

District I

1625 N. Preset Fire, Hobby, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S 9. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107A

Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Burnett Oil Co., Inc.

Burnett Plaza Suite 1500, 801 Cherry St, Unit #9, Fort Worth, Texas 76102-6881

Operator	Address		
Gissler A	18	Unit N Sec 14, T17S, R30E	Eddy
Lease	Well No.	Unit Letter-Section-Township-Range	County
OGRID No. 003080	Property Code 002388	API No. 30-015-32448	Lease Type: <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson San Andres		Loco Hills Paddock
Pool Code	28509		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3537' to 4387'		4527' to 5283'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	RECEIVED	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)		FEB 21 2006 OCU-ARTESIA	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.8 Degrees API		37.9 Degrees API
Producing, Shut-In Or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 01/05/2006 Rates: 33 BOPD, 66 MCF/GPD, 466 BWPD	Date: Rates:	Date: 6-24-05 Rates: 28 BOPD, 44 MCFPD, 59 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or, production, supporting data or explanation will be required.)	Oil Gas 54% Oil, 60% Gas, 89% Wtr	Oil Gas	Oil Gas 46% Oil, 40% Gas, 11% Wtr

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐Will commingling decrease the value of production? Yes ☐ No ☒If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: DHC-3480 7/01/2005

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and support

Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

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

SIGNATURE Sterling Randolph TITLE Petroleum EngineerDATE 2/16/2006TYPE OR PRINT NAME Sterling RandolphTELEPHONE NO. (817) 332-5108E-MAIL ADDRESS randolph@burnettoil.com

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015- <u>32448</u>	Pool Code <u>96831-28399</u>	Pool Name <u>SAN ANDRES</u> <u>CEDAR LAKE, YESO LOCO HILL Paddock</u>
Property Code 002388	Property Name GISSLER A	Well Number 18
OGRID No. 003080	Operator Name BURNETT OIL COMPANY	Elevation 3686'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	14	17-S	30-E		990	SOUTH	1650	WEST	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>RECEIVED FEB 21 2006 OIL-ARTESIA</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u><i>Sterling Randolph</i></u> Signature</p> <p>STERLING RANDOLPH Printed Name</p> <p>PETROLEUM ENGINEER Title</p> <p>JULY 31, 2002 Date</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>JUNE 26, 2002</p> <p>Date Surveyed _____ A.W.B.</p> <p>Signature of Surveyor _____ Professional Surveyor</p> <p>NEW MEXICO GARY EIDSON 02.17.0469 02/28/02</p> <p>Certificate No. RONALD EIDSON 3239 GARY EIDSON 12641</p>

OCD-ARTESIA

Form 3160-5
(November 1994)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

RECEIVED

2. Name of Operator

BURNETT OIL CO., INC.

MAR 01 2006

3a. Address 801 CHERRY STREET, SUITE 1500
UNIT #9 FORT WORTH, TEXAS, 761023b. Phone No. (include area code)
(817) 332-5108

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT N, 990' FSL, 1650' FWL, SEC 14, T17S, R30E

5. Lease Serial No.
NMLC029338A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
GISSLER A #189. API Well No.
30-015-3244810. Field and Pool, or Exploratory Area
LH Paddock/San Andres11. County or Parish, State
Eddy County, N.M.

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

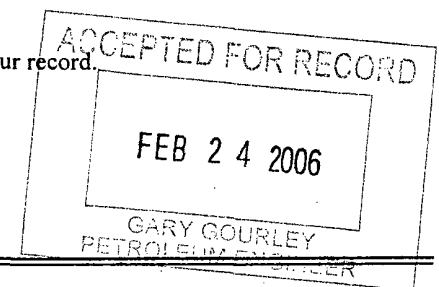
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DOWNHOLE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>COMMINGLED</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>COMPLETE</u>

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 recompleate 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 recompleation 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.)

Testing work on the San Andres zone was completed on 1/6/2006 and bridge plug was pulled on 1/10/2006. Downhole commingled production from the San Andres zone and Loco Hills Paddock zone began on 1/11/2006. The percentage allocation for production has been determined to be 54% oil, 60% gas, 89% wtr for San Andres zone and 46% oil, 40% gas and 11% wtr for LHP zone. All production is piped to the existing Gissler A2 tank battery in Unit J, Sec. 14, T17S, R30E.

IT IS UNDERSTOOD THE FEDERAL MMS REPORTING WILL CARRY THE LHP COMPLETION AS S1 AND THE SAN ANDRES COMPLETION AS S2.

A copy of the NMOCD Downhole Commingling application (C107A) and letter are attached for your record.

ENTERED IN
AFMSS

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

Name (Printed/Typed) STERLING RANDOLPH

Title PETROLEUM ENGINEER

Signature

Date

2/16/2006

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.

(Instructions on reverse)

February 16, 2006

New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Mark E. Fesmire

Re: DHC for Non-unitized Grayburg Jackson San Andres and Loco Hills Paddock
Gissler A #18, Unit N, 990' FSL, 1650' FWL
SEC.14, T17S, R30E- Eddy County, New Mexico

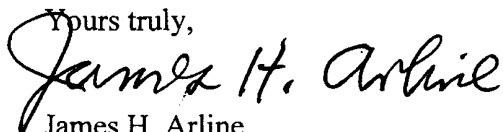
RECEIVED
FEB 21 2006
OCC-ARTESIA

Dear Mr. Fesmire:

Attached is our completed application (C107A) to down hole commingle (Exception to Rule 303A) the reference intervals in this well bore. This well is now producing from the commingled San Andres and the Loco Hills Paddock zones. This well was tested as shown on our original filing dated July 19, 2005. The testing was done from September 2005 thru first week of January 2006. The retrievable bridge plug above the Paddock perforations was removed on 1/10/2006 and commingled production began on 1/11/2006 in this well bore from the Lower San Andres zone (3537'- 4387') and the Loco Hills Paddock.(4551'- 4816') The percentages shown on the C107A are being used for this part of the January 2006 C115 filing.

A copy of this application and the subsequent 3160-5 is being sent to the Bureau of Land Management and interest owners. A new C104 is being sent to NMOCD in Artesia, N.M.

Please contact our Mr. Sterling Randolph or the undersigned if you require additional information.

Yours truly,

James H. Arline
Material Coordinator