

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

5/26/2002  
Date



May 6, 2002

New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87504

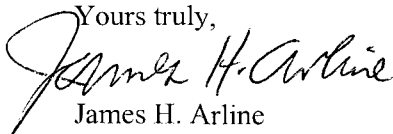
Re: Gissler B #31 API #30-015-32200 Federal lease #LC074939  
Unit L, 1650' FSL, 990' FWL SEC 14, T17S, R30E Eddy County, N.M.

Gentlemen:

We request administrative approval to "Off Lease Surface Commingle" the Cedar Lake Yeso zone (96831) production from the referenced well with the present NM 2748 Lease (Square Lake Grayburg) production from the Gissler B #15,20,24 & 25 wells in the Gissler B 3-3 Tank Battery in Unit M Sec. 11-17S-R30E (State POD #649410,...30 & ...50.) All production in this battery is presently being allocated based on periodic individual well test. The test method is a 1996 Natco built trailer mounted Huskie Jr. Port-A-Chek well tester. We have installed a separate flow line from this well to the battery site with a metering separator before it enters the battery heater treater. This commingle allows us to test this zone using an existing storage facility instead of disturbing new acreage for a new battery site at this time. A copy of the first commingling order (CTB-323) for these pools in this battery is enclosed for easy reference.

This Federal lease does qualify for reduced royalty. The only interest difference in the zones is EOG Resources, Inc. with an ORRI out of Burnett Oil's interest only. All Other Working, Royalty and Overriding interest owners are the same in the Grayburg, Square Lake and Yeso producing intervals. We have attached a waiver of objection to commingle from EOG Resources for this filing. As a matter of routine, a copy of this filing with the attachments is being sent to all interest owners.

A copy of this original filing is being sent to BLM- Roswell and NMOCD- Artesia. The BLM 3160-5 is also attached for your reference. The original C104 was sent to NMOCD in Artesia.

Yours truly,  
  
James H. Arline  
Materials Coordinator

Xc: New Mexico Oil Conservation Division  
811 South First  
Artesia, New Mexico 88210



May 6, 2002

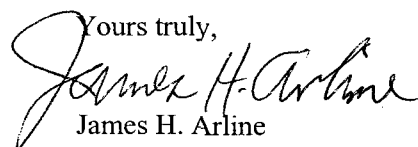
Yates Drilling  
Myco Industries  
Abo Petroleum  
105 South Fourth Street  
Artesia, New Mexico 88210  
Attn: Mr. Dave Boneau

Re: Gissler B #31 API #30-015-32200 Federal lease #LC074939  
Unit L, 1650' FSL, 990' FWL SEC 14, T17S, R30E Eddy County, N.M.

Dear Interest Owner:

As an interest owner in the referenced well and lease, please accept this letter as notice that Burnett Oil Co. Inc. has applied to New Mexico Oil Conservation Division for an administrative exception to NM Rule 309-A. We would like to commingle Yeso production from this well with already commingled (CTB-323 March 4, 1987) Square Lake Grayburg production from NM2748 and LC074939 in the Gissler B 3-3 Tank Battery. We feel the use of this existing battery is the most efficient and economic use of equipment at the present time.

If you have an objection to this application, please contact NMOCD @ 505/827-7131 or 2040 S. Pacheco, Santa Fe, New Mexico 87505.

Yours truly,  
  
James H. Arline  
Materials Coordinator

Xc: New Mexico Oil Conservation Division  
811 South First  
Artesia, New Mexico 88210



**EOG Resources, Inc.**  
P.O. Box 2267  
Midland, TX 79702  
(915) 686-3600

April 23, 2002

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

Re: Gissler B #31  
Section 14, T17S, R30E  
Eddy County, New Mexico  
API# 30-015-32200  
Federal Lease LC 074939

Gentlemen:

Enclosed please find an executed copy of your Waiver of Objection to Surface Commingle letter dated April 17, 2002 whereby EOG agrees to commingle.

If you have any questions or need further information, please advise.

Sincerely,

EOG RESOURCES, INC.

A handwritten signature in black ink, appearing to read "Patrick J. Tower", written over the printed name.

Patrick J. Tower  
Project Landman

Enclosure

CCCC

April 17, 2002

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702-2267  
Attn: Mr. Patrick Tower

Re: Gissler B #31 API #30-015-32200 Federal lease #LC074939  
Unit L, 1650' FSL, 990' FWL SEC 14, T17S, R30E Eddy County, N.M.

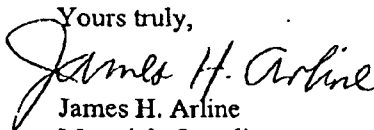
Dear Mr. Tower:

Your company has .022406 oil and .0510086 gas ORRI from Burnett Oil's interest only in the referenced well. All other Working, Royalty and Overriding interest in these zones is the same. We would like to use the existing Gissler B 3-3 lease tank battery as the most efficient and economic use of equipment at the present time.

We request your approval to "Off Lease Surface Commingle" the Cedar Lake Yeso zone production from the referenced well with the present Grayburg production from the Gissler B #15,20,24, & #25 wells in the Gissler B 3-3 Tank Battery (State POD #0649410...30 & ...50.) All production in this battery is presently being allocated based on periodic individual well test. The test method is with a 1996 Natco built trailer mounted Huskie Jr. Port-A-Chek well tester.

Please sign one copy of this Waiver of Objection to Surface Commingle the Cedar Lake, Yeso with the Square Lake and Grayburg production in the existing Gissler B 3-3 Battery (Unit M, Sec 11, T17S, R30E, Eddy County, New Mexico) and return to us.

Yours truly,


  
James H. Arline  
Materials Coordinator

Xc: New Mexico Oil Conservation Division  
811 South First  
Artesia, New Mexico 88210

EOG RESOURCES, INC.  
☒ OK TO COMMINGLE

L.W. Helms, Jr.

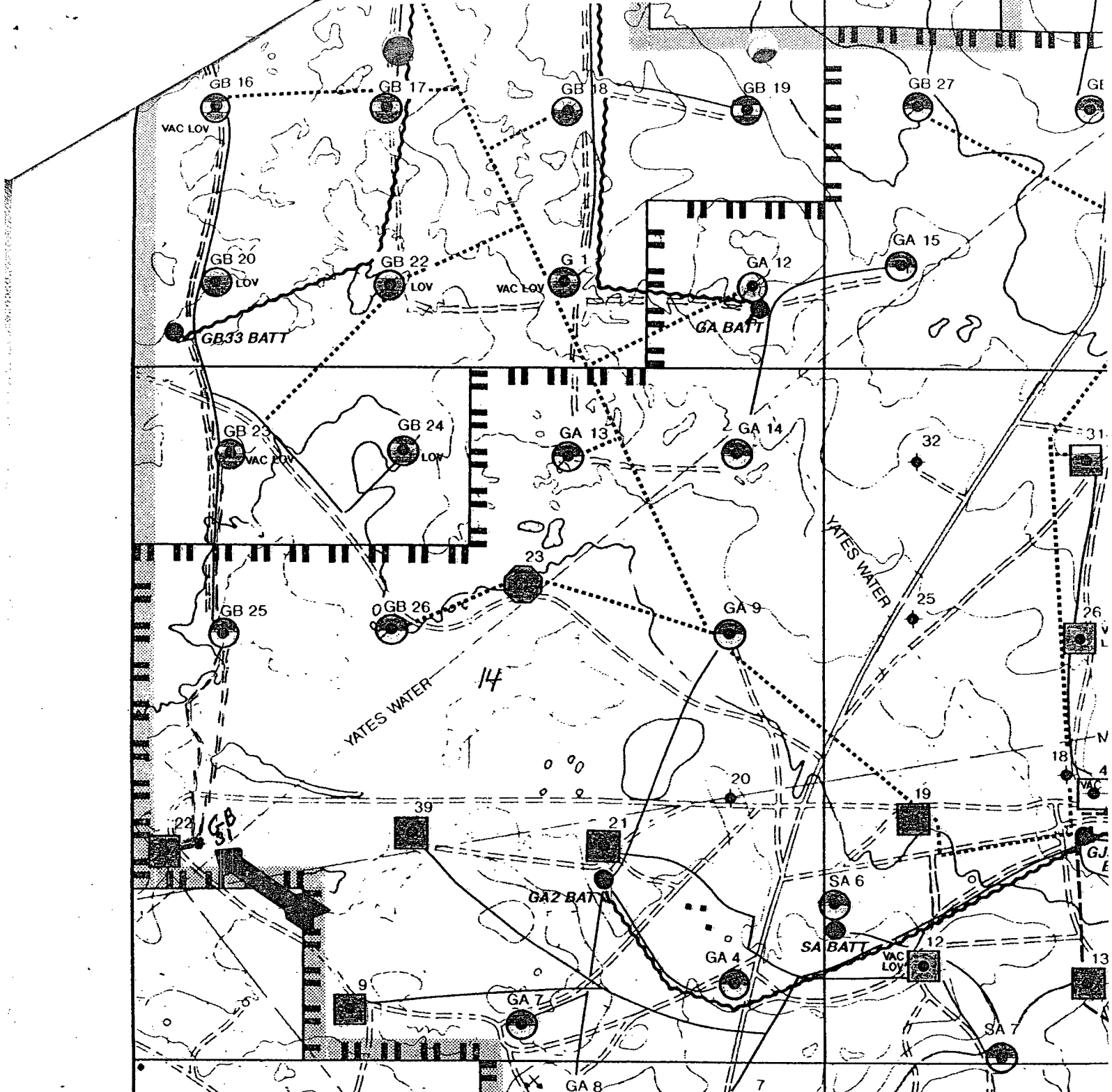
Type or Print Name

 4-23-02  
Signature and Date

BURNETT PLAZA - SUITE 1500  
801 CHERRY STREET - UNIT #9

BURNETT OIL CO., INC.

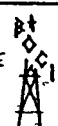
FORT WORTH TX 76102-6881  
(817) 332-5108



# **BURNETT OIL CO, INC.**

GRAYBURG-JACKSON &  
 SQUARE LAKE FIELDS  
 CEDRA LAKE VESD  
 EDDY COUNTY, NM

ROAD  
 FLOWLINE



1" = 1000'

LOCO HILLS DISTRICT

Revisions	
Date	By
1/1997	DRISTER

GISSLER B #31  
 EXHIBIT A