



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 14, 1997

Burnett Oil Co., Inc.
801 Cherry Street - Suite 1500
Fort Worth, Texas 76102-6869
Attention: James H. Arline

Administrative Order NSL-3755

Dear Mr. Arline:

Reference is made to your application dated December 30, 1996 for a non-standard Grayburg oil well location for the existing Grayburg Jackson San Andres Unit Well No. 42 (API No. 30-015-21829), to be redesignated the Stevens "A" Well No. 5, which was drilled in 1976 to a total depth of 3,460 feet and completed at a previously approved unorthodox oil well location (see Division Order No. R-5206, dated April 27, 1976) in the Windfohr Grayburg-Jackson Waterflood Project, established by Division Order No. R-3257, dated June 8, 1967 for the purpose of completing an efficient production/injection pattern within said waterflood area, 1295 feet from the South line and 25 feet from the West line (Unit M) of Section 13, Township 17 South, Range 30 East, NMPM, Grayburg Jackson (San Andres) Unit Area, Eddy County, New Mexico.

It is our understanding that said well is to be recompleted from the unitized San Andres formation of the Grayburg-Jackson Pool to the non-unitized Grayburg portion of said Pool and pursuant to **Rule 104.C(1)(a)** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996, said well location is unorthodox. Further, the SW/4 SW/4 of said Section 13 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

The application has been duly filed under the provisions of Division General **Rule 104.F**; therefore, by the authority granted me under the provisions of Division General **Rule 104.F(2)**, the above-described unorthodox Grayburg oil well location is hereby approved.

That portion of said original Order R-5206 approving the unorthodox San Andres oil well

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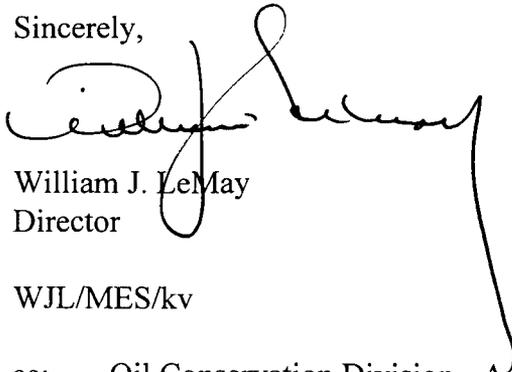
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location for the Grayburg Jackson San Andres Unit Well No. 42 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large, looping initial "W".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad