

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised October 15, 2009

Oil Conservation Division

Submit one copy to appropriate District Office

1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

I. REQUEST FOR ALLOWANCE

TO TRANSPORT

¹ Operator name and Address BURNETT OIL CO., INC. 801 Cherry St Ste 1500 Fort Worth, Texas 76102		² OGRID Number 03080
		³ Reason for Filing Code/ Effective Date New Well/ 9/19/2010
⁴ API Number 30 - 015-37974	⁵ Pool Name CEDAR LAKE GLORIETA YESO	⁶ Pool Code 96831
⁷ Property Code 2389	⁸ Property Name GISSLER B	⁹ Well Number 65

This well has been placed in the pool designated below.
If you do not concur notify the Hobbs OCD Geologist.

II. ¹⁰ Surface Location

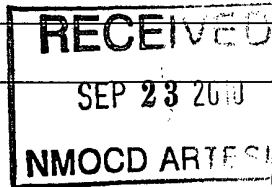
UL or lot no. K	Section 12	Township 17S	Range 30E	Lot Idn	Feet from the 1650	North/South Line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location- SAME AS ABOVE

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 09/19/2010	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
015694	Navajo Refining Co P.O. Box 159 Artesia, New Mexico 88211-0159	0648510 O
036785	DCP Midstream LLC 5718 Westheimer, Ste 2000 Houston, TX 77057	064530 G
		064550 W



IV. Well Completion Data

²¹ Spud Date 07/15/2010	²² Ready Date 9/19/2010	²³ TD 6076	²⁴ PBTB 6030	²⁵ Perforations 5518-5979	²⁶ DHC, MC
²⁷ Hole Size 14.75	²⁸ Casing & Tubing Size 10.75	²⁹ Depth Set 412	³⁰ Sacks Cement 385		
8.75	7	6074	2100		

V. Well Test Data

³¹ Date New Oil 09/19/2010	³² Gas Delivery Date 09/19/2010	³³ Test Date 09/20/2010	³⁴ Test Length 24	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil 90	³⁹ Water 1353	⁴⁰ Gas 78		⁴¹ Test Method PUMPING


⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Mary Carter Starkey*
Printed name: Mary Carter Starkey
Title: Regulatory Coordinator
E-mail Address: mcstarkey@burnettoil.com
Date: 09/21/2010
Phone: 817-332-5108

OIL CONSERVATION DIVISION
Approved by: *PR Dado*
Title: *Dist II Supervisor*
Approval Date: *28 2010*
28 2010

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New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 9, 2010

Burnett Oil Company, Inc.
C/O Mary Starkey
801 Cherry St., Suite 1500
Fort Worth, TX 76102

Email: mcstarkey@burnettoil.com

Rebuttal of presumption of inactivity as to one well
Effective through November 3, 2011

Re: Burnett Oil Company, Inc. (OGRID 3080)
Well: Jackson B #41, 30-015-33133

Dear Operator:

Subsection (F)(2) of Oil Conservation Division (OCD) Rule 19.15.5.9 NMAC provides that the listing of a well on the OCD's inactive well list as a well inactive for more than one year plus 90 days creates a "rebuttable presumption" that the well is out of compliance with OCD Rule 19.15.25.8 NMAC (the inactive well rule).

An operator may rebut that presumption by providing evidence that the well is in compliance with OCD Rule 19.15.25.8 NMAC.

The well identified above currently appears on the OCD's inactive well list as a well operated by Burnett Oil Company, Inc. (Burnett) that has been inactive for more than one year plus 90 days. However, Burnett has provided documentation that the well was worked over, with the most recent repair work on the well done on September 3, 2010. OCD Rule 19.15.2.7.1 (4) NMAC defines an inactive well, in relevant part, as a well that "is not being ... repaired or worked over."

Burnett has rebutted the presumption created by OCD Rule 19.15.5.9.F.2 that the well identified above is in violation of OCD Rule 19.15.25.8 NMAC because the well has been "active" as defined by OCD rules within the past year plus 90 days.



Although the above-named well appears on Burnett's inactive well list, the OCD should not consider the well as out of compliance with OCD Rule 19.15.5.9.A.4.d NMAC or include it in calculating Burnett's compliance with OCD Rule 19.15.5.9 NMAC.

Because Burnett indicates that the well was being repaired as recently as September 3, 2010, the presumption that the well is not inactive will remain until November 3, 2011: one year and ninety days from the most recent day of activity.

On November 3, 2011 if the well identified above appears on the inactive well list the presumption that the well is inactive will return.

As stated above, the OCD should not consider the Jackson B #41 as out of compliance with OCD Rule 19.15.5.9.A.4.d NMAC or include it in calculating Burnett's compliance with OCD Rule 19.15.5.9 NMAC. However, until Burnett files a C-115 report for production of the Jackson B #41, the well will remain on the inactive well list. Burnett should attach a copy of this letter to any applications for a drilling permit, requests for allowable and authorization to transport, change of operator, or injection permits that Burnett might file with the OCD.

Sincerely,



Daniel Sanchez
Compliance and Enforcement Manager

Ec: Larry Hill, District I
Randy Dade, District II
Charlie Perrin, District III
Sonny Swazo, OCD General Counsel