

Stogner, Michael

From: Sterling Randolph [randolph@burnettoil.com]
Sent: Monday, February 02, 2004 3:13 PM
To: mstogner@state.nm.us
Cc: LOCO HILLS OFFICE (E-mail); Jim Arline (E-mail)
Subject: Proposed Gissler A-21 Well Unorthodox Location



Untitled Attachment



GA22 MNOCD
Letter.doc



GISSLER A
LEASE.jpg

Stogner, Michael

Please find attached a letter and plat.

Sterling P. Randolph, P.E.
Burnett Oil Co., Inc.
Phone (817) 332-5108

2/3/2004



February 2, 2004

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Re: **Administrative application for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Burnett Oil Co., Inc. ("Burnett") to drill its proposed Gissler "A" Well No. 21 at an unorthodox Paddock oil well location 2310 feet from the North line and 1400 feet from the East line (Unit G) of Section 14, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, within a standard 40-acre oil spacing and proration unit for the Undesignated Loco Hills-Paddock Pool (96718) comprising the SW/4 NE/4 of Section 14.**

Dear Mr. Stogner:

Our original application (**administrative application reference No. pMESO-402337411**) did not contain enough information for you to judge the necessity for approval of an unorthodox location for the subject well. Attached to this letter is a plat of the Gissler A Lease.

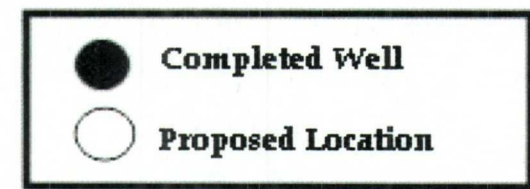
The attached plat shows completed wells in the Paddock as well as planned future well locations. As shown on the plat, the proposed Gissler A 21 well location (indicated by an arrow) is bordered on the west and to the north by a playa in which the Bureau of Land Management (BLM) refused approval for a well. The nearest other location that the BLM would approve was 400 feet north of the current proposed location.

Burnett and other operators in the area are drilling Paddock wells generally on 20 acre spacing. Due to the large amounts of oil in place under our leases and the indicated primary recoveries it appears that secondary recovery will be required. Therefore, our locations are planned to optimize secondary recovery operations and provide the best possible reservoir management. We are using two wells per forty-acre unit located in diagonal corners of the unit.

The subject well is located in the center of the Gissler A lease so correlative rights should be protected.

We would appreciate your additional consideration of our application. Please call if you have any further questions or if any further information is needed.

Sincerely
Sterling P. Randolph, P.E.
Petroleum Engineer



Burnett Oil Co., Inc.
GISSLER A LEASE
Eddy County, NM

Engineer.
Sterling Burdette

Date:
February 3, 2004

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