SUNDRY NOTICES AND REPORTS ON WELLS     An URANGE AND     Do not use this form for proposals to drift of the therefore an     abandoned well. Use form 3160-3 (APD) for such proposals.     SUBMT IN TRIPLICATE - Other Instructions on page 2     The other insthe other		UNITED STATES EPARTMENT OF THE INTE UREAU OF LAND MANAGEM		NMO Arte	_	OMI Expire	RM APPROVED B NO. 1004-0137 s: January 31, 2018	
SUBMIT IN TRIPLICATE - Other instructions on page 2       1 [fUnit or CA/Agreement, Name         I. Type of Well       Gas Well       Other       8. Well Name and No. AdACKSN B 55         S. Name of Openior       E-Mail: Igank@burnetoil.com       9. API Well No. AdACKS       9. API Well No. AdACKS         BURNETT DLZA. SUITE 1500 801 CHERRY STREE FIPUNRTFORX #FIRE TOLK A. SUITE 1500 801 CHERRY STREE FIPUNRTFORX #FIRE No. Contact of Well       10. Excla and Point of Exclamatory A. CEDAR LAKE YESO         4. Location of Well       (Pointage, Sec. T. R. M. or Survey Description)       11. County of Parith. State EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION       TYPE OF ACTION         II. Subsquent Report       Casing Repair       New Construction       Recomplete Wenting       Water Casing Repair         II. Subsquent Report       Casing Repair       Pips and Abandon       Temperative Abandon       Water Disposition         II. Describe Proposed of Completed Operation Cloarly are all period data and next and approximate data and messatic and unsecure and on a state of Begin and Abandon       Temperative Abandon       Temperative Abandon         II. Describe Proposed of Completed Operation Cloarly are all period and and approximate data and messatic and unsecure and the state state of the data and next and the period end and period and begin and the data and next and the period and the operative and next and the period and the operid descrin and state with the formation in the state at	SUNDRY	NOTICES AND REPORTS ON WELLS				5. Lease Serial No. NMNM2747		
Type of Well     Gold Wel	Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
	SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
BURNETT OIL CO. INC.       E-Mait: lgans@burnetDil.com       30-015-41191         3a Address       ID. Tield and Pool of Explements       ID. Tield and Pool explements         PORT WORTH, TX. 76102       ID. Tield and Pool explements       ID. Tield and Pool explements         Sec 1 117S R30E Mer NMP SESE 1190FSL 990FEL       III. County or Parish, State       EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA       TYPE OF ACTION       IV. County or Parish, State         Subscequent Report       Address       ID. County or Parish, State       IV. County or Parish, State         Subscequent Report       Casing Repair       IN we Construction       Recomplete       Other         Subscequent Report       Casing Repair       New Construction       Recomplete       Other         Subscequent Report       Convert to Injection       Plug and Ahandon       Temporarily Anandon       Nemtress         Subscequent Report       Convert to Injection       Plug and Ahandon       Temporarily Anandon       Nemtress         Subscequent Report       Convert to Injection       Plug and Ahandon       Temporarily Anandon       Nemtress         Subscequent Report       Convert to Injection       Plug and Ahandon       Temporarily Anandon       Nemtress         Subscequent Report       Convert to Injectio								
BURNETT PLAZA-SUITE 1500 801 CHERRY STREETPHUNETF96826900RTH, TX 76102       CEDAR LAKE YESO         PORT WORTH, TX 76102       CEDAR LAKE YESO         4. Location of Well (Pootoge Sec. T. R. M. or Surrey Decryption)       II. County or Parish, State         Sec 1 T17S R30E Mer NMP SESE 1190FSL 990FEL       III. County or Parish, State         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DAT/         TYPE OF SUBMISSION       TYPE OF ACTION         III. Subsequent Report       Acidize       Decepen         III. Subsequent Notice       Casing Repair       New Construction       Recomplete         III. Bubsequent Notice       Complete To Injection       Plug and Abandon       Temporarity Abandon       ng         13. Beerke Propresd of Completed Operations, If the genotian estatistic and to famp provide work and approximate durating information and the state ready for the origition on file with BLM Flag. Repaired subsequent Poor market be filed within 5 tables to action file antibility or completed operations. If the genotian results is antibility completion on the with the state ready for a duration and travel to market a life within 5 tables with the state ready for a duration on file with BLM Flag. Repaired Subsequent Poor Market Bus Completed Apple of all supervices and provide the filed only after all requirements, including restanded stating restander stating states at the state rest of the contrestanded states at								
14. Location of Well <i>(Footage, Sc., T, R, M, or Survey Description)</i> 11. County or Parish, State     EDDY COUNTY, NM     12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DAT/     TYPE OF SUBMISSION	BURNETT PLAZA - SUITE 1500 801 CHERRY STREET THUNSTFOR STRUCT AND TABLE 1500 801 CHERRY STREET THUNSTFOR STRUCT					10. Field and Pool or Exploratory Area CEDAR LAKE YESO		
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Stubsequent Report       Acidize       Deepen       Production (Start/Resume)       Water         Stubsequent Report       Casing Repair       New Construction       Recomplete       Other         The proposal is to deepen directionally or recomplete Increating give subserface locations and measured and true strical depine of all pertinent markers       Other         13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate durating the proposal is to deepen directionally or recomplete Increating give subserface locations and measured and true strical depine of all pertinent markers and the strical approximate durating the proposal is to deepen directionally or recomplete Increating give subserface locations and measured and true virtical depine of all pertinent markers and the strical strical channer Notice: must be filed only after all requirements, including reclamation, have been completed in a new includent of the approximate on the strical depine of all pertinent markers and the strical approximate durating the operation results in a nullipic completion of the work of pertainos. The operation results in a nullipic completion of the work of pertainos. The operation results in a nullipic completion of the work of pertainos. The operation results in a nullipic completion of the work of pertainos. The operation results in a nullipic completion of the work of pertainos. The operation pertains and the operation of the pertains results in a nullipic completion of the work of themark of themark of themark of themark of themark of the						11. County or Parish, State		
TYPE OF SUBMISSION       TYPE OF ACTION         Image: Subsequent Report       Image: Acidize       Deepen       Production (Start/Resume)       Water         Image: Subsequent Report       Casing Repair       New Construction       Recomplete       Other         Image: Subsequent Report       Casing Repair       New Construction       Recomplete       Other         Image: Subsequent Report       Casing Repair       New Construction       Recomplete       Other         Image: Subsequent Report       Convert to Injection       Plug and Abandon       Temporarily Abandon       ng         Image: Subsequent Report       Convert to Injection       Plug Back       Water Disposed       Weil Inference         Image: Subsequent Report       Convert to Injection       Plug Back       Water Disposed       Water Disposed       Water Disposed       Water Disposed       Weil Inference       Notice of Intervent Mandon       ng       Dispect Dis	Sec 1 T17S R30E Mer NMP SESE 1190FSL 990FEL					EDDY COUNTY, NM		
Notice of Intent   Acidize Deepen Production (Start/Resume) Water   Subsequent Report Casing Repair New Construction Recomplete   Gasing Repair New Construction Recomplete Other   Convert to Injection Plug and Abandon Temporarily Abandon   In Describ Proposed or Completed Operation: Clearly state all requirements descriptions and measured and they erefuel depth of all period and the work will be reformed a provide the Mont No. Plug Back   Inter proveal is to dependencionally or recomplete hour marking to the mont No. Plug Back Intertion of the involved operations. If the operation results in a multiple completion or recomplete measurement on the period and the operation in a new interval, a Form 31604 must be flat within the site is ready for final inspection.   Burnett is requesting permission to flate at the Jackson B 5 battery from July through September SEE ATTACHED FORECEIVED   The Jackson B 5 battery is located at: T175, R 30 E, SECTION 1, UNIT P, SESE SEE ATTACHED FORECEIVED CONDITIONS OF ALTRONO   14. Thereby certify that the foregoing is true and correct. Electronic Submission #378238 verified by the BLM Well Information System For BURETTOIL CO. INC.: series to the Carisbaat Committed to AfMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS for processing by DEBOANH MCKINNEY on Jack of AMS	12. CHECK THE A	PPROPRIATE BOX(ES) TO	INDICATE N.	ATURE OF	NOTICE,	REPORT, OR C	OTHER DATA	
Ø Notice of Intent       Alter Casing       Hydraulic Fracturing       Reclamation       Well 1         Subsequent Report       Casing Repair       New Construction       Recomplete       Ø Other         I Final Abandonment Notice       Convert to Injection       Plug and Abandon       Temporarily Abandon       Ing         13. Describe Proposed or Completed Operation: Charly state all perinent dealing, including estimated starting date of any proposed work and approximate durating the proposal is to deepen directionally or recomplete horizonally, give subsurface locations and measure durating the work will be performed or perinent dealing, including estimated and true vertical depths of all perinent markers a trans the fiele only after all requirements, including reclamation, have been completed.         Burnett is requesting permission to flare at the Jackson B 5 battery from July through September 2017. We will only be flaring as needed (1:e during DCP maintenance). All gas flared will be metered and reported as per BLM requirements.       STE ATTACHED FORECEIVED TUL 1 9 2017         We have previously received approval to install a flare at this location and an updated battery diagram showing the flare location is on file.       STE ATTACHED FORECEIVED TO SECURED FORECEIVED TO SECURED FORECEIVED CONCINTIONS OR ATTRACHED FORECEIVED CONCINT	TYPE OF SUBMISSION	TYPE OF ACTION						
After Casing        Hydraulic Fracturing        Reclamation          Well 1             Casing Repair        New Construction       Recomplete          Working Construction             Inal Abandonment Notice        Casing Repair       New Construction       Recomplete          Working Construction             13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated stating date of any proposed work and approximate duration if the proposal is to deepen directionally give subsurface locations and measure durate them is the proposed work and approximate duration if the proposed is to deepen directionally or recomplete horizonally, give subsurface locations and measure durate them is the proposed work and approximate duration meansure is the proposed work and approximate duration means the proposed work and proposed work and the service duratis appro	R Notice of Intent	🗖 Acidize	🗖 Deepen		Product	tion (Start/Resume)		
Camerical Construction Constru	_		-	U U			Well Integrity	
13. Describe Proposed or Completed Operation: Clearly state all perinent details, including estimated starting date of any proposed work and approximate duration If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers a track the Bond under which the work will be performed or provide the Bond No. on file within 11 MBLM Required subsequent exports must be filed only after all requirements, including reclamation, have been completed and the operatide the operation results in a multiple completion or recompletion and measured and true vertical depths of all pertinent markers a track the Bene completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operatide deem the operatide and the operatide that the site is ready for final inspection.         Burnett is requesting permission to flare at the Jackson B 5 battery from July through September 2017. 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.       SEE ATTACHED FORECEIVED TORECEIVED CONDITIONS CRAPTROVAL         14. 1 hereby certify that the foregoing is true and correct.       Electronic Submission #378238 verified by the BLM Well Information System For BURNETT OIL CO. MC. Sents to the Carlesbad Committed to AFMSS for processing by DEBORAH MCKINNEY on Biord22017 ()         Name (Printed/Typed) LESLIE GARVIS       Title         Approved By_       Title         Committed to AFMSS for processing by DEBORANH MCKINNEY on Biord22017 ()							Other Venting and/or Flari	
If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers a Attach the Bond under which the work will be performed or provide the Bond No. on <i>Bic</i> with BLM/BLA. Required subsequent reports must be filed within a following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be file testing has been completed. Final Abandomment Notices must be filed only after all requirements, including reclamation, have been completed and the operat determined that the site is ready for final inspection. Burnett is requesting permission to flare at the Jackson B 5 battery from July through September 2017. We will only be flaring as needed (i de 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 Jackson B5 battery is located at: T175, R 30 E, SECTION 1, UNIT P, SESE 1145 FSL, 1283' FEL LEASE: NMNM2747 14. 1 hereby certify that the foregoing is true and correct. Electronic Submission #378238 verified by the BLM Well Information System For BURNETT OIL CO, INC., sent to the Carisbad Committed to AFMSS for processing by DEBORAH MCKINNEY on pBrodzio17 0, Name (Printed Typed) LESLIE GARVIS THIS SPACE FOR FEDERAL OR STATE OFFICE USE _HT	J Final Abandonment Notice					-	_	
Electronic Submission #378238 verified by the BLM Well Information System For BURNETT OIL CO. INC., sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on p6/08/2017 () Name (Printed/Typed) LESLIE GARVIS         Title       REGULATORY COCRDINATOR         Signature       (Electronic Submission)         Date       06/07/2017         THIS SPACE FOR FEDERAL OR STATE OFFICE USE       13         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.       Title         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	2017. We will only be flaring metered and reported as per We have previously received location and an updated batte The Jackson B5 battery is loc T17S, R 30 E, SECTION 1, U 1145' FSL, 1283' FEL	as needed (i.e during DCP ma BLM requirements. approval to install a flare at thi ery diagram showing the flare I cated at:	aintenance). All lis location is on fil	gas flared v e. 3755 A T	will be TACH	JUL FO <b><sup>REC</sup></b>	19 2017 ADUALIA	
Electronic Submission #378238 verified by the BLM Well Information System         For BURNETT OIL CO. IIIC., sent to the Carlsbad         Committed to AFMSS for processing by DEBORAH MCKINNEY on p6/08/2017 ()         Name (Printed/Typed)       LESLIE GARVIS         Signature       (Electronic Submission)         Date       06/07/2017         Title         Approved By					/	/ (		
Signature       (Electronic Submission)       Date       06/07/2017         THIS SPACE FOR FEDERAL OR STATE OFFICE USE, HILL         Approved By		Electronic Submission #3782 For BURNETT ( Committed to AFMSS for proc	OIL CO. INC., se	ent to the Ca RAH MCKIN	risbad INEY оп D6	08/2017 ()	$\times$	
Approved By	Name(Printed/Typed) LESLIE (	GARVIS	Title	REGULA	TORY CE		JEDX T	
Approved By	Signature (Electronic							
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 Office 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 repartment or agency of the		THIS SPACE FOR F	FEDERAL OF	R STATE C	DFFICE		AMALA-A-	
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. 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 repartment or agency of the	proved By					m X X		
	y that the applicant holds legal or eq	uitable title to those rights in the subj	ject lease	ce	K	CITES ON C	DEFICIE	
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction					willfully to m	ake to any departmen	it or agency of the United	
(Instructions on page 2) ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **	uctions on page 2) ** OPERA	TOR-SUBMITTED ** OPER	RATOR-SUB	WITTED **	OPERAT	FOR-SUBMITTI	ED **	

## Additional data for EC transaction #378238 that would not fit on the form

32. Additional remarks, continued

The following wells are associated with this battery: Jackson B/GJSAU 38 - 30-015-04130Jackson B 17 - 30-015-04039Jackson B 33 - 30-015-04040Jackson B 33 - 30-015-04040Jackson B 47 - 30-015-04040Jackson B 54 - 30-015-04037Jackson B 50 - 30-015-04037Jackson B 51 - 30-015-04037Jackson B 51 - 30-015-04037Jackson B 52 - 30-015-04037Jackson B 52 - 30-015-04037Jackson B 52 - 30-015-04037Jackson B 53 - 30-015-04037Jackson B 54 - 30-015-04037Jackson B 55 - 30-015-04037Jackson B 57 - 30-015-04037Jackson B 58 - 30-015-04037Jackson B 59 - 30-015-04037Jackson B 60 - 30-015-04037Jackson B 60 - 30-015-04037Jackson B 61 - 30-015-04037Jackson B 61 - 30-015-04037Jackson B 62 - 30-015-04037Jackson B 63 - 30-015-04037Jackson B 63 - 30-015-04037Jackson B 63 - 30-015-04037Jackson B 64 - 30-015-04037Jackson B 63 - 30-015-04037Jackson B 64 - 30-015-04037Jackson B 64 - 30-015-04037Jackson B 64 - 30-015-04037Jackson B 65 - 30-015-04037

.

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

Pursuant to, 43 CFR 3179

0

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. 43 CFR 3179.105 Emergencies (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 Determining when the loss of oil or gas is avoidable or unavoidable.
  (2) Avoidably lost oil or gas means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 When lost production is subject to royalty.
  (a) Royalty is due on all avoidably lost oil or gas.
  (b) Royalty is not due on any unavoidably lost oil or gas.

## **Condition of Approval to Flare Gas**

- The first 24 hours of a <u>temporary emergency flare</u> is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be 'included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- Flared volumes considered to be "avoidably lost": These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08"</u>.

If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.

- 4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). <u>Include method for volume determination and duration</u>. <u>Report</u> <u>unavoidably lost (first 24 hrs. of unexpected event) and avoidably lost (exceeding the first 24 hrs. or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.</u>
- 5. In determining the volumes of gas to be reported, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
- 6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
  - Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175 (due to volume of gas being flared). Include meter serial number on Sundry Notice (Form 3160-5).
  - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 Waste Prevention and Resources Conservation; <u>https://www.ecfr.gov/cgi-</u>

2

bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true &n=sp43.2.3170.3179&r=SUBPART