

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

OCD Artesia

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 page 2 | | 5. Lease Serial No. NMNM2746 |
| | | 6. If Indian, Allottee or Tribe Name |
| | | 7. If Unit or CA/Agreement, Name and/or No. |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. GISSLER 1 | |
| 2. Name of Operator BURNETT OIL COMPANY INC | Contact: LESLIE GARVIS E-Mail: LGARVIS@BURNETTOIL.COM | 9. API Well No. 30-015-25539-00-S1 |
| 3a. Address 801 CHERRY STREET UNIT 9 SUITE 1500 FORT WORTH, TX 76102-6881 | 3b. Phone No. (include area code) Ph: 817-583-8730 Fx: 817-332-8438 | 10. Field and Pool or Exploratory Area LOCO HILLS-GLORIETA-YESO |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T17S R30E SWSE 560FSL 1880FEL | | 11. County or Parish, 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 | | | |
|--|---|---|--|---|
| <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"/> Hydraulic Fracturing | <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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 1 battery from October through December 2019.

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 1 battery is located at:
T17S, R 30 E, SECTION 11, UNIT O, SWSE
Approx: 527' FSL, 1950' FEL

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 23 2019

Accepted for record RECEIVED
NMOCDA/2019AB

| | |
|---|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #483566 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 09/16/2019 (19PP3373SE) | |
| Name (Printed/Typed) LESLIE GARVIS | Title REGULATORY MANAGER |
| Signature (Electronic Submission) | Date 09/16/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------|-------------|
| Approved By /s/ Jonathon Shepard | Title PE | SEP 17 2019 |
| 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 CFO | |

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.

(Instructions on page 2)

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

Additional data for EC transaction #483566 that would not fit on the form

32. Additional remarks, continued

LEASE: NMNM2746

The following wells are associated with the battery:

Gissler 1 - API #30-015-25539

Gissler 2 - API #30-015-36003

Gissler 3 - API #30-015-42046

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). 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".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.101 - 3179.104.