

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF BURNETT OIL COMPANY,
INC. FOR APPROVAL OF A NON-STANDARD
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Burnett Oil Company, Inc. ("Applicant") files this application with the Oil Conservation Division (the "Division") for approval of a non-standard spacing unit in the Atoka Glorieta-Yeso Pool (Pool Code 3250) comprised of all of Section 24, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit), and pooling all uncommitted mineral interest owners in the Unit. In support of this application, Applicant states:

1. Applicant is an operator in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells in the Unit:
 - (a) The Horned Frog Well No. 11H, with a first take point in the NE/4NE/4 and a final take point in the NW/4NW/4 of Section 24;
 - (b) The Horned Frog Well No. 32H, with a first take point in the NE/4NE/4 and a final take point in the BW/4NW/4 of Section 24;
 - (c) The Horned Frog Well No. 13H, with a first take point in the SE/4NE/4 and a final take point in the SW/4NW/4 of Section 24;
 - (d) The Horned Frog Well No. 34H, with a first take point in the SE/4NE/4 and a final take point in the SW/4NW/4 of Section 24;
 - (e) The Horned Frog Well No. 15H, with a first take point in the NE/4NE/4 and a final take point in the NW/4NW/4 of Section 24;

- (f) The Horned Frog Well No. 36H, with a first take point in the NE/4SE/4 and a final take point in the NW/4SW/4 of Section 24;
- (g) The Horned Frog Well No. 17H, with a first take point in the NE/4SE/4 and a final take point in the NW/4SW/4 of Section 24;
- (h) The Horned Frog Well No. 38H, with a first take point in the SE/4SE/4 and a final take point in the SW/4SW/4 of Section 24; and
- (i) The Horned Frog Well No. 19H, with a first take point in the SE/4SE/4 and a final take point in the SW/4SW/4 of Section 24.

3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Glorieta-Yeso formation underlying the Unit, pursuant to NMSA 1978 Sec, 70-2-17.


4. The approval of the Unit and the pooling of all uncommitted mineral interest owners in the Glorieta-Yeso formation underlying the Unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Approving the requested non-standard spacing unit (the "Unit");
- B. Pooling all uncommitted mineral interest owners in the Glorieta-Yeso formation underlying the Unit;
- C. Designating Applicant as operator of the wells and the Unit;
- D. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof among the wells' working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



James Bruce
Attorney for Burnett Oil Company, Inc.
P.O. Box 1056
Santa Fe, New Mexico 87504
Phone: (505) 982-2043
Cell: (505) 660-6612

jamesbruc@aol.com