

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM 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. NMNM2748 |
| 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: 817-583-8730 | 8. Well Name and No. GISSLER B 41 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T17S R30E SWSE 330FSL 1650FEL | | 9. API Well No. 30-015-36271-00-S1 |
| | | 10. Field and Pool, or Exploratory LOCO HILLS |
| | | 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 | Venting and/or Flaring |
| | <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 is requesting permission to flare at the Gissler B 5 battery from July through September 2016. We will only be flaring as needed (i.e during DCP maintenance). All gas flared will be metered and reported as per BLM requirements.

We have previously received approval to install a flare at this location and an updated battery diagram showing the flare location is on file.

The Gissler B 5 battery is located at:
T17S, R 30 E, SECTION 8, UNIT O, SWSE
Approx: 233' FSL, 1674' FEL
LEASE: NMNM-2748

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 25 2016

**SEE ATTACHED FOR RECEIVED
CONDITIONS OF APPROVAL****Accepted For Record**
NMOCD AB 8/24/16

| | |
|--|------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #340026 verified by the BLM Well Information System For BURNETT OIL COMPANY INC, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 05/27/2016 (16PP1268SE) | |
| Name (Printed/Typed) LESLIE GARVIS | Title REGULATORY COORDINATOR |
| Signature (Electronic Submission) | Date 05/23/2016 |
| 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 |
| 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. | |

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

Additional data for EC transaction #340026 that would not fit on the form

32. Additional remarks, continued

The following wells are associated with this battery;

Gissler B 13 30-015-21104 ✓
Gissler B 39 30-015-36575 ✓
Gissler B 41 30-015-36271 ✓
Gissler B 42 30-015-36443 ✓
Gissler B 45 30-015-36476 ✓
Gissler B 46 30-015-36819 ✓
Gissler B 48 30-015-36787 ✓
Gissler B 56 30-015-37244 ✓
Gissler B 58 30-015-37596 ✓
Gissler B 63 30-015-37975 ✓
Gissler B 67 30-015-38383 ✓
Gissler B 72 Yeso 30-015-39247 ✓
Gissler B 76 Yeso 30-015-40252 ✓
Gissler B 78 Grayburg 30-015-39215 ✓
Gissler B 79 Grayburg 30-015-39215 ✓
Gissler B 80 Grayburg 30-015-39217 ✓
Gissler B 81 Grayburg 30-015-39218 ✓
Gissler B 92 Grayburg 30-015-40394 ✓
Gissler B 93 Grayburg 30-015-40522 ✓
Gissler B 94 Grayburg 30-015-41002 ✓
Gissler B 98 30-015-41368 ✓

Loc status

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

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.