

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 9, 2009

Burnett Oil Co., Inc.
Attn: Mr. James H. Arline
Burnett Plaza, Suite 1500
801 Cherry St. – Unit #9
Fort Worth, TX 76102-6881

Administrative Order NSL-6122

Re: Gissler B Well No. 55
API No. 30-015-37243
2475 feet FSL and 2475 feet FEL
Unit J, Section 11-17S-30E
Eddy County, New Mexico

Dear Mr. Arline:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-33456222**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 30, 2009, and

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

Burnett Oil Co., Inc. [OGRID3080] (Burnet) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NW/4 SE/4 of Section 11 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Grayburg Jackson-Seven Rivers/Queen/Grayburg/San Andres Pool (28590). 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 northern and western unit boundaries.

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

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

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



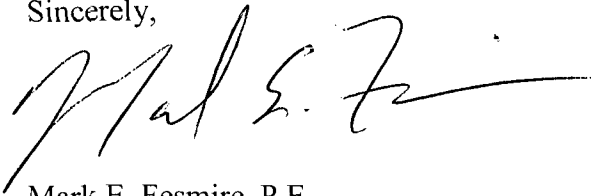
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 stroke 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 - Carlsbad