

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 3, 2008

Mark Jacoby
Burnett Plaza, Suite 1500
801 Cherry Street, Unit No. 9
Fort Worth, TX 76102-6881

Email: mjacoby@burnettoil.com

Re: Burnett Oil Co., Inc. – OGRID No. 3080
Inactive Well Agreed Compliance Order No. 199 (ACOI No. 199)

Dear Mr. Jacoby:

Thank you for returning the signed agreed compliance order regarding inactive wells operated by Burnett Oil Co., Inc. ("Burnett"). Enclosed is a copy of the fully executed order.

The Order requires Burnett to bring at least 2 of the wells identified in the Order into compliance with Rule 19.15.4.201 NMAC (Rule 201) **by April 15, 2009**. Please remember that to bring a well into compliance under the order, Burnett must not only plug the wellbore, place the well on approved temporary abandonment, or return it to production or other beneficial use, Burnett must also file the appropriate paperwork. For example, if Burnett plugs the wellbore of a well, it must also file a C-103 subsequent report on the plugging. You may wish to confirm the status of each well on the list with the appropriate district office prior to the expiration of the Order.

The Order also requires Burnett to file a compliance report with the Oil Conservation Division (OCD) Enforcement and Compliance Manager, Daniel Sanchez, by **April 15, 2009**. This means **the compliance report must be received by Mr. Sanchez by April 15, 2009**. Mr. Sanchez will review the report to determine whether the wells have been returned to compliance. If you have questions about how to file a compliance report, please contact Mr. Sanchez at (505) 476-3493.

As Burnett works to fulfill its obligations under the order, it should also monitor the status of its other wells to ensure that wells do not remain inactive for a period exceeding 15 months. Remember that you can search the OCD's Inactive Well List for wells that are inactive, but not yet out of compliance.



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The OCD appreciates Burnett's commitment to bringing its inactive wells into compliance. If you have any questions, or if I can help you in any way, please do not hesitate to call. My direct line is (505) 476-3463. My email address is sonny.swazo@state.nm.us.

Sincerely yours,

Sonny Swazo
Assistant General Counsel, OCD

Encl. ACOI No. 199

CC: Daniel Sanchez, OCD Enforcement and Compliance Manager
Larry Hill, OCD District I
Tim Gum, OCD District II
Charlie Perrin, OCD District III