVED

'93 OCT 13 AM 9 03

October 11, 1993

New Mexico Oil Conservation Division
Attn: Mike Stogner or David Catanach
P.O. Box 2888
Santa Fe, New Mexico 87504

Re: Unorthodox location for Jackson B 35
100' FNL, 460' FEL
Sec. 25, T17s, R30E
Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. requests an exception without notice and hearing to Rule 104 for its Jackson B 35 development oil well to be located as referenced above, due to topographical and archaeological considerations. The standard 660' FEL and NL location is on a hillside and near the confluence of 3 natural gas gathering lines. The alternative 330' FNL and 660' FEL location is in an area encompassing a New Mexico Archaeological Site, thus the location delineated above is as close as we can get to the standard center of the NE/NE of Section 25. The acreage in Section 24 to the north is under the same lease (NM2747) and has the same ownership as the proposed location of Jackson B 35. Attached for your reference are copies of our APD and Archaeological Survey report. If further information is needed, please let us know.

Yours truly,

John C. McPhaul
Production Superintendent

cc: NMOCD-Artesia

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OIL CONSERVATION DIVISION
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November 5, 1993

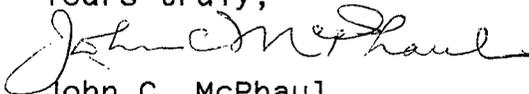
New Mexico Oil Conservation Division
Attention: Michael Stogner
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox location for our Jackson B #35
100' FNL, 460' FEL
Sec. 25, T17S, R30E
Eddy County, New Mexico

Dear Mr. Stogner:

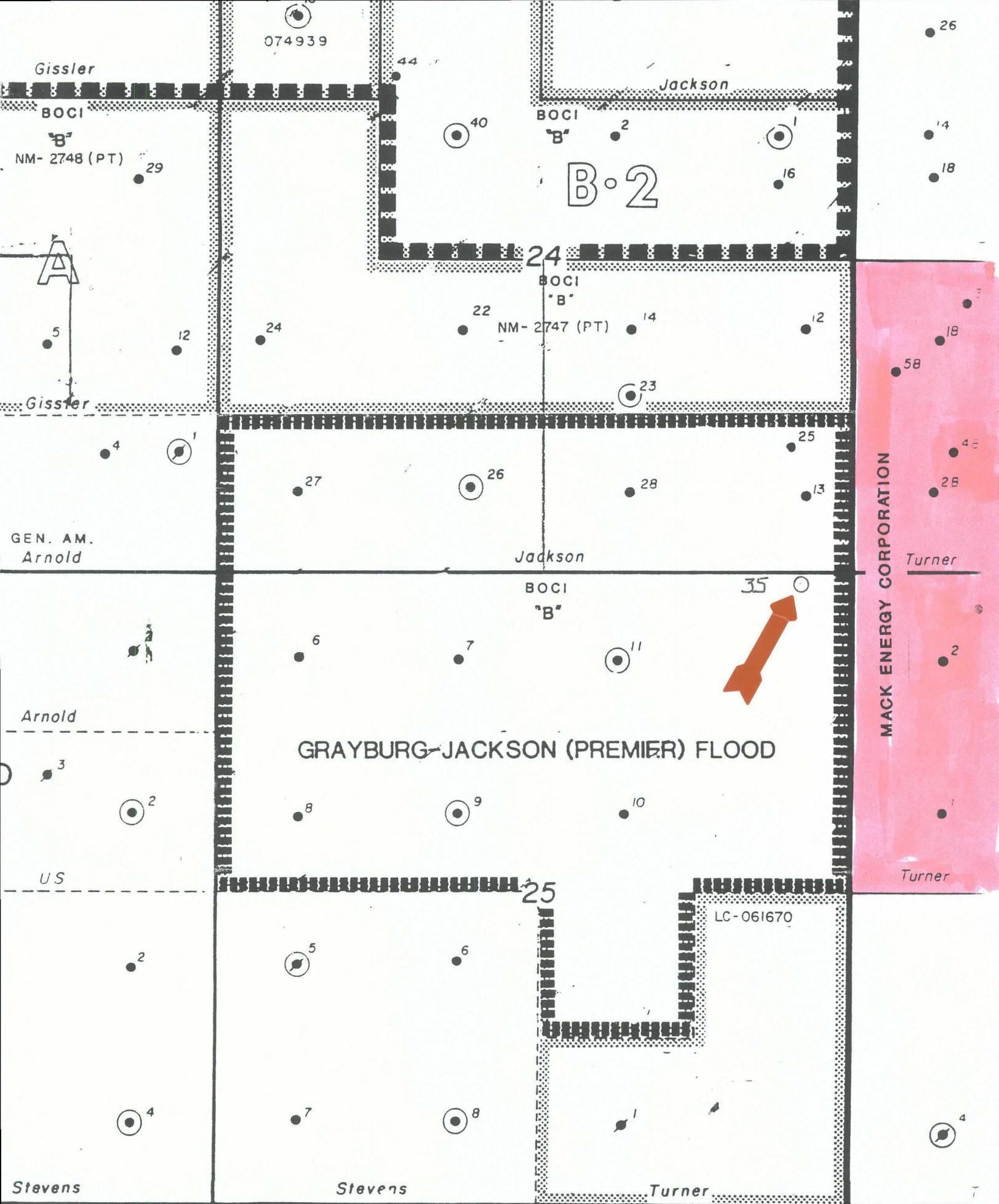
As per your letter request of October 18, 1993 for submission of further documentation to support our application for administrative approval of the Jackson B # 35 location, attached is a plat of the area identifying all offset operators to the east, and a copy of an executed waiver letter sent to Mack Energy Corporation. Should you need further information to approve this application, please let us know.

Yours truly,



John C. McPhaul
Production Superintendent

Attachments



R 30 E

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RECEIVED
NOV 2 1993
PRODUCTION DEPT.

Certified Mail # P 399 477 848
Return Receipt Requested

October 25, 1993

OCT 27 1993

Mack Energy Corporation
P.O. Drawer 1359
Artesia, New Mexico 88211

Gentlemen:

According to our records, you are the operator of leases located in the NW/4 and SW/4 of the SW/4 of Section 19, and the NW/4 and SW/4 of the NW/4 of Section 30, all located in Township 17S, Range 31E, Eddy County, New Mexico.

Burnett Oil Co., Inc. hereby notifies you, as offset operator, of its application for administrative approval of an unorthodox location for its Jackson B 35 well with a projected total depth of approximately 3280' (Grayburg), to be located 100' FNL and 460' FEL (Unit A) of Section 25, Township 17S, Range 30E, Eddy county, New Mexico. This unorthodox location is necessitated by topographical and archaeological considerations. If you have no objections, we would appreciate your execution of the waiver below and returning it to us as soon as possible.

If you need further information, please let us know.

Yours truly,

John C. McPhaul
Production Superintendent

Attachment

Mack Energy Corporation has no objection to Burnett Oil Co., Inc.'s unorthodox location of its proposed Jackson B 35, to be located 100' FNL and 460' FEL (Unit A) of Section 25, Township 17S, Range 30E, Eddy County, New Mexico.

By: *Mack C. Chase* Title: President

Mack C. Chase

Date: October 29, 1993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Burnett Oil Co., Inc. 817/332-5108

3. ADDRESS OF OPERATOR
 801 Cherry Street, Suite 1500, Fort Worth, TX 76102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 Unit Letter A, 460'FEL, 100'FNL, Sec. 25, T17S, R30E
 At proposed prod. zone
 same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 3.9 miles east of Loco Hills, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 100' (drlg. unit line) (Also to nearest drlg. unit line, if any) 460' (property line)

16. NO. OF ACRES IN LEASE 720 (contiguous)

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 764'

19. PROPOSED DEPTH 3280'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3629' GR

22. APPROX. DATE WORK WILL START* October 20, 1993

5. LEASE DESIGNATION AND SERIAL NO.
 NM 2747

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Jackson B

9. WELL NO.
 35

10. FIELD AND POOL, OR WILDCAT
 Grayburg-Jackson

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 25, T17S, R30E

12. COUNTY OR PARISH 13. STATE
 Eddy NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8-5/8" OD	24	1450'	800 sks. Cl.C (will circulate)
7-7/8"	5 1/2" OD	17	3280'	1000 sks. Cl.C*

*if waterflows are encountered, cementing procedure may vary

A 12 1/4" surface hole will be drilled to approximately 1450'. 8-5/8" casing will be set at this point and cemented back to surface. WOC 12 hrs. Test casing and BOP. A 7-7/8" hole will be drilled to approximate TD of 3280'. We plan to core approximately 90' through the Fren - 7 Rivers interval from 1990'-2080'. After coring, open hole logs will be run through this interval. If no waterflows are encountered to TD, open hole logs will be run to TD and 5 1/2" casing will be set to TD. If waterflows are encountered, 5 1/2" casing will be set to TD and cased hole logs will be run. 5 1/2" casing will be cemented back to 600' above the highest possible productive interval. The well will be conventionally completed in the Grayburg interval.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 any.

24. John Conrath Production Superintendent DATE September 17, 1993

(THIS space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-88

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BURNETT OIL CO. INC.		Lease JACKSON "B"		Well No. 35
Unit Letter A	Section 25	Township 17 SOUTH	Range 30 EAST NMPM	County EDDY

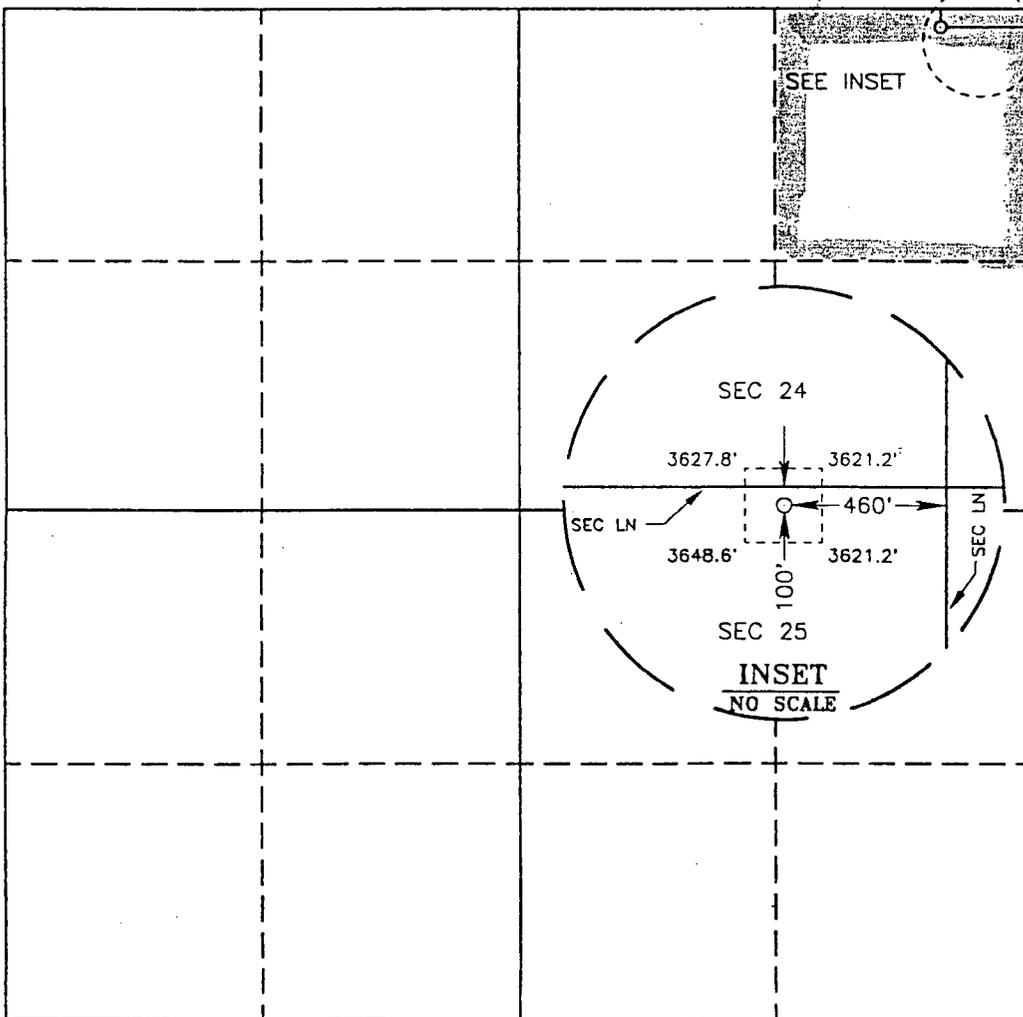
Actual Footage Location of Well:
 100 feet from the NORTH line and 460 feet from the EAST line

Ground Level Elev. 3629.4'	Producing Formation GRAYBURG	Pool GRAYBURG-JACKSON	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *John C. McPhaul*

Printed Name: **John C. McPhaul**

Position: **Production Supt.**

Company: **Burnett Oil Co., Inc.**

Date: **September 17, 1993**

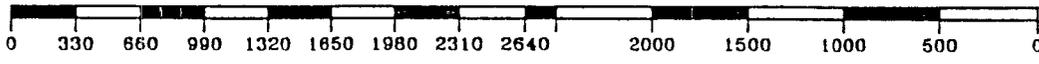
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed: **SEPTEMBER 15, 1993**

Signature & Seal of Professional Surveyor

Certificate No. **JOHN W. WES. 6781**
RONALD T. EDSON. 3239
GARY L. JONES. 1977



LOCATION VERIFICATION MAP



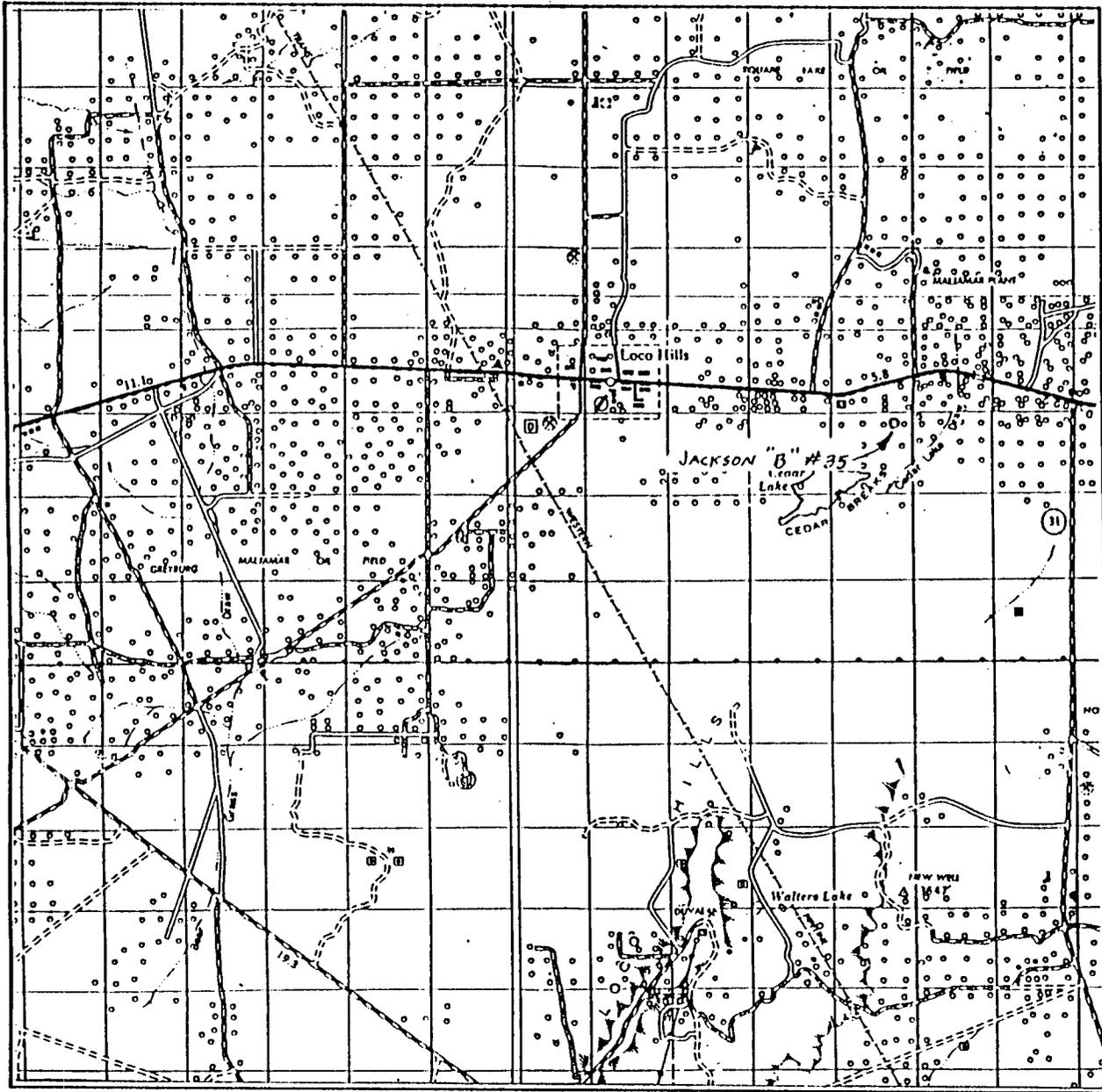
SCALE 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 25 TWP. 17S RGE. 30E
SURVEY NMPM
COUNTY EDDY STATE NM
DESCRIPTION 100' FNL & 460' FEL
ELEVATION 3629.4'
OPERATOR BURNETT OIL CO.
LEASE JACKSON "B" #35
U.S.G.S. TOPOGRAPHIC MAP
LOCO HILLS, NM

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 25 TWP. 17S RGE. 30E

SURVEY NMPM

COUNTY EDDY STATE NM

DESCRIPTION 100' FNL & 460' FEL

ELEVATION 3629.4'

OPERATOR BURNETT OIL CO.

LEASE JACKSON "B" #35

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

**DRILLING PLAN
COVERING
BURNETT OIL CO., INC.
LEASE NO. NM 2747
JACKSON B LEASE, WELL NO. 35
UNIT LETTER A
460' FEL, 100' FNL
SECTION 25, TOWNSHIP 17 SOUTH, RANGE 30 EAST
EDDY COUNTY, NEW MEXICO**

(A) DRILLING PROGRAM

(1) Estimated tops of geologic markers:

Alluvium.....	Surface
Anhydrite.....	350'
Salt.....	520'
Base Salt.....	1250'
Red Sand.....	2340'
Grayburg.....	2800'
San Andres.....	3249'

(2) Estimated depths of producing formations:

Fresh water.....	None
Saltwater flows..(?)	*
Oil and Gas.....	2040'**, 3200'**

* as waterflows, if any, are encountered, their depth will be recorded, and drilling will continue to total depth. Multiple stage cementers will be placed in the production casing string to enable us to confine the waterflows to their respective depths by cementing.

** oil and gas bearing zones, if any, will be determined by log analysis, and will be confined by cementing; subsequently perforated, stimulated and produced in a conventional manner.

(3) Blowout Preventer Specifications:

3000 psi Double Ram unit with hydraulic closing equipment. (See Exhibit E schematic). The preventer will be tested before drilling out below surface pipe setting depth. The exact description of the preventer and related equipment will depend on the successful contractor, who has not yet been selected. No high pressure hydrocarbon zones are anticipated.

(4) Supplementary drilling equipment information:

Not available at this time.

Supplementary casing program information:

a. Surface casing: Surface casing will consist of new 8-5/8" OD 24# K-55 ST&C R3 pipe and will be run into a 12-1/4" hole with notched Texas Pattern shoe on bottom, insert float valve in first collar, 4 centralizers around shoe joint and first 3 collars. Bottom 3 joints will be collar tacked and thread locked. Setting depth will be +/- 1450', depending on where suitable casing seat can be found. Cement will be circulated back to the Surface. Initial cement volume will be calculated to be 50% excess of the calculated annular volume between the 8-5/8" casing and the hole. If circulation of cement is not achieved due to lost circulation zone(s), annular space will be cemented via 1" from the surface as per BLM specifications. 12 hours WOC will be allowed. Casing will be tested to 800 psi before drilling out.

b. Production casing: Production casing will consist of new 5-1/2" OD 17# 8rd. R3 inspected pipe being run to total depth with float shoe on bottom, float collar in first collar, centralizers throughout pay intervals and above and below any multiple stage cementers, and being cemented with sufficient volume to bring top of cement 600' above the top of the highest potential producing horizon. If water flow is encountered, we will cement from TD back to the stage cementer, open stage cementer, cement from stage center with sufficient volume of Class C or equivalent to bring cement up to at least 600' above the highest potential producing horizon, then balancing hydrostatic weight of the cement by adjusting the flow of water to surface through the 5-1/2" casing, enabling the 2nd stage of cement to set up. Casing will be shut in after 12 hours. If there is no flow of water to surface around the 5-1/2" casing, we will cement the water flow proper through the stage cementer with +/- 400 sacks. In case the 2nd stage is not successful in shutting off any annular flow, we will repeat the 2nd stage until successful. After drilling out and testing the casing to 2000 psi, a cement bond log will be run to evaluate the cement job.

- (5) Mud program: Native mud (red beds and shale) will be used to total depth. After drilling surface hole with brine water and lost circulation materials if necessary, hole will be mudded up for coring and logging. After coring, no control will be used other than necessary additives. If no waterflows are encountered, we may mud up lightly to drill the various pay sections. If water flow(s) are encountered, no control will be used until Total Depth is reached, at which time we will sweep the hole with 50 viscosity gelled water.
- (6) Logging program: If no water flow(s) are encountered, we will run GR/CN-D-DLL logs. If water flow(s) are encountered, no open hole logging will be attempted, and after casing is set, cased hole GR/CN logs will be run. No other testing or coring is anticipated.
- (7) Abnormal pressures or hazards: No abnormal pressures or potential hazards are anticipated.
- (8) Other facets of the operation to be pointed out:
None.

(B) SURFACE USE PROGRAM

- (1) Existing roads: Exhibits A and B show maps of the general area. From Loco Hills, New Mexico, go east on U.S. Highway 82 approximately 3.9 miles. Turn south through cattle guard on caliche road and go approximately .4 miles to location. The proposed 700' of new access road will be constructed to match the established lease roads. All access roads will be maintained in the same or better condition than before drilling operations began, in accordance with SMA standards.
- (2) Access roads to be constructed: Approximately 700' of new access road will be constructed (see Exhibit B and D). This road will be 12' wide surfaced with compacted caliche. Maximum grade should be +/- 1%. No major cuts or fills, turnouts, culverts, drainage problems, bridges, fences, or cattleguards are anticipated. Existing caliche access roads will be watered and bladed, with only minor repairs indicated. No other existing facilities will be modified.

- (3) Location of existing wells: See Exhibit A.
- (4) Location of existing or proposed production facilities: See Exhibit D for location of existing facilities. No new facilities are anticipated, with the exception of approximately 700' of flowline to be connected to an existing flowline. See Exhibit D.
- (5) Location and type of water supply: All water to be used in drilling the well will be brine or fresh water trucked from Loco Hills, New Mexico or fresh or produced water furnished by our waterflood facilities.
- (6) Construction materials: Construction material will be caliche which is expected to be available at the proposed location. If not available on location or road, caliche will be hauled from nearest approved caliche pit.
- (7) Methods of handling waste disposal: Drill cuttings will be disposed of in the lined reserve drilling pit. Auxiliary emergency water containment pits may be necessitated by large volume water flows and these pits, which will hold only water, will not be lined. All drilling fluids will be allowed to evaporate after drilling is completed, at which time pits will be backfilled, leveled and reseeded. Trash, waste paper, garbage and junk will be placed in a portable screened trash container on location. All trash and debris will be transported to an authorized disposal station within 30 days following completion activities. Oil and/or water produced during testing operations will be stored in steel tanks until either sold or disposed of through one of our approved disposal methods.
- (8) Ancillary Facilities: There are no planned ancillary facilities.
- (9) Well site layout: Exhibit C shows the relative location and dimensions of the drilling pad and related components. Only minor differences, if any, in length and/or width of the drilling pad are anticipated, depending on which drilling contractor is selected to drill the well. Some cut and fill will be necessitated by the side of hill location.

- (10) Plans for restoration of the surface:
(a) After drilling and successful completion operations are finished, all equipment and other materials not required for normal production operations will be removed. Pits will be backfilled, leveled and reseeded. Wellsite will be left in a neat condition.
(b) Any unguarded pits containing fluid will be fenced until backfilled.
(c) After abandonment of the well, surface restoration will be in accordance with regulations of the SMA. Pits will be backfilled and location will be cleaned. The pit area, well pad and all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.
- (11) Surface ownership: All lands are Federal.
- (12) Other information: The topography of the area is relatively flat, with small hills and sand dunes. This drilling site is slightly pitched downward to the north and east. The soil is fine, deep sand underlain by caliche. Vegetation cover is generally sparse and consists of mesquite, yucca, oak shinners and sparse native grasses. Wildlife in the area is typical of that of semi-arid lands and includes coyotes, rabbits, rodents, reptiles, dove and quail. There are no ponds, streams or residences in the area. There is intermittent cattle grazing and hunting in the area; however, the principal land use is for oil and gas production. An archaeological clearance report will be sent to you by New Mexico Archaeological Service recommending archaeological clearance for the road, flowline and drilling pad. A barrier fence will be constructed along the entire south edge of the drilling pad to discourage vehicular traffic from proceeding onto an adjacent Archaeological Site.

(13) Operator's representative: Our field representative responsible for compliance with the approved surface use and operations plan is:

Mr. Rayford Starkey, District Supt.
P.O. Box 188
Loco Hills, New Mexico 88255
Office phone: 505-677-2313
Home phone: 505-746-4619

I hereby certify that I, or persons under my direct supervision have inspected the drill site and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Burnett Oil Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

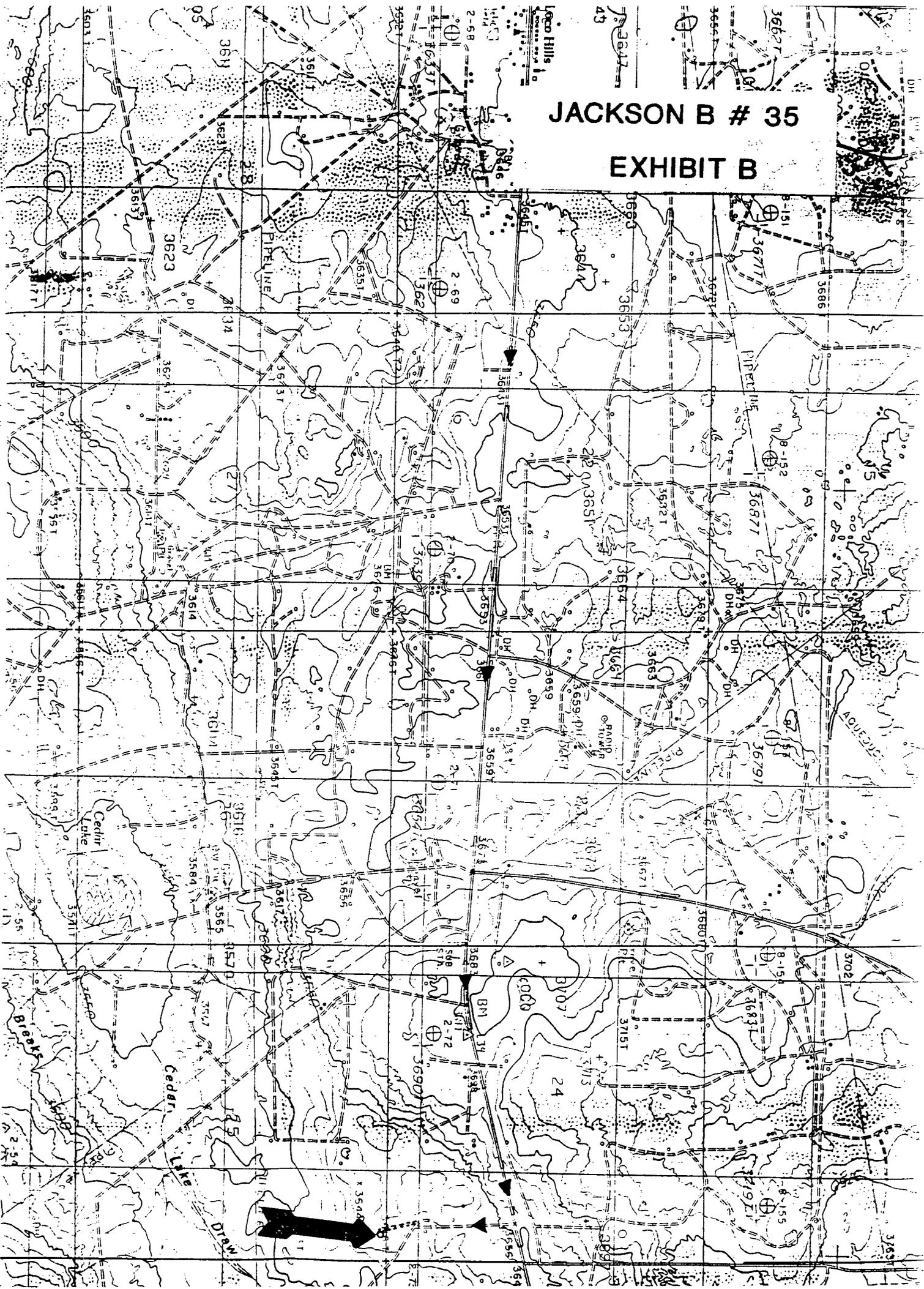
Date: Sept 17, 1993

By: John C. McPhaul

John C. McPhaul, Prod. Supt.

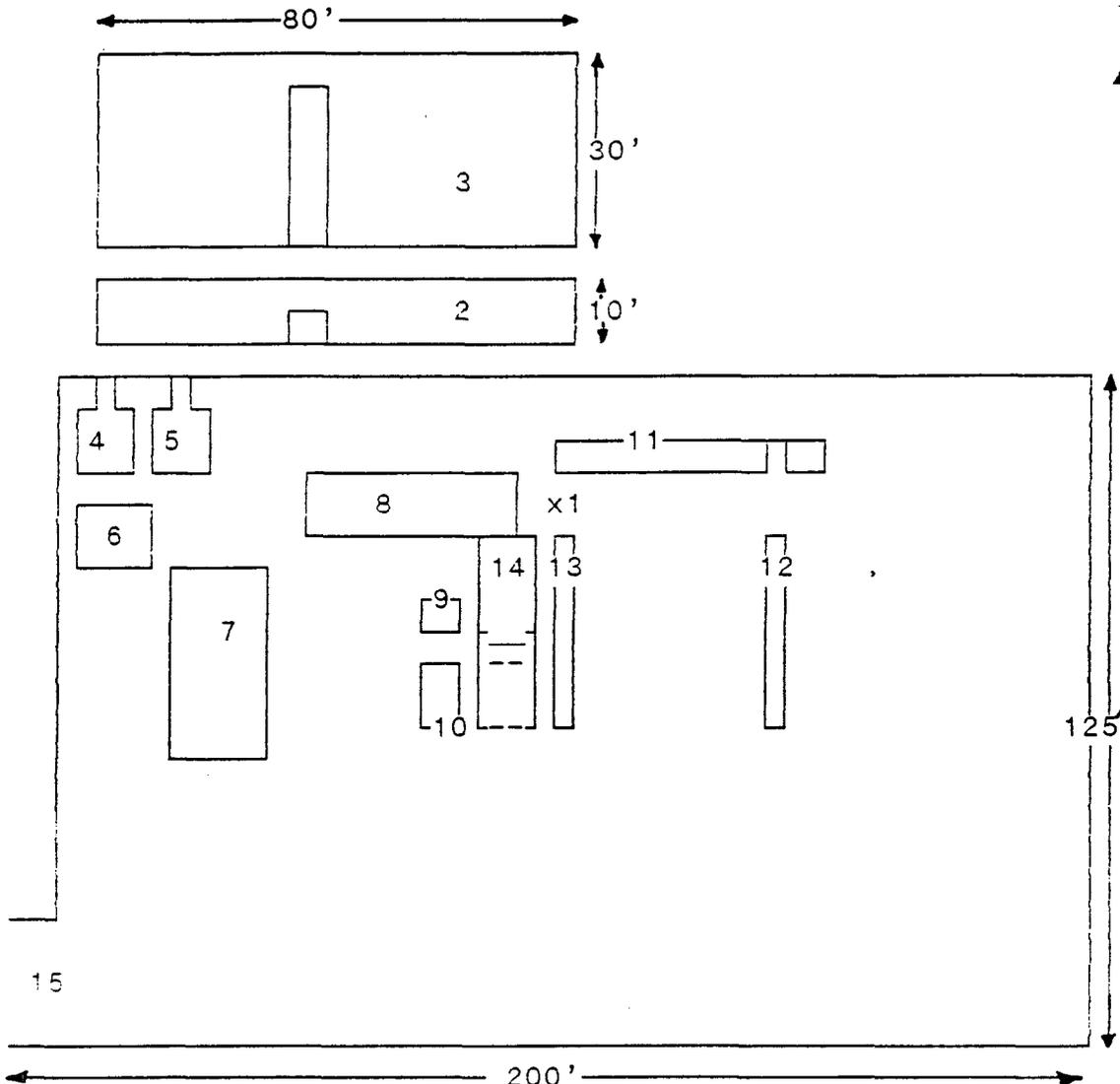
JACKSON B # 35

EXHIBIT B



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT

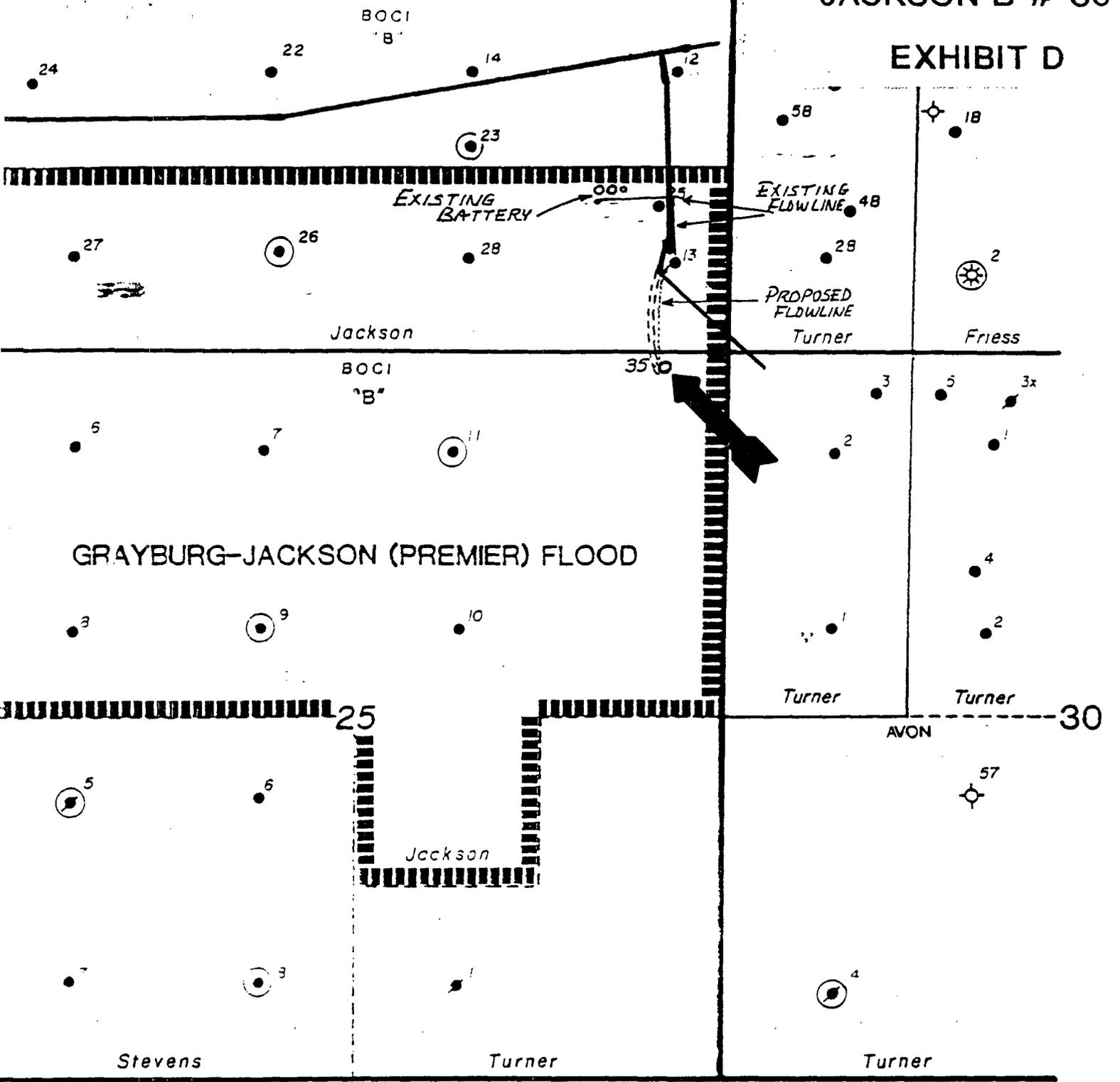
CAPSTAR DRILLING COMPANY
WALKER-NEER RIG



- | | |
|------------------|--------------------|
| 1. WELLBORE | 8. DRAWWORKS |
| 2. WORKING PIT | 9. FUEL TANK |
| 3. RESERVE PIT | 10. LIGHT PLANT |
| 4. MUD PUMP | 11. HYDRAULIC BOOM |
| 5. MUD PUMP | 12. PIPE RACKS |
| 6. TRASH TRAILER | 13. PIPE RACKS |
| 7. WATER TANK | 14. DOG HOUSE |
| | 15. ROAD ENTRANCE |



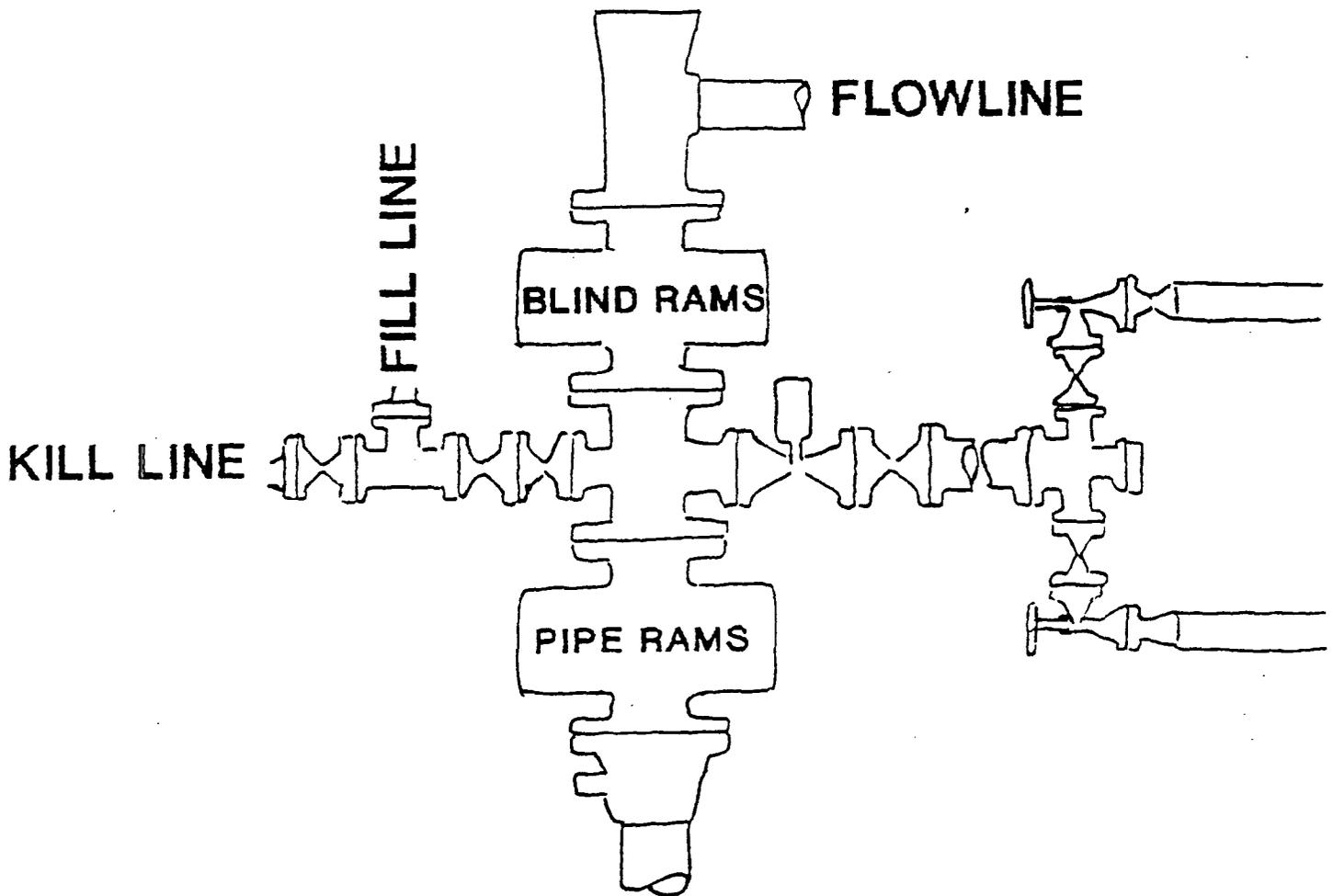
EXHIBIT D



BURNETT OIL CO., INC

BLOWOUT PREVENTER SPECIFICATIONS

3000 PSI DOUBLE RAM



THE BOPE WILL BE TESTED TO 3000 PSI
BEFORE DRILLING OUT BELOW SURFACE PIPE.



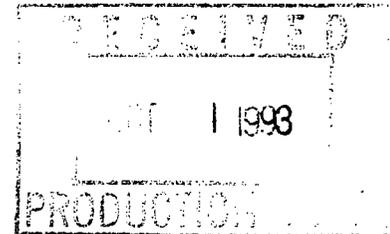
NMAS
New Mexico Archaeological Services, Inc.

P.O. Box 1341
Carlsbad, New Mexico 88221-1341
(505) 887-7646 • FAX (505) 885-2587

24 September 1993

Reconnaissance
Excavation
Analysis
Explanation
Curation

Mr. John C. McPhaul
BURNETT OIL COMPANY
1500 InterFirst Tower
801 Cherry Street
Fort Worth, Texas 76102

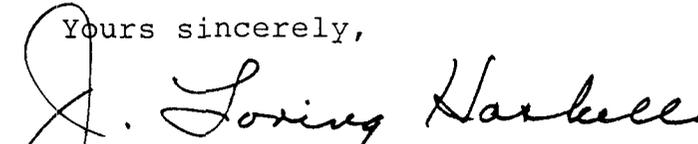


Dear Mr. McPhaul:

Enclosed please find NMAS' Archaeological Survey Report for BURNETT OIL COMPANY's proposed Jackson "B" Federal Well No. 35 and its associated access road in Eddy County, New Mexico. Previously recorded NMAS 5493 was encountered during these surveys. Clearance is suggested provided the south side of the location, 130' south of center, be fenced and further, that pad construction be monitored by an archaeologist.

If you have any questions pertaining to this report, please call my office. Thank you for asking NMAS to do these surveys.

Yours sincerely,


Dr. J. Loring Haskell
Principal Investigator

Enclosure

as

ARCHAEOLOGICAL SURVEY OF BURNETT OIL COMPANY's Jackson "B" Federal Well No. 35, 100' FNL, 460' FEL, and access road, Sections 25 and 24, T17S, R30E, NMPM, Eddy County, NM

FEDERAL LAND SURFACE

MAP REFERENCE: USGS LOCO HILLS QUADRANGLE, 7.5 Minute Series, 1985, Prov. Ed.

REPORT NUMBER: 93-NMAS-18-S

by Dr. J. Loring Haskell, Principal Investigator

NEW MEXICO ARCHAEOLOGICAL SERVICES, INC.
P.O. Box 1341, Carlsbad, New Mexico 88221-1341
(505) 887-7646

PERMIT NUMBER: 14-2920-93-N

24 September 1993

Prepared for: BURNETT OIL COMPANY
1500 InterFirst Tower
801 Cherry Street
Fort Worth, Tx 76102

Attention: JOHN C. McPHAUL

Distribution: BURNETT OIL COMPANY (1)
Bureau of Land Management (2)

NEW MEXICO ARCHAEOLOGICAL SERVICES, INC.
PERMIT NUMBER: 14-2920-93-N

CULTURAL RESOURCES EXAMINATION
REPORT NUMBER: NMAS-93-18-S

ABSTRACT: CLASS III SURVEY OF BURNETT OIL COMPANY's proposed Jackson "B" Federal Well No. 35, 400' X 400', 4.44 acres, and access road, 100' X 350', 0.80 acre. TOTAL SURVEYED AREA 5.24 ACRES. Previously recorded archaeological site (NMAS 5493) was encountered during this survey. Clearance is suggested provided the south side of the location, 130' south of center, be fenced and further, that pad construction be monitored by an archaeologist.

LEGAL LOCATION: NE $\frac{1}{4}$ NE $\frac{1}{4}$, (100' FNL, 460' FEL), and access road, NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 25 and SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 24, T17S, R30E, NMPM, Eddy County, NM

MAP REFERENCE: USGS LOCO HILLS QUADRANGLE, 7.5 Minute Series, 1985, Prov. Ed.

LAND STATUS: BLM, Roswell District, Carlsbad Resource Area, NM

PROJECT DESCRIPTION: Location, 400' X 400', 4.44 acres, and access road, 100' X 350', 0.80 acre.

TOPOGRAPHY/FLORAL FORMATION: BURNETT OIL COMPANY's proposed location will be situated on the lower shoulder of a sandy eminence within the Cedar Lake Polje. Low, coppice-type dunes are characteristic of the coeval surface. Drainage is interior. Associated peds host a scrub formation. ELEVATION: 3629'. EXAMINATION PROCEDURE: Zigzag transects, 8.0 m wide, close interval (15° or less). The access road was walked in two, 15 m wide, zigzag transects. FIELD TIME: Four hours. AREA DELINEATION: Staked by client. VISIBILITY: 75 to 85%. WEATHER: Sunny conditions with high, thin cirrus and light northeasterly winds, 11 September 1993; sunny, partly cloudy conditions with light southeasterly winds, 16 September 1993.

FINDINGS: BLM Records, 8 September 1993, Arita K. Slate, Section 25 (four archaeological site), Section 24 (three archaeological sites), T17S, R30E, NMPM, Eddy County, NM
Section 25, T17S, R30E.

*NMAS 5493 is situated within 35' of the proposed location.
NM-06-4782 is situated no closer than 4800' of the proposed location.
NM-06-4783 is situated no closer than 4000' of the proposed location.
NM-06-4544 is situated no closer than 3300' of the proposed location.
Section 24, T17S, R30E.

LA 43315 is situated no closer than 3000' of the proposed location.
LA 89658 is situated no closer than 3000' of the proposed location.
LA 68986 is situated no closer than 3000' of the proposed location.

During the course of this survey, previously recorded NMAS 5493 was encountered. (Archaeological Survey Report prepared for

Conoco Inc. - No.1 Holly Federal Pipeline, 9 April 1983.)

RECOMMENDATIONS: NMAS suggests clearance for BURNETT OIL COMPANY's Jackson "B" Federal Well No. 35 and access road *provided the south side of the location, 130' south of center, is fenced and further, that pad construction be monitored by an archaeologist.* (Figs. 1 and 2). Location of fence is indicated in the field by orange glow- and blue-flags.

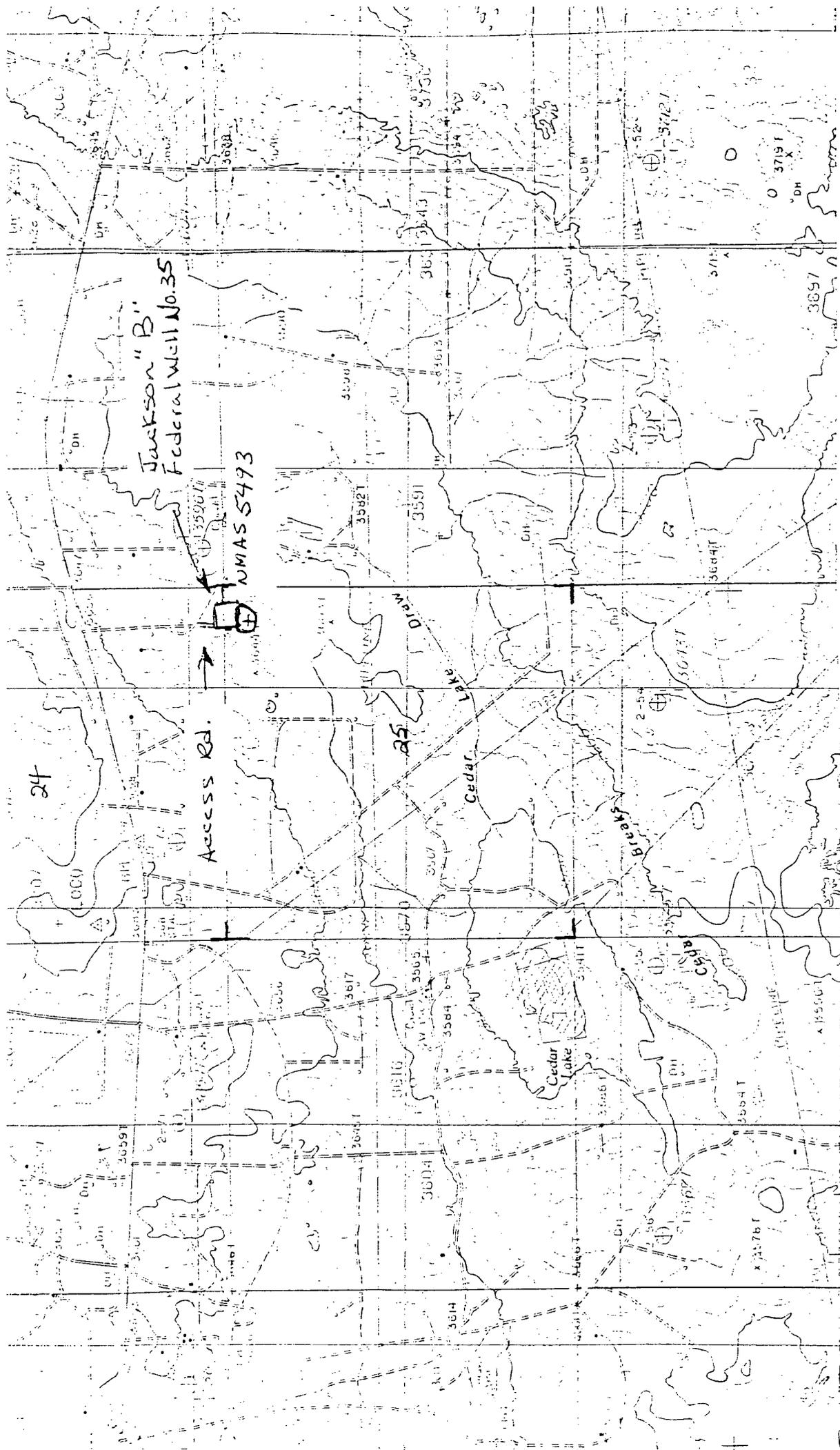


Fig. 1. USGS LOCO HILLS QUADRANGLE, 7.5 Minute Series, 1:24,000, 1985, Prov. Ed., showing BURNETT OIL COMPANY's proposed Jackson "B" Federal Well No. 35, 100' FNL, 460' FEL, and access road, Sections 25 and 24, T17S, R30E, NMPM, Eddy County, NM

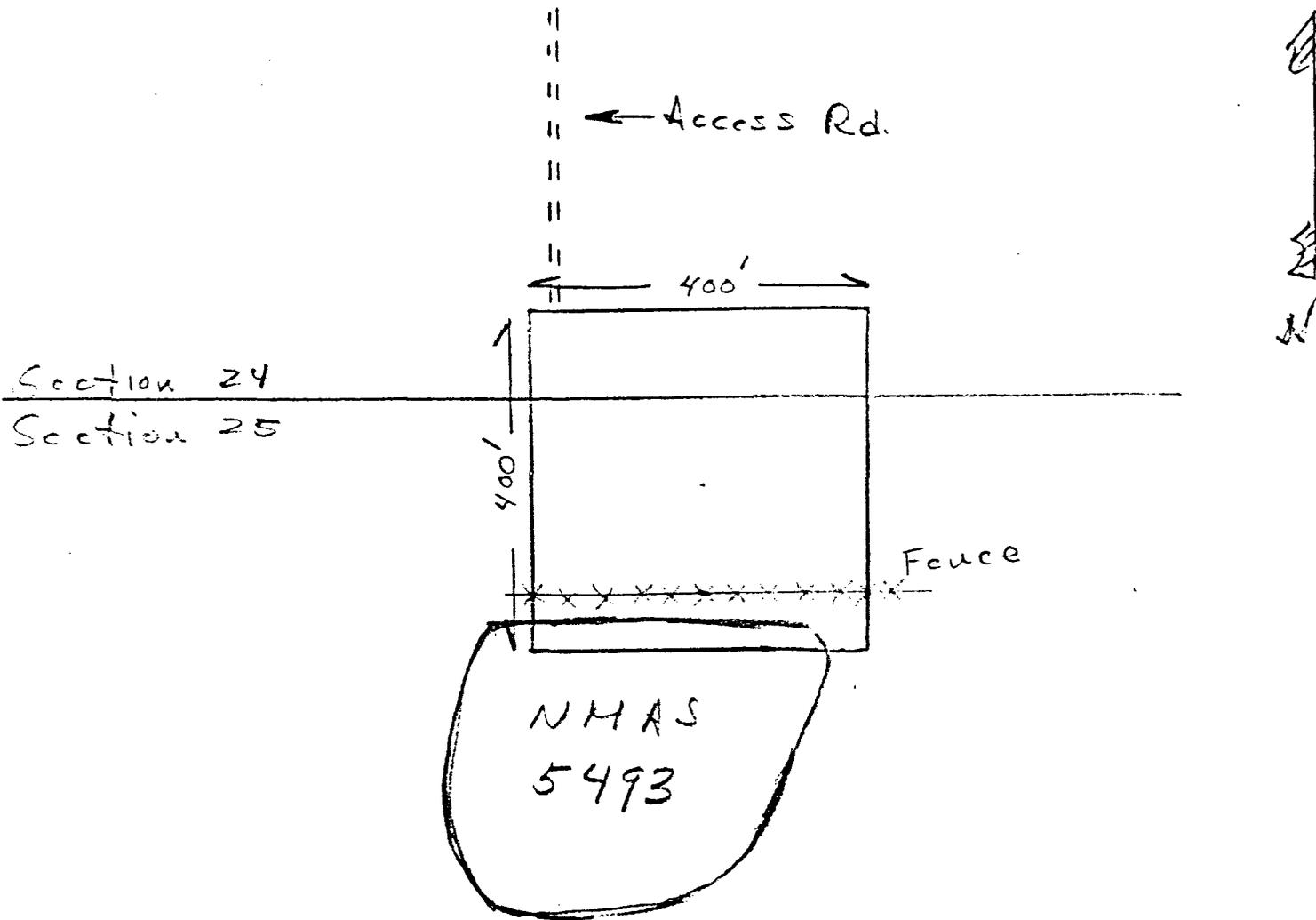


Fig. 2. Schematic representation showing BURNETT OIL COMPANY's proposed Jackson "B" Federal Well No. 35, 100' FNL, 460' FEL, and access road, Sections 25 and 24, T17S, R30E, NMPM, Eddy County, New Mexico, vis à vis NMAS 5493. As proposed, the south side of the location, 130' south of center, will be fenced. Its location is indicated by orange glow - and blue-flags.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3322
Order No. R-2990

APPLICATION OF ANN BURNETT WINDFOHR,
GEORGE R. BROWN, AND ALLIED CHEMICAL
CORPORATION FOR A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 19, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, Ann Burnett Windfohr, George R. Brown, and Allied Chemical Corporation, seek permission to institute a cooperative waterflood project in the Grayburg-Jackson Pool by the injection of water into the Grayburg formation through three injection wells in Section 25, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the applicants have entered or will enter into a lease line waterflood agreement with the operator of an existing waterflood project south and west of the subject acreage which agreement will provide for the operators of both waterfloods to

place certain wells on water injection concurrently; that for this reason provision should be made for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicants, Ann Burnett Windfohr, George R. Brown, and Allied Chemical Corporation, are hereby authorized to institute a cooperative waterflood project in the Grayburg-Jackson Pool by the injection of water into the Grayburg formation through the following-described wells in Section 25, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

<u>WELL</u>	<u>LOCATION</u>
Jackson "B" No. 6	Unit D
Jackson "B" No. 9	Unit F
Jackson "B" No. 11	Unit B

(2) That the subject waterflood project is hereby designated the Grayburg Jackson WBA Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance

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CASE No. 3322
Order No. R-2990

with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, JR., Member & Secretary

S E A L

esr/



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 18, 1993

Burnett Oil Company, Inc.
801 Cherry Street, Suite 1500
Fort Worth, TX 76102-6869

Attention: John C. McPhaul

*RE: Administrative Application for an unorthodox oil well location;
Jackson "B" Well No. 35. 100 FNL - 460' FEL (Unit A) of
Section 25, Township 17 South, Range 30 East, NMPM,
Grayburg-Jackson SR-Q-Gb-SA Pool, Grayburg-Jackson
Waterflood Project Area, Eddy County, New Mexico.*

Dear Mr. McPhaul:

We may not process the subject application for an unorthodox oil well location at this time. Division General Rule 104.F.(4) provides that all offsetting operators to the proposed 40-acre tract being the NE/4 NE/4 of said Section 25 be notified of this application.

Please submit a plat that clearly identifies the offset parties to the northeast, east and southeast of this quarter-quarter section. Also, provide adequate proof that notice was provided.

Should you have any questions, please contact me at (505) 827-5811.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad