

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

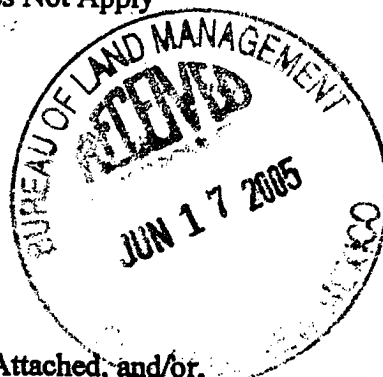
[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or

[F] ☐ Waivers are Attached



**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

STERLING RANDOLPH  
 Print or Type Name

*Sterling Randolph*  
 Signature

PETROLEUM ENGINEER  
 Title

*June*  
*July 15, 2005*  
 Date

6666

June 15, 2005

State of New Mexico  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RECEIVED

JUN 30 2005

ODD-ARTESIA

Attention: Mark E. Fesmire, P.E.

Reference: Reference Case Application For Downhole Commingling  
Grayburg Jackson San Andres Pool with Cedar Lake Yeso Pool/Loco Hills  
Paddock Pool

Gentlemen:

Burnett Oil Co., Inc. applies for a reference case to be used on several Burnett Oil leases in the subject field. The Gissler A-22 well was selected as the reference case.

Production has been established on all of the leases listed in Exhibit I from the Cedar Lake Yeso/Loco Hills Paddock. The San Andres zone will be tested in the Gissler A-22 well. San Andres production will be from the interval below the unitized San Andres zone (Grayburg Jackson Unit) in each well to be commingled.

Burnett Oil would like to downhole commingle the Burnett Oil leases listed in attached Exhibit I. The ownership is the same in each lease for the San Andres zone and Cedar Lake Yeso/Loco Hills Paddock zone.

Burnett Oil would like to establish allocation on a well-by-well basis using the production rates from the two producing zones in each well.

Please advise if any further information is needed.

Very truly yours

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

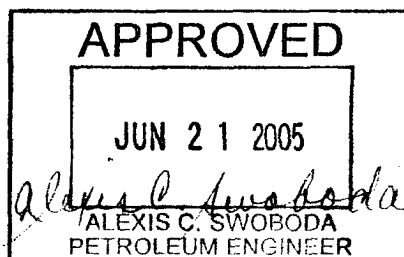


EXHIBIT I  
BURNETT OIL CO., INC.  
LEASES FOR COMMINGLING APPLICATION

<u>LEASE</u>	<u>FEDERAL LEASE NUMBER</u>	<u>T17S, R30E, NMPM, EDDY CO., NM</u>
GISSLER	NM2746	SEC 11: SW SE
GISSLER A	LC029338A	SEC 11: SE SE SEC 12: S2 SW SEC 14: E2, E2 SW SEC 23: N2 NE
GISSLER B	NM2748 & NM074939	SEC 8: S2, E2 NW, SW NW SEC 11: W2, W2 NE, N2 SE SEC 12: E2 NW, N2 SW SEC 14: N2 NW, S2 NW, NW SW SEC 23: S2 NE, N2 SE SEC 24: NW NW
JACKSON A	LC029339A	SEC 12: SE SEC 13: E2 SEC 24: N2 NE
JACKSON B	LC055264 &	SEC 1: NW, S2 SEC 12: NE SEC 24: E2 NW, S2 NE, SW NW, S2 SEC 25: N2, NW SE
STEVENS A	LC030570A	SEC 13: SE NW, SW
STEVENS B	LC055958	SEC 13: N2 NW, SW NW

District I  
25 N. Preset Firm, Hobby, NM 88240  
District II  
01 W. Grand Avenue, Artesia, NM 88210  
District III  
0 Rio Brazos Road, Aztec, NM 87410  
District IV  
20 S 9. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Burnett Oil Co., Inc. Burnett Plaza Suite 1500, 801 Cherry St, Unit #9, Fort Worth, Texas 76102-6881

Operator Address  
Missler A 22 Unit K Sec 14, T17S, R30E Eddy  
Case Well No. Unit Letter-Section-Township-Range County  
GRID No. 003080 Property Code 02388 API No. 30-015-33124 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson San Andres		Loco Hills Paddock
Pool Code	002390		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3545' to 4300'		4527' to 5283'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>		RECEIVED JUN 30 2005	
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>	35.8 Degrees API	OCU-ATTENTION	37.9 Degrees API
Producing, Shut-In Or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: 5-24-05 Rates: 34 BOPD, 61 MCFPD, 49 BWPD
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or, production, supporting data or explanation will be required.)</small>	Oil Gas	Oil Gas	Oil Gas

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

MOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula.

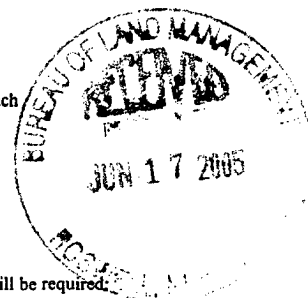
Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List  
of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application



DISTRICT I  
P.O. Box 1990, Hobbs, NM 88241-1990

DISTRICT II  
P.O. Drawer 22, Aracoma, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-</b>	Pool Code <b>96718</b>	Pool Name <b>LOCO HILLS PADDOCK</b>
Property Code <b>002388</b>	Property Name <b>GISSLER A</b>	Well Number <b>22</b>
UGRID No. <b>003080</b>	Operator Name <b>BURNETT OIL COMPANY</b>	Elevation <b>3695'</b>

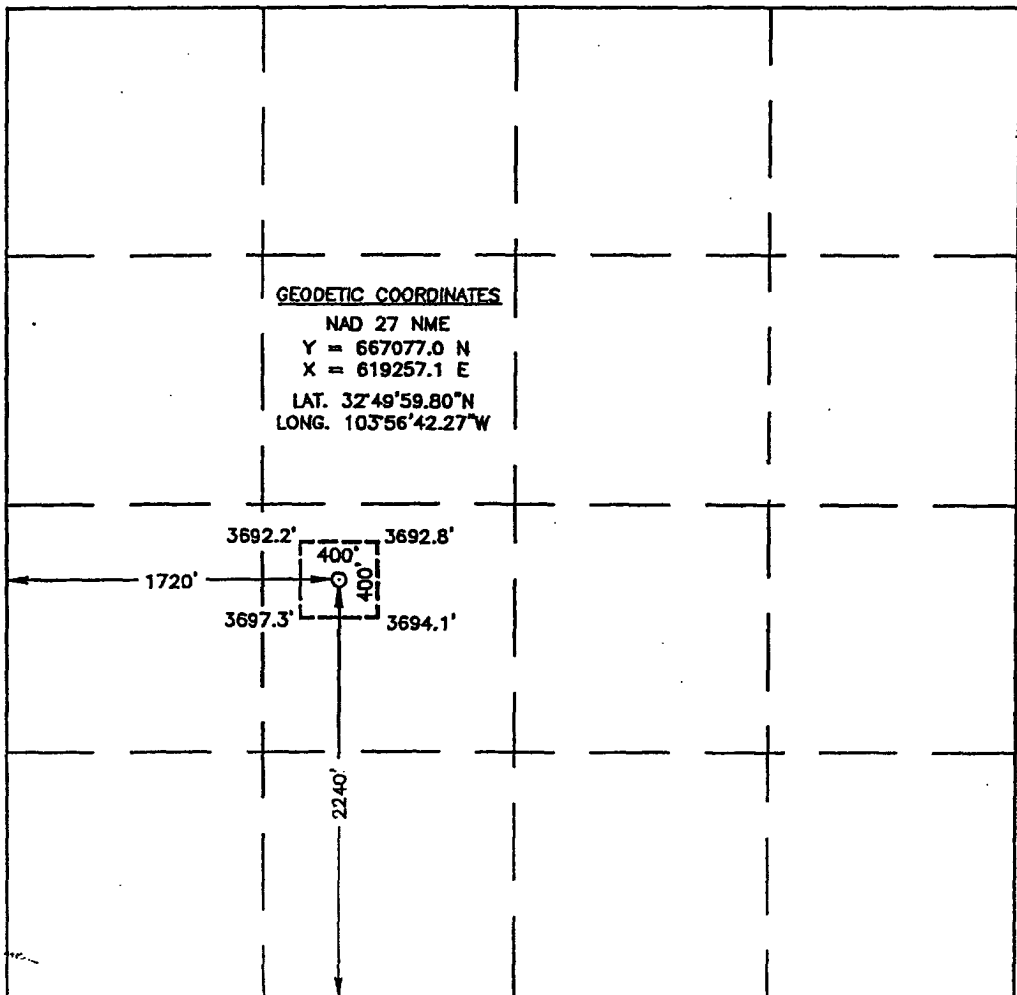
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	14	17-S	30-E		2240'	SOUTH	1720'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>GEODETIC COORDINATES</b> NAD 27 NME Y = 667077.0 N X = 619257.1 E LAT. 32°49'59.80"N LONG. 103°56'42.27"W</p> 	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Sterling Randolph</i> Signature</p> <p><b>STERLING RANDOLPH</b> Printed Name</p> <p><b>PETROLEUM ENGINEER</b> Title</p> <p><b>9/24/03</b> Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>August 21, 2003</b> Date Surveyed</p> <p><i>Gary G. Eidson</i> Signature of Seal of Professional Surveyor</p> <p><b>NEW MEXICO</b> Professional Surveyor</p> <p><b>03.11.0900</b> Certificate No.</p> <p><b>GARY G. EIDSON</b> Name</p> <p><b>12641</b> Number</p>
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## WELLBORE SCHEMATIC

Surface Casing 9 5/8" 32.3 #/ft  
Cemented to Surface 400sxs  
Shoe at 500'

BURNETT OIL CO., INC.  
GISSLER A-22  
Unit K 2,240' FSL & 1,720' FWL  
Sec. 14, T-17-S, R-30-E  
Eddy Co. NM  
API: 30-015-33124  
Spudded 12/03/03  
Completed 2/04/04  
GL 3695' KB 3707'

DV Tool at 2621'

### Perforations

4527' - 4830' 22 Holes  
5204' - 5212' 16 Holes  
5231' - 5283' 6 Holes

Production Casing 7" 23#/ft  
Cemented to Surface 2025sxs  
Shoe at 5301'  
Float Collar at 5267'

TD 5301'

