

Ocb-Artesia

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMEC074939 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] Oil Well [] Gas Well [] Other

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

2. Name of Operator Burnett Oil Co., Inc.

8. Well Name and No. Gissler B2, B 3-2 & B3-3 Batteries

3a. Address 801 Cherry Street, Suite 1500 Fort Worth, Texas 76180

3b. Phone No. (include area code) 817-332-5108

9. API Well No.

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NESW13, Sec 13, T17S, R30E

10. Field and Pool or Exploratory Area See attached

11. County or Parish, State Eddy County, Texas

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

The attached information covers the NMEC074939 Lease and the Gissler B 2, Gissler B 3-2 and Gissler B 3-3 Batteries. The Water Production & Disposal Form is attached as well as Water Analysis and Battery Diagrams which list all of the well associated with these batteries.

Handwritten signature and date: RD 10/28/14 Accepted for record NMBOD

NM OIL CONSERVATION ARTESIA DISTRICT

OCT 27 2014

RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Leslie Garvis

Title Regulatory Coordinator

Signature: [Handwritten Signature]

Date 06/17/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

APPROVED stamp with date SEP 26 2014 and signature of JAMES A. AMOS SUPERVISOR EDS

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.

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed.

Lease: NMLC074939

Batteries: Gissler B 2 Battery, Gissler B 3-2 Battery, Gissler B 3-3 Battery

1. Name(s) of formation(s) producing water on the lease.
Grayburg Jackson, San Andres, Loco Hills Glorieta Yeso, Cedar Lake Glorieta Yeso, Square Lake Grayburg San Andres

2. Amount of water produced from all formations in barrels per day.
Average - Gissler B 2 - 700-900 bblspd, Gissler 3-2 - 500-600 bblspd, Gissler 3-3 - 2,000-3,000 bblspd

3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (One sample will suffice if water is commingled).
Attached

4. How water is stored on lease.
Fiberglass Water Barrels - See attached Diagrams

5. How water is moved to the disposal facility.
Water is piped to the Burnett GJSAU Water Flood Station. From there is it routed to one of the following locations: on lease injection wells, one of two disposal wells (on and off lease) or through a disposal line to the Loco Hills Public Disposal.
6. Identify the Disposal Facility by:
 - A. Facility Operators name. Burnett Oil Co., Inc.

 - B. Name of facility or well name and number. GJSAU Water Flood Station

 - C. Type of facility or well (WDW) (WIW) etc. Water handling facility

 - D. Location by $\frac{1}{4}$ $\frac{1}{4}$ NESW 13 Section 17S Township 30E Range

7. Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, **620 EAST GREENE ST, CARLSBAD NM, 88220**, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice).



17 June 2014

Ms. Deborah M. Ham
Bureau of Land Management
Carlsbad Field Office
620 E Greene Street
Carlsbad, New Mexico 88220

Re: Distribution of Water from GJSAU Water flood Station | NMLC074939

Ms. Ham,

The wells associated with this lease flow to the Burnett Waterflood Station are then distributed to following locations:

1. The Loco Hills Public Disposal
2. Gissler B 16 WIW – API #30-015-23771
3. Gissler B 18 WIW – API #30-015-25524
4. Gissler B 22 WIW - API #30-015-25540
5. Gissler B 23 WIW – API #30-015-25518
6. Gissler A 12 WIW – API #30-015-25682
7. Gissler A 13 WIW – API #30-015-25683
8. Gissler B 26 WIW – API #30-015-25763
9. GJSAU 13 WIW – API #30-015-25683*
10. GJSAU 22 WIW – API #30-015-25540*
11. GJSAU 37 WIW – API #30-015-04129*
12. Jackson B 4 WIW – API #30-015-04036*
13. Jackson B 19 WIW – API #30-015-04041*
14. Jackson B 30 WIW – API #30-015-23186*
15. Jackson B 46 SWD – API #30-015-36306
16. Powers 31 Federal #3 SWD – API #30-015-31806
17. Cedar Lake 36 State 1 SWD – API #30-015-41733 (Future)

Re: Distribution of Water from GJSAU Water flood Station

17 June 2014

Page 2

*Note: I was not able to find any state documents for the following wells since they are quite old (1967-1980): GJSAU 13, GJSAU 22, GJSAU 37, Jackson B 4, Jackson B 19 and Jackson B 30. I have looked in our folders and on the OCD website. I have seen interaction with the OCD about these wells so they are managing them.

If you have any question or need any additional information, please feel free to give me a call.

Sincerely,

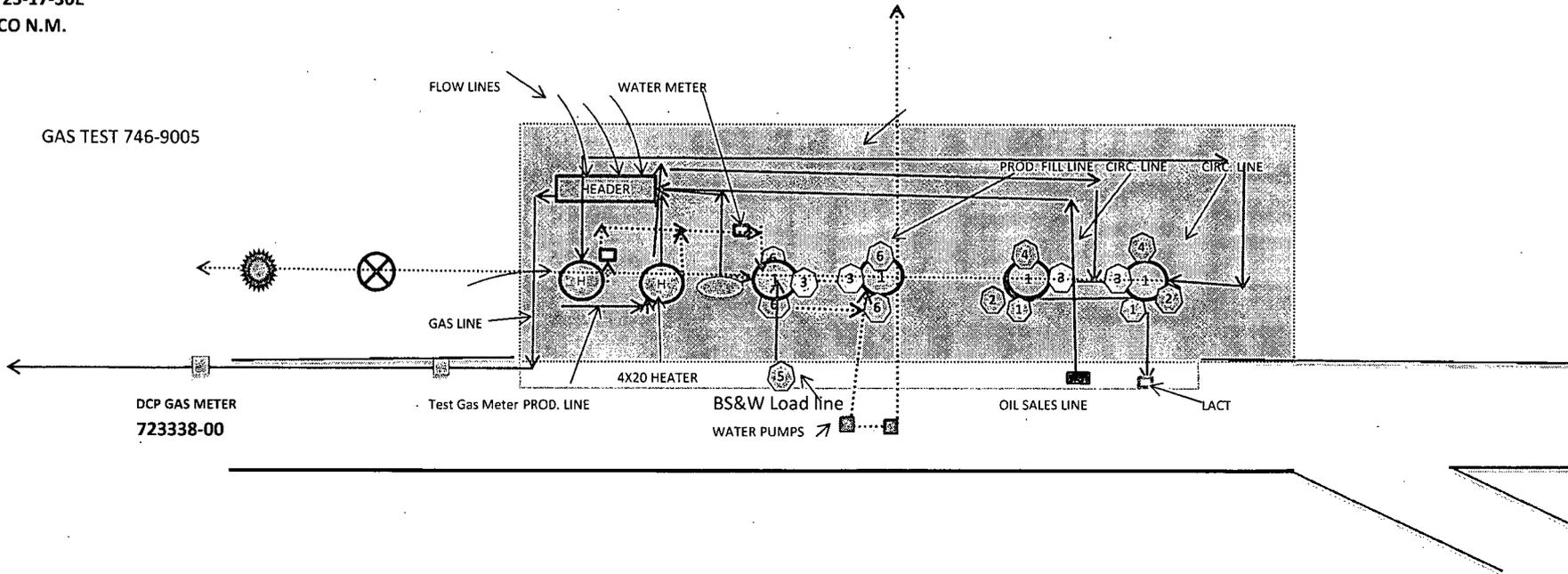
A handwritten signature in cursive script that reads "Leslie Garvis".

Leslie Garvis
Regulatory Coordinator

BURNETT OIL CO.
 GISSLER B # 2
 NE/SE 23-17-30E
 EDDY CO N.M.

5/14/2014

PRODUCED WATER IS TRANSFERRED TO GJSAU WF STATION



SITE LEGEND

-  500 BBL STEEL OIL SALES TANK # 35763
-  500 BBL STEEL OIL SALES TANK # 35764
-  500 BBL FIBERGLASS WATER TANK
-  500 BBL FIBERGLASS WATER TANK
-  HEATER TREATER
-  WATER LINE
-  OIL LINE
-  GAS LINE
-  FENCED FIREWALL

VALVE LEGEND

-  LOAD LINE VALVE
-  FILL LINE VALVE
-  EQUALIZER LINE VALVE
-  CIRC LINE VALVE
-  BS&W LOAD LINE VALVE
-  WATER LINE VALVE
-  COMBUSTOR GAS METER
-  COMBUSTOR
-  COMBUSTOR LINE

Accepted for Record Purposes.
 Approval Subject to Onsite Inspection.
 Date: 5/14/14
[Signature]

BURNETT OIL CO.
 GISSLER B # 2
 NE/SE 23-17-30E
 EDDY CO N.M.

5/14/2014

GISSLER B2 BATTERY

GISSLER B 2
 GISSLER B 5
 GISSLER B 11
 GISSLER B 12
 GISSLER B 29
 GISSLER B 30
 GISSLER B 95
 GISSLER B 100
 GISSLER B 104

ATTACHMENT TO SITE FACILITY DIAGRAM

General sealing of valves, sales by tank gauge

Production Phase:

Load Line Valves sealed closed. Fill valve to tank that is in production will be open.

Equalizer valve to tank that is in production will be open. Circulation valves will be opened as necessary, then resealed.

BS&W Load Line valve will be sealed at all times, unless cleaning tanks, then resealed once tank maintenance is complete.

Sales Phase:

The tank from which sales are being made will be isolated by sealing closed the fill line valve, circulating valve, and the equalizer valve during sales and opening the sales valve. Upon completion of the sale, the sales valve will be resealed.

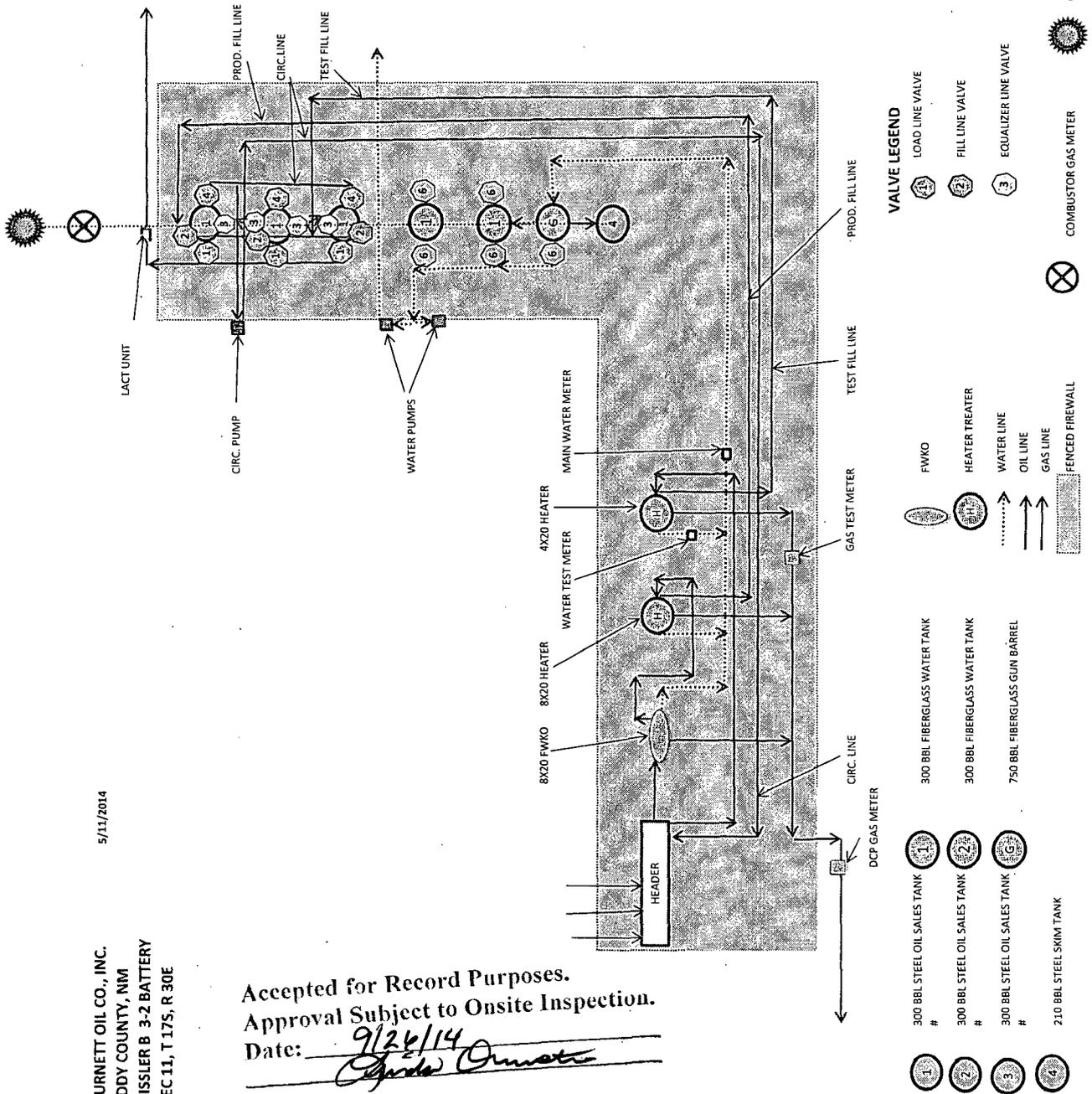
Sales by truck will be by tank gauge.

	<u>VALVE</u>	<u>PRODUCTION PHASE</u>	<u>SALES PHASE</u>	<u>CIRCULATING</u>	<u>NOTE</u>
	LOAD LINE VALVE	CLOSED	OPEN	CLOSED	
	PRODUCTION FILL LINE VALVE	OPEN OR CLOSED	CLOSED	CLOSED OR OPEN	
3	EQUALIZER LINE VALVE	OPEN	CLOSED	CLOSED OR OPEN	
	CIRCULATING LINE VALVE	OPEN OR CLOSED	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
5	BS&W LOAD LINE VALVE	CLOSED	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
6	WATER LINE VALVE	OPEN	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS

5/11/2014

BURNETT OIL CO., INC.
EDDY COUNTY, NIM
GISSLER B 3-2 BATTERY
SEC 11, T 17S, R 30E

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 9/26/14
[Signature]



VALVE LEGEND

- 1 300 BBL STEEL OIL SALES TANK
- 2 300 BBL STEEL OIL SALES TANK
- 3 300 BBL STEEL OIL SALES TANK
- 4 210 BBL STEEL SKIM TANK
- 5 300 BBL FIBERGLASS WATER TANK
- 6 300 BBL FIBERGLASS WATER TANK
- 7 750 BBL FIBERGLASS GUN BARREL
- 8 FWKO
- 9 HEATER TREATER
- 10 WATER LINE
- 11 OIL LINE
- 12 GAS LINE
- 13 FENCED FIREWALL
- 14 CIRC LINE VALVE
- 15 LOAD LINE VALVE
- 16 FILL LINE VALVE
- 17 EQUALIZER LINE VALVE
- 18 BS&W LOAD LINE VALVE
- 19 WATER LINE VALVE
- 20 COMBUSTOR GAS METER
- 21 COMBUSTOR
- 22 COMBUSTOR LINE

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 GISSLER B 3-2 BATTERY
 SEC 11, T 17S, R 30E

5/11/2014

GISSLER B3-2 BATTERY

GISSLER B 28
 GISSLER B 14
 GISSLER B 52
 GISSLER B 53
 GISSLER B 59
 GISSLER B 62
 GISSLER B 64
 GISSLER B 65
 GISSLER B 71 YESO
 GISSLER B 75
 GISSLER B 27

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Sales by truck will be by tank gauge. Sales by LACT will be by LACT meter.

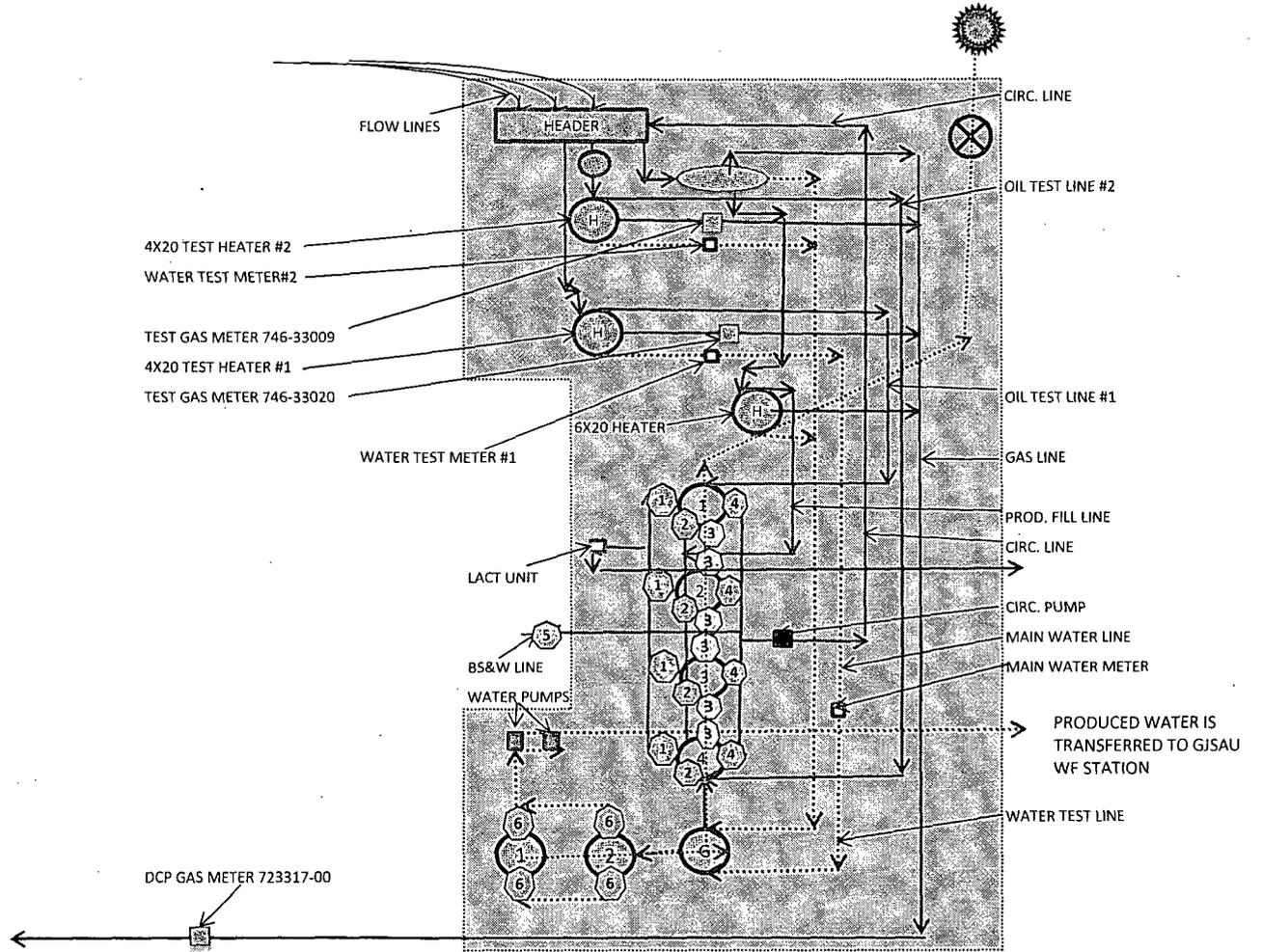
<u>VALVE</u>	<u>PRODUCTION PHASE</u>	<u>SALES PHASE</u>	<u>CIRCULATING</u>	<u>NOTE</u>
LOAD LINE VALVE	CLOSED	OPEN	CLOSED	
PRODUCTION FILL LINE VALVE	OPEN OR CLOSED	CLOSED	CLOSED OR OPEN	
③ EQUALIZER LINE VALVE	OPEN	CLOSED	CLOSED OR OPEN	
CIRCULATING LINE VALVE	OPEN OR CLOSED	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
⑤ BS&W LOAD LINE VALVE	CLOSED	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
⑥ WATER LINE VALVE	OPEN	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 GISSLER B 3-3 BATTERY
 SEC 11, T 17S, R 30E

5/11/2014



Accepted for Record Purposes.
 Approval Subject to Onsite Inspection.
 Date: 9/26/14
[Signature]



- 1 500 BBL STEEL OIL TEST TANK
- 2 500 BBL STEEL OIL SALES TANK # 35206
- 3 500 BBL STEEL OIL SALES TANK # 35207
- 4 500 BBL STEEL OIL SALES TANK # 35669

- 1 500 BBL FIBERGLASS WATER TANK
- 2 500 BBL FIBERGLASS WATER TANK
- G 750 BBL FIBERGLASS GUN BARREL
- 2 PHASE SEP
- FWKO
- H HEATER TREATER
- WATER LINE
- OIL LINE
- GAS LINE
- FENCED FIREWALL

VALVE LEGEND

- 1 LOAD LINE VALVE
- 2A FILL LINE VALVE
- 3 EQUALIZER LINE VALVE
- 4 CIRC LINE VALVE
- 5 BS&W LOAD LINE VALVE
- 6 WATER LINE VALVE
- ⊗ COMBUSTOR GAS METER
- ☀ COMBUSTOR
- COMBUSTOR LINE

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 GISSLER B 3-3 BATTERY
 SEC 11, T 17S, R 30E

5/11/2014

GISSLER B3-3 BATTERY

GISSLER B 15
 GISSLER B 20
 GISSLER B 24
 GISSLER B 25
 GISSLER B 26
 GISSLER B 31
 GISSLER B 32
 GISSLER B 33
 GISSLER B 34
 GISSLER B 35
 GISSLER B 36
 GISSLER B 37
 GISSLER B 38
 GISSLER B 43
 GISSLER B 50
 GISSLER B 61
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 GISSLER B 82
 GISSLER B 84
 GISSLER B 89
 GISSLER B 91
 GISSLER B 97
 GISSLER B 102

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<u>VALVE</u>	<u>SALES PHASE</u>	<u>CIRCULATING</u>	<u>NOTE</u>
LOAD LINE VALVE	OPEN	CLOSED	
PRODUCTION FILL LINE VALVE	CLOSED	CLOSED OR OPEN	
 EQUALIZER LINE VALVE	CLOSED	CLOSED OR OPEN	
CIRCULATING LINE VALVE	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
 BS&W LOAD LINE VALVE	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
 WATER LINE VALVE	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS



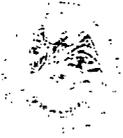
Catalyst Oilfield Services
 11999 E Hwy 158
 Gardendale, TX 79758
 (432) 563-0727
 Fax: (432) 224-1038

Water Analysis Report

Customer: Burnett Oil Company Sample #: 20136
 Area: Loco Hills Analysis ID #: 19314
 Lease: GJSAU
 Location: water flood plant 0
 Sample Point: IPD

Sampling Date:	5/16/2014	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	5/20/2014	Chloride:	127640.7	3600.28	Sodium:	60410.0	2627.69
Analyst:	Catalyst	Bicarbonate:	97.0	1.59	Magnesium:	2165.0	178.1
TDS (mg/l or g/m3):	209506.3	Carbonate:			Calcium:	14000.0	698.6
Density (g/cm3):	1.144	Sulfate:	1040.0	21.65	Potassium:	1248.0	31.92
Hydrogen Sulfide:	51				Strontium:	347.8	7.94
Carbon Dioxide:	250				Barium:	0.0	0.0
Comments:		pH at time of sampling:		6.7	Iron:	0.0	0.0
		pH at time of analysis:			Manganese:	2186.000	79.58
		pH used in Calculation:		6.7	Conductivity (micro-ohms/cm):		206000
		Temperature @ lab conditions (F):		75	Resistivity (ohm meter):		.0485

Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Calcite CaCO ₃		Gypsum CaSO ₄ *2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄	
	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount
80	0.54	4.87	0.04	49.53	0.07	62.99	0.07	26.05	0.00	0.00
100	0.59	5.73	-0.03	0.00	0.06	58.69	0.05	18.90	0.00	0.00
120	0.65	6.87	-0.09	0.00	0.08	77.59	0.04	15.75	0.00	0.00
140	0.70	7.73	-0.14	0.00	0.13	113.10	0.05	16.61	0.00	0.00
160	0.75	8.88	-0.18	0.00	0.19	158.33	0.06	20.04	0.00	0.00
180	0.81	10.02	-0.21	0.00	0.27	206.72	0.07	25.48	0.00	0.00
200	0.87	11.17	-0.23	0.00	0.36	253.39	0.09	32.35	0.00	0.00
220	0.93	12.60	-0.26	0.00	0.47	295.19	0.11	39.51	0.00	0.00



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER NO. WFX-604

APPLICATION OF BURNETT OIL COMPANY, INC. TO EXPAND ITS WATERFLOOD PROJECT IN THE GRAYBURG JACKSON SEVEN RIVERS QUEEN GRAYBURG SAN ANDRES POOL IN EDDY COUNTY, NEW MEXICO

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-4676, Burnett Oil Company, Inc. has made application to the Division on November 21, 1990 for permission to expand its Gissler B-11 Waterflood Project in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool in Eddy County, New Mexico.

NOW, on this 12th day of February, 1991, the Division Director finds that:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to water injection under the terms of Rule 701.
- (5) The proposed expansion of the above-referenced waterflood project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Burnett Oil Company, Inc., be and the same is hereby authorized to inject water into the Seven Rivers-Queen-Grayburg-San Andres formation at approximately 2786 feet to approximately 3513 feet through 2 3/8-inch plastic lined tubing set in a packer located approximately 100 feet above the uppermost injection perforation in the wells shown

on Exhibit "A" attached hereto for purposes of secondary recovery.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the wells, the casing in each well shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

Prior to commencing injection operations into any injection well located within ½-mile of the Grayburg-Jackson San Andres Unit Well No. 39 located 1750' FSL & 2150' FWL (Unit K) of Section 14, Township 17 South, Range 30 East, NMPM, said well shall be repaired or plugged and abandoned in a manner satisfactory to the supervisor of the Artesia District Office of the Division.

The casing-tubing annulus in each well shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than that shown on Exhibit "A".

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the Seven Rivers-Queen-Grayburg-San Andres formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of injection equipment, of repair or plugging operation on the above-described well and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

*Administrative Order WFX-604
Burnett Oil Company, Inc.
February 13, 1991
Page 3*

The subject wells shall be governed by all provisions of Division Order No. R-4676 and Rules 701-708 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly progress reports of the project in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 12th day of February, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
R. Brown

EXHIBIT "A"
BURNETT OIL COMPANY, INC.
GISSLER B-11 WATERFLOOD PROJECT
INJECTION WELLS
ADMINISTRATIVE ORDER WFX-604

<i>Well Number</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>	<i>Injection Pressure</i>
Gissler "B" No. 16	1980' FSL & 660' FWL	L	11-17S-30E	2863' - 3122'	2813'	2-3/8	573 PSIG
Gissler "B" No. 18	1980' FSL & 1980' FEL	J	11-17S-30E	2982' - 3468'	2932'	2-3/8	596 PSIG
Gissler "B" No. 21	1980' FNL - 1980' FWL	F	12-17S-30E	2896' - 3463'	2846'	2-3/8	579 PSIG
Gissler "B" No. 22	660' FSL - 1880' FWL	N	11-17S-30E	2903' - 3513'	2853'	2-3/8	581 PSIG
Gissler "B" No. 23	660' FNL - 660' FWL	D	14-17S-30E	2827' - 3430'	2777'	2-3/8	565 PSIG
Gissler "B" No. 26	1980' FNL - 1980' FWL	F	14-17S-30E	2786' - 2891'	2736'	2-3/8	557 PSIG
Gissler "B" No. 27	1980' FSL - 685' FWL	L	12-17S-30E	2981' - 3031'	2931'	2-3/8	596 PSIG

12/4/91

IT IS THEREFORE ORDERED THAT:

(1) The Burnett Oil Company, Inc. Gissler B-11 Waterflood Project authorized by Division Order No. R-4676, dated November 20, 1973, is hereby redesignated the Gissler Cooperative Lease Waterflood Project and shall comprise the indicated vertical limits underlying the following area in Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico:

GRAYBURG AND SAN ANDRES FORMATIONS

Section 11: W/2 NE/4, W/2, N/2 SE/4, and SW/4 SE/4

Section 12: E/2 NW/4

Section 14: N/2 NW/4

GRAYBURG FORMATION ONLY

Section 11: SE/4 SE/4

Section 12: N/2 SW/4 and SW/4 SW/4

Section 14: N/2 NE/4 and S/2 NW/4

(2) The applicant, Burnett Oil Company, Inc., is hereby authorized to expand said project by converting its Gissler "A" Well Nos. 12 and 13 located, respectively, in Unit P of said Section 11 and Unit B of said Section 14 from producing oil wells to water injection wells in the Grayburg formation only.

(3) Injection into the No. 12 well shall be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer to be set at approximately 2930 feet, with reinjection of produced water from the Grayburg Jackson San Andres Unit into the perforated interval from approximately 2980 to 3009 feet.

(4) Injection into the No. 13 well shall be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer to be set at approximately 2779 feet, with reinjection of produced water from the Grayburg Jackson San Andres Unit into the perforated interval from approximately 2829 feet to 2928 feet.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



ADMINISTRATIVE ORDER SWD-1152

November 14, 2008

Mark A. Jacoby
Burnett Oil Co. Inc.
801 Cherry Street, Suite 1500 Unit #9
Fort Worth, Texas 76102

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Burnett Oil Company made application to the New Mexico Oil Conservation Division on October 3, 2008, for permission to re-complete for produced water disposal its Jackson "B" Well No. 46 (API 30-055-36306) located 2310 feet from the North line and 990 feet from the West line, Unit E of Section 24, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant Burnett Oil Company, is hereby authorized to complete its Jackson 'B' Well No. 46 (API No. 30-015-36306) located 2310 feet from the North line and 990 feet from the West line of Section 24, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for



disposal purposes into the Yeso formation through perforations from 4732 feet to 5196 feet through 2-7/8 inch or less plastic-lined tubing set in a packer located at 4650 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 946 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

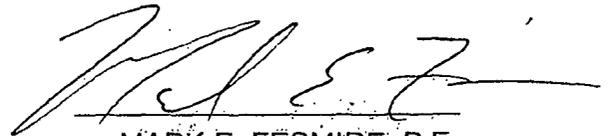
PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

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



MARK E. FESMIRE, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1220
August 5, 2010

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Rule 26.8B., Burnett Oil Co. Inc. seeks an administrative order to utilize its Power 31 Federal Well No. 3 (API 30-015-31806) located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 31, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Burnett Oil Co. Inc., is hereby authorized to utilize its Power 31 Federal Well No. 3 (API 30-015-31806) located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 31, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (classified as UIC Class II) into the Wolfcamp Reef through perforations from a gross interval of 8540 feet to 9400 feet through plastic lined tubing and packer set within 100 feet of the disposal interval.

Prior to commencing disposal, the operator shall plug back the well by installing a Cast Iron Bridge Plug within 200 feet below the bottom of the permitted disposal interval – or plug back depth as specified by the US BLM.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the



surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1710 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



MARK E. FESMIRE, P.E.
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1477
April 14, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Burnett Oil Company, Incorporated (the "operator") seeks an administrative order to re-enter and recomplete its proposed Cedar Lake 36 State Well No. 1 with a location of 1980 feet from the South line and 1650 feet from the West line, Unit letter K of Section 36, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes. This well was previously approved for injection under Administrative Order SWD-1275 which was cancelled by Administrative Order CA-1 at the request of the prior applicant.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Burnett Oil Company, Inc. (OGRID 3080), is hereby authorized to utilize its Cedar Lake 36 State Well No. 1 (API 30-015-30405) with a location of 1980 feet from the South line and 1650 feet from the West line, Unit letter K of Section 36, Township 17 South, Range 30 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through perforations into Wolfcamp formation from approximately 8500 feet to approximately 9191 feet. Injection will occur through internally-coated, 3 1/2-inch or smaller tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to

the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1700 psig**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas and Minerals Division

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14