



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



August 20, 2010

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-6243

**Re: Gissler B Well No. 61
API No. 30-015-37675
1486 feet FSL & 2300 feet FWL
Unit K, Section 11-17S-30E
Eddy County, New Mexico**

Dear Ms Starkey:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-22847513**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 16, 2010, and

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

Burnett Oil Co., Inc. (Burnett) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NE/4 SW/4 of Section 11 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Loco Hills; Glorieta-Yeso Pool (96718). This pool is governed by statewide Rule 15.9.A, 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 southern unit boundary.

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

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



It is our understanding that you are seeking this location in order to comply with United States Bureau of Land Management surface location requirements.

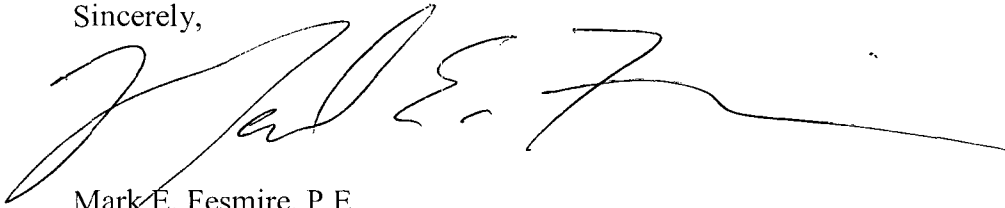
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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