

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC055264
2. Name of Operator BURNETT OIL COMPANY INC		6. If Indian, Allottee or Tribe Name
Contact: LESLIE GARVIS E-Mail: lgarvis@burnettoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 801 CHERRY STREET UNIT 9 FORT WORTH, TX 76102-6881	3b. Phone No. (include area code) Ph: 817-332-5108	8. Well Name and No. JACKSON B 62
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T17S R30E NENE 990FNL 330FEL 32.853405 N Lat, 103.917350 W Lon		9. API Well No. 30-015-41279-00-X1
		10. Field and Pool, or Exploratory CEDAR LAKE
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Burnett requests a variance to the approved APD requiring cement be circulated to surface behind the 7? production casing. The plan of action is to complete the well as discussed below.

The well is checked personally by a lease operator once every day to make sure it is producing without issues and that the fluid level is near the insert pump at the perforations. Consequently, the casing above the TOC will not have fluid sitting inside of it.

Burnett requests a variance to immediate perforating and circulating cement from TOC at 198?. Max frac pressure to be 3500 psi.

See the summary below of drilling events regarding circulating fluids/cement in the well:

In addition, operator requests a variance to leave TOC on the flooding oo is and perform no remedial cementing.

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 25 2014

RECEIVED
Accepted for re-
NMOCD 7/24/14

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #253048 verified by the BLM Well Information System

For BURNETT OIL COMPANY INC, sent to the Carlsbad

Committed to AFMSS for processing by DUNCAN WHITLOCK on 07/16/2014 (14DW0183SE)

Name (Printed/Typed) LESLIE GARVIS

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 07/15/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (BLM Approver Not Specified)

Title

Date 07/17/2014

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 Carlsbad

APPROVED
JUL 17 2014
WESLEY W. INGRAM
PETROLEUM ENGINEER

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #253048 that would not fit on the form

32. Additional remarks, continued

This well was spudded 6-4-13 and 10.75? 32.75# casing was set at 485? and cement was circulated to surface. After WOC, drilling out from surface casing was begun with immediate loss of all circulation at 486?. Thirteen (13) days later the TD of 6088? was reached. 7? 23# casing was set at 6088?, with a DV tool set at 2940?. A two (2) stage cement job was pumped. Stage one was pumped with 500 sx premium class H cmt, 52 sx circulated to surface. Stage two was pumped with 3500 sx premium lite cmt and was not circulated. BLM was notified (Cheryl de Montigny) that cmt did not circulate. The most likely cause of the lack of cement circulated to surface is the lost circulation zone at 486?.

A Schlumberger Isolation Scanner log was run on 6-12-14 with a summary of results as follows:

Interval	Cement Description
TD 6,088? ? 3,692?	Good Cement
3,692? ? 3,651?	Patchy solids
3,651? ? 2,934?	Mostly Gel or liquid
2,934?	DV Tool
2,934? ? 2,137?	Good Cement
2,137? ? 474?	Mixed cement bond response
474? (485? KB)	10.75? sr/c csg set w/ Cement to Surface
198?	Top of Cement

This log was presented and discussed at a meeting with the BLM in Carlsbad on 7/9/2014. Copies of the Isolation Scanner Cement Evaluation Report were provided to the BLM at this meeting.

The completion has not begun yet. Burnett plans to complete three (3) separate intervals in the Yeso formation. The upper most perforation will be at 4,626?. One zone will be completed at a time, produced for approximately 120 days via sub pump, set RBP, move up hole and repeat until all three zones are completed. When the Paddock pumps off after completion, all RBP's will be pulled and the three (3) Yeso Pool intervals will be downhole commingled and rod pumped.

Proposed perforations:

Stage 1: Basal Blinebry

5974, 5936, 5916, 5892, 5850, 5840, 5822, 5775, 5758, 5750, 5688, 5676, 5660, 5632, 5620, 5608, 5580, 5538. 18 intervals at 2 SPF.

Stage 2: Upper Blinebry

5406, 5364, 5356, 5344, 5336, 5280, 5265, 5250, 5240, 5193, 5184, 5164, 5152, 5134, 5114, 5096, 5086, 5074, 5044, 5030, 4982, 4956. 22 intervals at 2 SPF.

Stage 3: Paddock

4848, 4841, 4833, 4820, 4810, 4796, 4784, 4776, 4746, 4720, 4691, 4654, 4648, 4638, 4626. 15 intervals at 3 SPF.

At such time as the well is P&A'd, the 7? casing will be pulled from +/-198?, or perforated at +/-198? and cemented to surface.

See Attached CBL