

**Davidson, Florene, EMNRD**

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**From:** jamesbruc@aol.com  
**Sent:** Monday, July 11, 2011 2:42 PM  
**To:** Davidson, Florene, EMNRD  
**Cc:** dsrhodes@burnettoil.com; wpollard@burnettoil.com; mjacoby@burnettoil.com; .  
bob.grable@kellyhart.com; rhudson@hudsonoil.com  
**Subject:** Burnett Oil Co./Partition Fed. No. 2/Unit P-Sec. 13-17S-31E/COG objection to UOL

*Case 14674*

Florene: Regarding the e-mail you sent to Mary Starkey of Burnett, this well is also the subject of a force pooling hearing, and I have amended the pooling application to request unorthodox location approval, which is currently set for 7/21. Thus, please ignore the objection because it has already been addressed.

Thanks.

Jim

**Davidson, Florene, EMNRD**

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**To:** mcstarkey@burnettoil.com  
**Subject:** Application

Ms. Starkey, an objection has been received from COG Operating, LLC to your administrative application for a non-standard location for your Partition Federal Well #2 in Unit P, Section 13, Township 17 South, Range 31 East, Eddy County, New Mexico. This application has been given to me to set for hearing. I can set it for the August 4 examiner hearing if you would like. Please let me know by Monday, July 11, if this date is all right with you.

Thank you.

Florene Davidson  
OC Staff Specialist

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
Phone 505-954-7294  
Fax 505-983-6043  
agrarkin@hollandhart.com

June 16, 2011

**VIA HAND DELIVERY**

Ms. Jami Bailey  
Director, Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of Burnett Oil Co., for a non-standard well location on Partition  
Federal #2 Federal Lease #NMLC029415A, Unit P, 990' FSL, 1140' FEL,  
Sec. 13, T17S, R31E- Eddy County New, Mexico.**

RECEIVED  
2011 JUN 16 PM 14

Dear Ms. Bailey:

COG Operating, LLC, ("Concho") hereby objects to the above-referenced application filed by Burnett Oil Co. seeking a non-standard well location for new drilling operations located on Partition Federal #2 Federal Lease #NMLC029415A, Unit P, 990' FSL, 1140' FEL, Sec. 13, T17S, R31E, in Eddy County, New Mexico. A copy of the Administrative Application and notice letter from Burnett Oil Co. are included for reference.

Pursuant to Division Rule 19.15.15.13 NMAC, this application must be set for hearing before a Division Examiner in order to be further considered, as Concho has timely objected to this application. Your attention to this matter is appreciated.

Sincerely,

Adam G. Rankin

cc w/o encs: Mary Carter Starkey  
Burnett Oil Co., Inc.  
Burnett Plaza, Suite 1500  
801 Cheery Street #9  
Fort Worth, TX 76102-6881

David Evans  
COG Operating, LLC

**Holland & Hart<sup>LLP</sup>**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

6666

June 3, 2011

COG Operating  
550 W. Texas Ste 1300  
Midland, Texas 79701

Re: This is a correction letter for the location of the well.

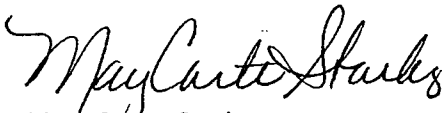
Gentlemen:

This letter is to notify you that Burnett Oil Co., Inc is seeking an Administrative Order from the New Mexico Oil & Conservation Division for a Non-Standard Location regarding a new drill located as follows:

Partition Federal #2 Federal Lease #NMLC029415A  
Unit P, 990' FSL, 1140' FEL  
Sec. 13, T17S, R31E – Eddy County, New Mexico

If you have any questions regarding the attached application please contact me at (817) 332-5108.

Sincerely,



Mary Carter Starkey  
Regulatory Coordinator

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ 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

[D] Other: Specify \_\_\_\_\_

**[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mary Carter Starkey Mary Carter Starkey Regulatory Coord 6/3/11  
 Print or Type Name Signature Title Date  
mestark@purnetto.i.com  
 e-mail Address

DATE IN <u>6.15.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>6.15.11</u>	TYPE <u>NSL</u>	APP NO. <u>1116632752</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Barnett* 03080  
*Partition Fed. #2*  
 30-015-39062

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

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**[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]**

*P-13-175-31E*

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

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

*Eddy, Fed*

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

[D] Other: Specify \_\_\_\_\_

**[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

*Mary Carter Starkey* *Mary Carter Starkey* *Regulatory Coord* *6/3/11*  
 Print or Type Name Signature Title Date  
*mestark@purnetto.i.com*  
 e-mail Address

6666

RECEIVED OCD  
2011 JUN 14 A 11:42

June 6, 2011

New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87504  
Attn: Engineering Department

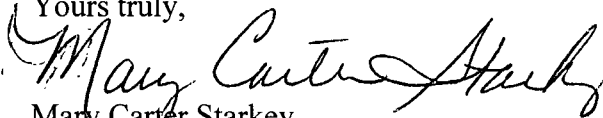
Re: Partition Federal #2 Federal Lease NMLC029415A  
Unit P, 990' FSL, 1140' FEL  
SEC.13, T17S, R31E- Eddy County, New Mexico

Gentlemen:

Burnett Oil Co., Inc. respectfully request's an exception without notice and hearing to NMOCD Rule 104 for the Partition Federal #2 new drill (Fren (Glorieta Yeso) 26770) well. Our original spot for this location was moved by the Bureau of Land Management after sand dunes were found when trying to stake and survey the well. The attached plat shows our location of this well site on Federal Lease NMLC029415A. All offset operators have been notified by mail of our application. A copy of our submitted 3160-3, plats are included for your easy reference. API Number 30-015-39062.

Please contact the undersigned if you should need any more information or have any question.

Yours truly,



Mary Carter Starkey  
Regulatory Coordinator

RECEIVED

Operator Copy

ATS-11-189

Form 3160-3  
(August 2007)

MAY 16 2011

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 20105. Lease Serial No.  
NMLC029415A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
Partition Federal 2

9. API Well No.

30-015- 39062

10. Field and Pool, or Exploratory

FREN (Glorieta Yeso)

11. Sec., T. R. M. or Blk. and Survey or Area

Unit P Sec. 13 17S 31E

12. County or Parish  
EDDY13. State  
NM1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator BURNETT OIL CO., INC.

3a. Address 801 Cherry St. Ste. 1500  
Fort Worth, Texas 761023b. Phone No. (include area code)  
817-332-5108

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface 990' FSL, 1140' FEL

At proposed prod. zone same as above

UNORTHODOX  
LOCATION

14. Distance in miles and direction from nearest town or post office\*

15. Distance from proposed\* location to nearest property or lease line, ft.  
(Also to nearest drig. unit line, if any)

330'

16. No. of acres in lease  
64017. Spacing Unit dedicated to this well  
40

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.

330'

19. Proposed Depth  
7200'

20. BLM/BIA Bond No. on file

00197

NM B000197

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3926'

22. Approximate date work will start\*

10/18/2011

23. Estimated duration

18 days

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Mary Carter Starkey

Name (Printed/Typed)

Mary Carter Starkey

Date

2/10/11

Title

Regulatory Coordinator

Approved by (Signature)

Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

5/10/11

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

\*(Instructions on page 2)

ROSWELL CONTROLLED WATER BASIN

SEE ATTACHED FOR  
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED



### **STATEMENT OF NOTIFICATION**

On June 6, 2011, the following parties were mailed a letter notifying each offset operator that Burnett Oil Co., Inc.'s made application with the New Mexico OCD for Non Standard Location for the Well Partition Federal #2, Federal Lease NMLC29415A, Unit P, 990' FSL, 1140" FEL, Sec. 13, T17S, R31E, Eddy County, New Mexico.

#### **OFFSET OPERATORS**

Cimarex Eneergy Co.  
ATTN: Jeff Gotchen  
15 E. 15<sup>Th</sup> St. Ste. 1000  
Tulsa, Oklahoma 80203

COG Operating  
550 W. Texas  
Suite 1300  
Midland, Texas 79701

#### **\* \* \* CERTIFICATION \* \* \***

I declare that the data and facts stated therein are true, correct and complete to the best of my knowledge.

Signature:



Date: 06-06-2011

Company:

Burnett Oil Co., Inc.

Telephone: 817-332-5108



June 3, 2011

Cimarex Energy Co.  
ATTN: Jeff Gotchen  
15 E. 15<sup>th</sup> St. Ste 1000  
Tulsa, Oklahoma 80203

Gentlemen:

This letter is to notify you that Burnett Oil Co., Inc is seeking an Administrative Order from the New Mexico Oil & Conservation Division for a Non-Standard Location regarding a new drill located as follows:

Partition Federal #2 Federal Lease #NMLC029415A  
Unit P, 990' FSL, 1140' FWL  
Sec. 13, T17S, R31E – Eddy County, New Mexico

If you have any questions regarding the attached application please contact me at (817) 332-5108.

Sincerely,

  
Mary Carter Starkey  
Regulatory Coordinator

CCCC

June 3, 2011

COG Operating  
550 W. Texas Ste 1300  
Midland, Texas 79701

Gentlemen:

This letter is to notify you that Burnett Oil Co., Inc is seeking an Administrative Order from the New Mexico Oil & Conservation Division for a Non-Standard Location regarding a new drill located as follows:

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Sec. 13, T17S, R31E – Eddy County, New Mexico

If you have any questions regarding the attached application please contact me at (817) 332-5108.

Sincerely,

  
Mary Carter Starkey  
Regulatory Coordinator

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-</b>	Pool Code <b>26770</b>	Pool Name <b>FREN (GIORIETA YESO)</b>
Property Code	Property Name <b>PARTITION FEDERAL</b>	Well Number <b>2</b>
OGRID No. <b>03080</b>	Operator Name <b>BURNETT OIL COMPANY, INC.</b>	Elevation <b>3926'</b>

Surface Location

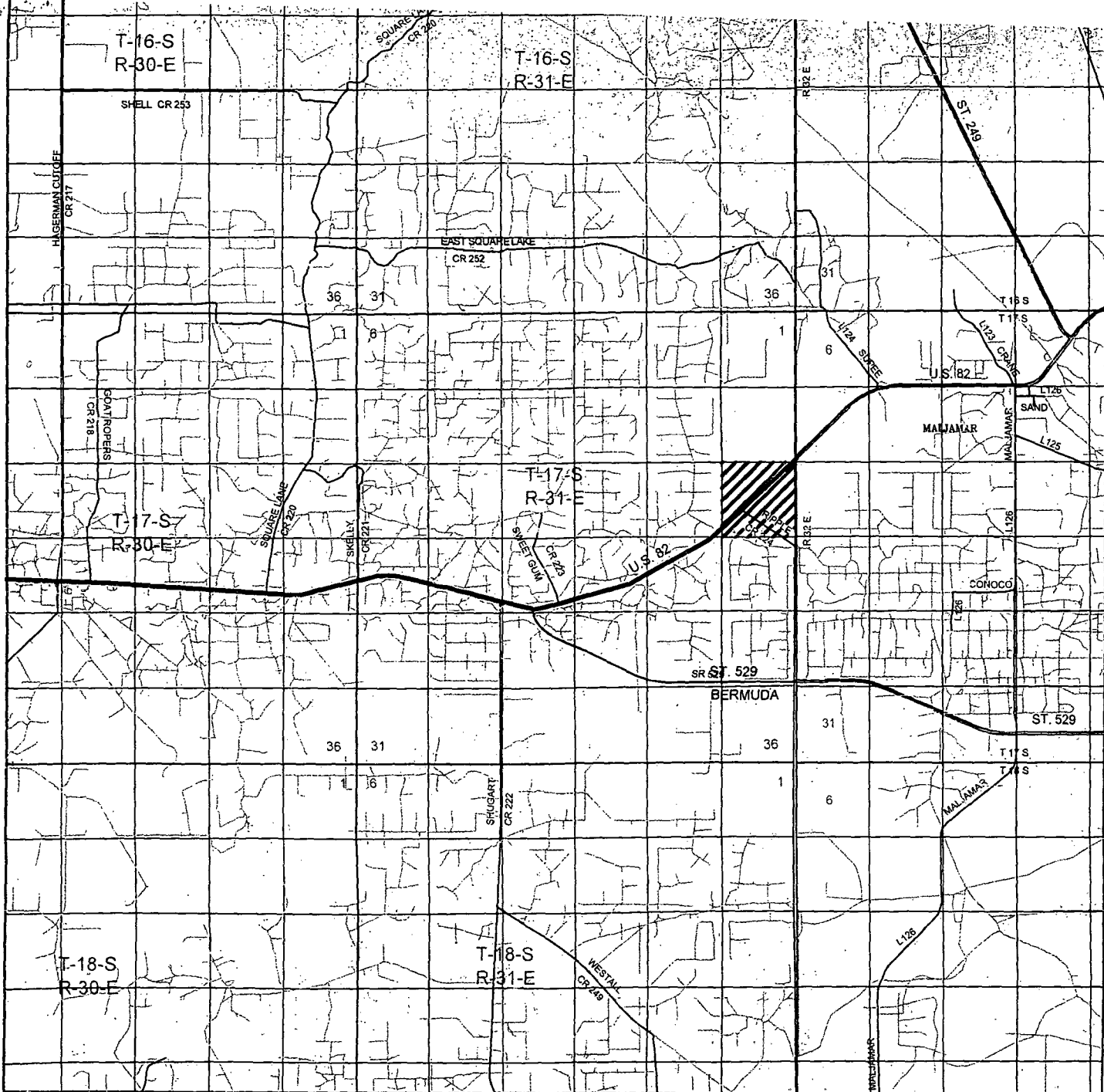
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>13</b>	<b>17 S</b>	<b>31 E</b>		<b>990</b>	<b>SOUTH</b>	<b>1140</b>	<b>EAST</b>	<b>EDDY</b>

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 <b>40</b>	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

<div><p><b>SURFACE LOCATION</b> Lat - N 32.830029532° Long - W 103.817700726° NMSPCE - N 666062.273 E 658387.615 (NAD-27)</p><p>3927.9' 3930.8' 1140' 3921.6' 3924.3' 990'</p></div>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><i>Mary Carter Starkey</i> 2/9/10 Signature Date <i>Mary Carter Starkey</i> Printed Name <i>mesturkey@burnettol.com</i> Email Address</p>
	<p><b>SURVEYOR CERTIFICATION</b> 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>Date Surveyed Signature &amp; Seal of Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23964</p>



## PARTITION FEDERAL #2

SURFACE EXHIBIT A

Located 990' FSL and 1140' FEL

Section 13, Township 17 South, Range 31 East,  
N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(575) 393-7316 - Office  
(575) 392-2206 - Fax  
basinsurveys.com

W.O. Number: JMS 23964

Survey Date: 01-25-2011

Scale: 1" = 2 Miles

Date: 01-26-2011

**BURNETT OIL**  
**COMPANY, INC.**