

ABOVE THIS LINE FOR DIVISION USE ONLY

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]

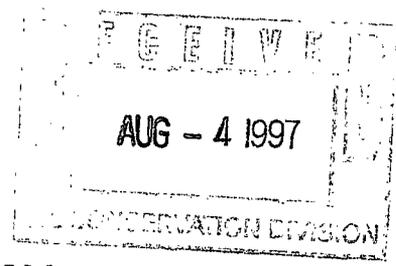
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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 *DONE AS OPERATOR*
- [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 *SEE ATTACHED 3/60-5 COPY*
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

July 30, 1997
Date

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AUG - 4 1997

CONSERVATION DIVISION

July 30, 1997

NEW MEXICO OIL CONSERVATION DIVISION
ATTN: Mike Stogner or David Catanach
2040 S. Pacheco
Santa Fe, New Mexico 87505

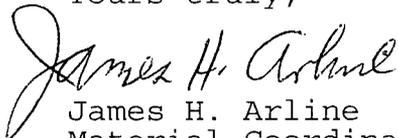
Re: Unorthodox location of Jackson B #40
Unit C 1120'FNL, 1345'FWL,
Sec 24, T17S, R30E
Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. request an exception without notice and hearing to Rule 104 for the Jackson B #40 recompletion in the Grayburg formation. This well was drilled in June 1976 and completed in August 1976 as the Grayburg Jackson San Andres Unit #44 as a legal location without regard to the original lease lines. The cost of plugging this well bore and drilling a new well would not be an economic probability. Our intention is to lay a flowline to the existing Jackson B4 tank battery @ Unit P, Sec 24, T17S, R30E to handle the production. The attached plat shows that we are the operator of record for all adjacent lease. No archaeological survey was done for this area since it is an existing well site pad. We are requesting an archaeological survey for the flowline since it will traverse an undisturbed area. A copy of the submitted BLM 3160-5 is also attached for your reference.

Please advise if any further information is needed.

Yours truly,



James H. Arline
Material Coordination

xc:NM OCD-Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 BURNETT OIL CO., INC

3. ADDRESS OF OPERATOR
 801 CHERRY STREET, SUITE 1500, FORT WORTH, TEXAS 76102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface UNIT C, 1120' FNL, 1345' FWL
 At proposed prod. zone SAME AS SURFACE

5. LEASE DESIGNATION AND SERIAL NO.
 LC055264

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 GRAYBURG JACKSON SAN ANDRES UNIT #44

8. FARM OR LEASE NAME
 JACKSON B

9. WELL NO.
 40

10. FIELD AND POOL, OR WILDCAT
 GRAYBURG JACKSON

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 24, T17S, R30E

12. COUNTY OR PARISH 13. STATE
 EDDY NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 3 MILES EAST OF LOCO HILLS, NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 3080' CIBP

20. ROTARY OR CABLE TOOLS

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3725'

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	8 5/8"	24#	477' IN PLACE	250 SKS
	5 9/16"	15.63#	3545' IN PLACE	750 SKS

PRESENT OPEN INTERVAL IS 3444' - 3520' (GJSAU)
 CLEAN OUT 5 9/16" CASING W/BIT & SCRAPER. SET CIBP @ APPROX 3080', DUMP 35' CEMENT ON TOP TO P & A GJSAU ZONE. PERFORATE APPROX. 2815' - 2915'. STIMULATE AS RECOMMENDED BY STIMULATION COMPANY... SEE ATTACHED 3160-5(SUNDRY NOTICE) FOR DETAIL.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Arling Land* TITLE PETROLEUM ENGINEER DATE July 30, 1997

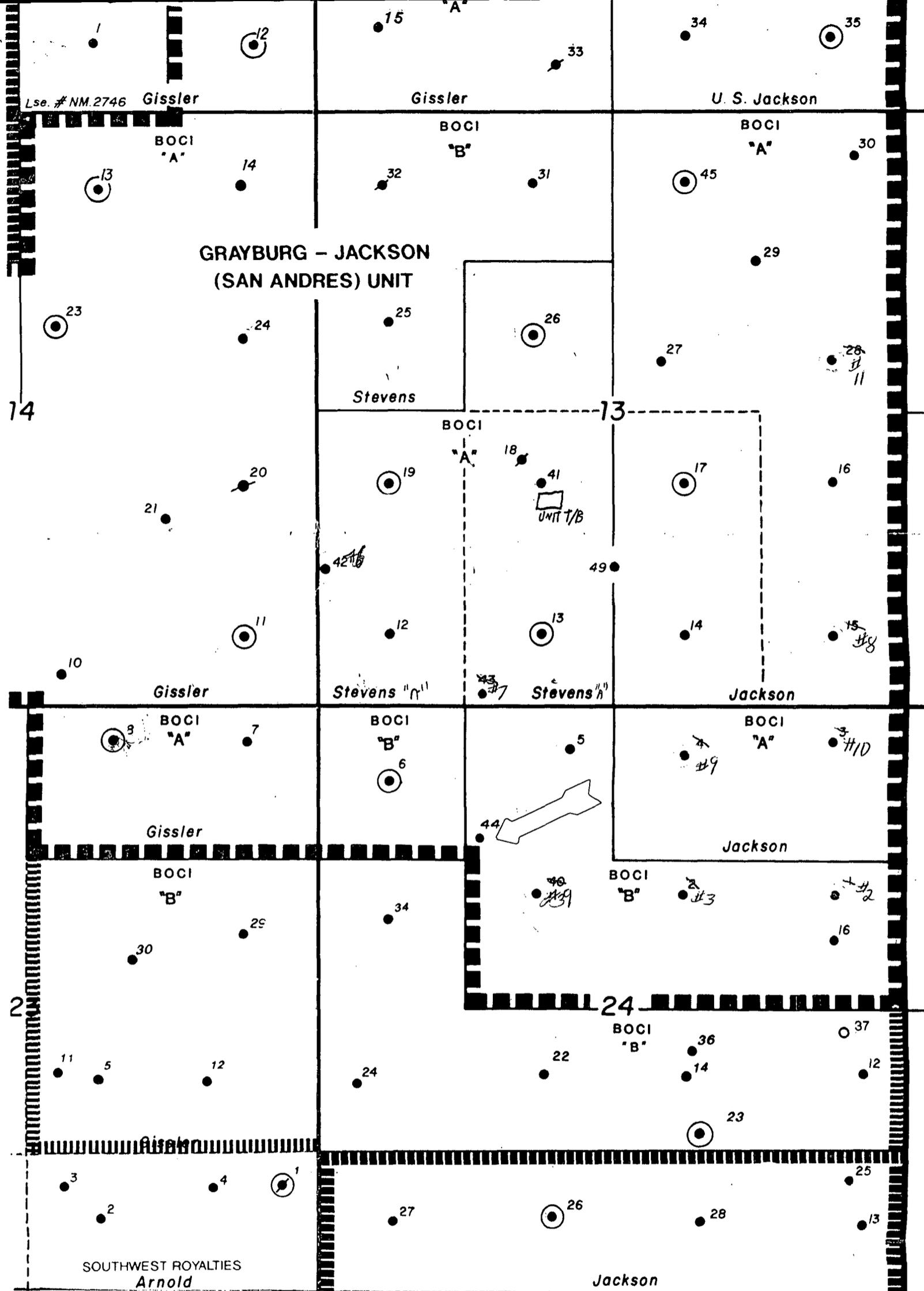
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



BURNETT OIL CO, INC.

**GRAYBURG JACKSON -
SAN ANDRES UNIT**
EDDY COUNTY, NEW MEXICO



Sec : 24 Twp : 17S Rng : 30E Section Type : NORMAL

D 40.00 <i>NM074939</i> Federal owned A	C 40.00 <i>LC-055264</i> Federal owned A A	B 40.00 <i>LC-029339A</i> Federal owned A	A 40.00 <i>LC029339A</i> Federal owned A
E 40.00 <i>NM2747</i> Federal owned A	F 40.00 <i>LC-055264</i> Federal owned A	G 40.00 <i>LC055264</i> Federal owned A	H 40.00 <i>LC-055264</i> Federal owned A A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

Sec : 24 Twp : 17S Rng : 30E Section Type : NORMAL

<p>L 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A</p>	<p>K 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A</p>	<p>J 40.00 <i>LC-055264</i> <i>NM2747</i></p> <p>Federal owned</p> <p>A A A</p>	<p>I 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A A</p>
<p>M 40.00 <i>NM 2747</i></p> <p>Federal owned</p> <p>A</p>	<p>N 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A</p>	<p>O 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A</p>	<p>P 40.00 <i>NM2747</i></p> <p>Federal owned</p> <p>A A</p>

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG6IWCM

ONGÅRD
INQUIRE WELL COMPLETIONS

09/15/97 19:31:58
OGOMES -EMGG

API Well No : 30 15 4311 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 28509 GRAYBURG JACKSON;7 RVRS-QU-GB-SA
OGRID Idn : 3080 BURNETT OIL CO INC
Prop Idn : 2390 GRAYBURG JACKSON S A UNIT

Well No : 005
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	C	24	17S	30E	FTG 999 F S	FTG 999 F E	P

Lot Identifier:
Dedicated Acre: 40.00
Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

09/15/97 19:32:11
OGOMES -EMGG

API Well No : 30 15 21831 Eff Date : 10-01-1976 WC Status : A
Pool Idn : 28509 GRAYBURG JACKSON;7 RVRS-QU-GB-SA
OGRID Idn : 3080 BURNETT OIL CO INC
Prop Idn : 2390 GRAYBURG JACKSON S A UNIT

Well No : 044
GL Elevation: 3715

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: C	24	17S	30E	FTG 1120 F N	FTG 1345 F W	P
Lot Identifier:							
Dedicated Acre:							40.00
Lease Type							: F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

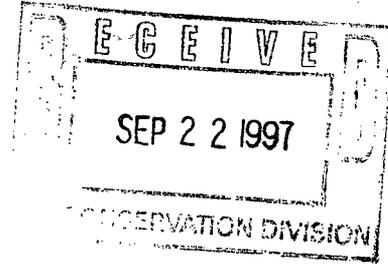
M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

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September 18, 1997

NEW MEXICO OIL CONSERVATION DIVISION
ATTN: Mr. Mike Stogner
2040 Pacheco
Santa Fe, New Mexico 87505



Re: Unorthodox Location of Jackson B #40, Eddy County, NM

Dear Mr. Stogner:

Pursuant to your request, the ownership of the leases around the Jackson B #40 (Grayburg Jackson San Andres Unit #44) is shown below. There are three leases, LC055264, NM2747 and NM074939. As shown below, ownership of leases LC055264 and NM 2747 is identical.

LC055264:	E/2 NW SEC 24-17S-30E	NM074939:	NW NW SEC 24-17S-30E
NM2747:	SW NW SEC 24-17S-30E		
OWNER	W.I. SEC 24: E/2 NW & SW NW	W.I. SEC 24: NW NW	
ANNE WINDFOHR	.030208	.024754	
OL BURNETT TRUST	.063437	.051983	
RF WINDFOHR TRUST	.095156	.077975	
AB TANDY TRUST	.333333	.273148	
BURNETT OIL COMPANY	.364583	.298756	
YATES PETROLEUM	-0-	.180556	
YATES DRILLING	.037761	.030942	
ABO PETROLEUM	.037761	.030943	
MYCO INDUSTRIES	.037761	.030943	

(BOCI-GJSAU #44 WELL, TO RE-COMPLETED AS THE JACKSON B #40, IS LOCATED IN THE NE NW OF SEC 24-17S-30E)

Please advise if any further information is needed.

Very truly yours,

Sterling Randolph
Petroleum Engineer

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5663
Order No. R-5206

APPLICATION OF ANNE BURNETT TANDY
dba WINDFOHR OIL COMPANY FOR 12
UNORTHODOX OIL WELL LOCATIONS AND
AN ADMINISTRATIVE PROCEDURE, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 14, 1976,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 27th day of April, 1976, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Anne Burnett Tandy dba Windfohr
Oil Company, seeks approval of 12 unorthodox oil well locations
to be drilled to the San Andres formation at the following
locations in the Grayburg-Jackson Unit, Township 17 South, Range
30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico,
as follows:

Section 13:

2615 feet from the South line and 1345 feet
from the East line.

2415 feet from the South line and 2415 feet
from the West line.

2615 feet from the North line and 1295 feet
from the West line.

1295 feet from the South line and 1295 feet
from the East line.

1295 feet from the South line and 2615 feet
from the East line.

1295 feet from the South line and 1345 feet from the West line.

1295 feet from the South line and 25 feet from the West line.

200 feet from the South line and 1345 feet from the East line.

25 feet from the South line and 1345 feet from the West line.

Section 14:

2500 feet from the North line and 25 feet from the East line.

Section 24:

25 feet from the North line and 25 feet from the West line.

1120 feet from the North line and 1345 feet from the West line.

(3) That applicant further seeks the establishment of an administrative procedure whereby the above wells could be relocated and other similar unorthodox locations approved without notice and hearing.

(4) That wells at said unorthodox locations will better enable applicant to produce the oil underlying the Grayburg-Jackson Unit Area.

(5) That no offset operator objected to the proposed unorthodox locations.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That 12 unorthodox oil well locations for the San Andres formation are hereby approved for wells to be located in the Grayburg-Jackson Unit, Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico, as follows:

Section 13:

2615 feet from the South line and 1345 feet from the East line.

2415 feet from the South line and 2415 feet from the West line.

2615 feet from the North line and 1295 feet from the West line.

1295 feet from the South line and 1295 feet from the East line.

1295 feet from the South line and 2615 feet from the East line.

1295 feet from the South line and 1345 feet from the West line.

1295 feet from the South line and 25 feet from the West line.

200 feet from the South line and 1345 feet from the East line.

25 feet from the South line and 1345 feet from the West line.

Section 14:

2500 feet from the North line and 25 feet from the East line.

Section 24:

25 feet from the North line and 25 feet from the West line.

1120 feet from the North line and 1345 feet from the West line.

(2) The Secretary-Director of the Commission is hereby authorized to amend the locations of the hereinabove authorized wells and to approve additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Grayburg-Jackson Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Grayburg-Jackson Unit nor closer than 10 feet to any quarter-quarter section of subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (A) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

- (B) A schematic drawing of any proposed injection well which fully describes the casing, tubing, packer, leak detection equipment, perforated interval, and depth.

The Secretary-Director may grant immediate approval of the proposed well, if in his opinion, the well is necessary to complete an efficient injection and production pattern for the project.

PROVIDED HOWEVER, if the application is for a well closer than 330 feet to the outer boundary of the Grayburg-Jackson Unit, a copy of the application shall be sent to the operator of any proration unit outside of the Grayburg-Jackson Unit which offsets, directly or diagonally, the proration unit upon which such unorthodox location is proposed. The Secretary-Director shall wait 20 days before approving such unorthodox location, and shall do so only in the absence of objection from the offset operator(s). The 20-day waiting period may be dispensed with upon receipt of waiver of objection from the aforesaid operator(s)

- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

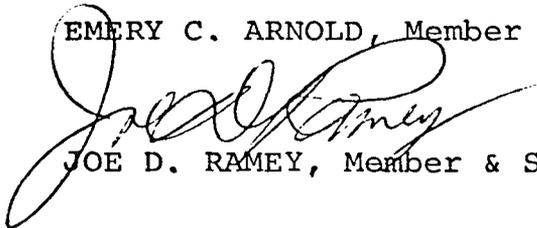
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/