



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 24, 2011

Burnett Oil Co., Inc.
Attn: Ms. Mary Carter Starkey
Burnett Plaza – Suite 1500
801 Cherry Street – Unit 9
Fort Worth, TX 76102-6881

Administrative Order NSL-6355

Re: Gissler B Well No. 68
API No. 30-15
2475 feet FSL & 1240 feet FWL
Unit L, Section 14-17S-30E
Eddy County, New Mexico

Dear Ms Starkey:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-06257793**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 3, 2011, and

(b) the Division's records pertinent to this request.

Burnett Oil Co., Inc. (Burnett) [OGRID 3080] has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. The NW/4 SW/4 of Section 14 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Loco Hills Glorieta-Yeso Pool (96718). This pool is governed by statewide Rule 15.9, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the northern and eastern unit boundaries.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location because of sand dunes.

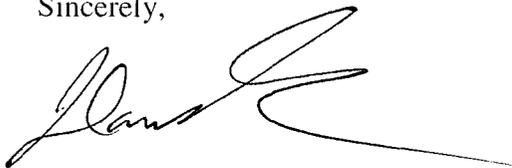
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Daniel Sanchez", with a long horizontal flourish extending to the right.

J. Daniel Sanchez
Acting Director

JDS/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management