

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. NMNM98824
2. Name of Operator BURNETT OIL COMPANY INC		6. If Indian, Allottee or Tribe Name
Contact: MARY STARKEY E-Mail: mcstarkey@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. POWER 31 FEDERAL SWD 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T17S R31E SENE 1980FNL 660FEL		9. API Well No. 30-015-31806-00-S2
		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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 shall 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 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.)

Per the attached Notice of Non Compliance citation, Burnett Oil is submitting a propasal, per Wes Ingram, to monitor the injection psi on this SWD well.

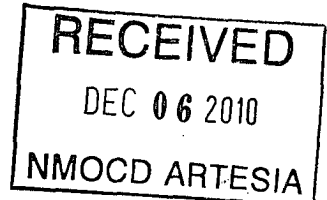
The required CIT test up to 1710 psi has been replaced with the attached monitring system and explanation of pressure control. We are requesting that we be notified that receipt of these items has been made and also an approval letter of said above monitoring system and notice that we have fulfilled our conditions to gain compliance staus with this well.

It would be greatly appreciated if this matter could be expedited.

Accepted for record

NMOCD  
12/15/10

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



14. Thereby certify that the foregoing is true and correct.		Electronic Submission #97325 verified by the BLM Well Information System For BURNETT OIL COMPANY INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/15/2010 (11KMS0120SE)	
Name (Printed/Typed)	MARY STARKEY	Title	REGULATORY COORDINATOR
Signature	(Electronic Submission)	Date	11/11/2010
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>			
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

NOV 30 2010

WESLEY W. INGRAM  
PETROLEUM ENGINEER

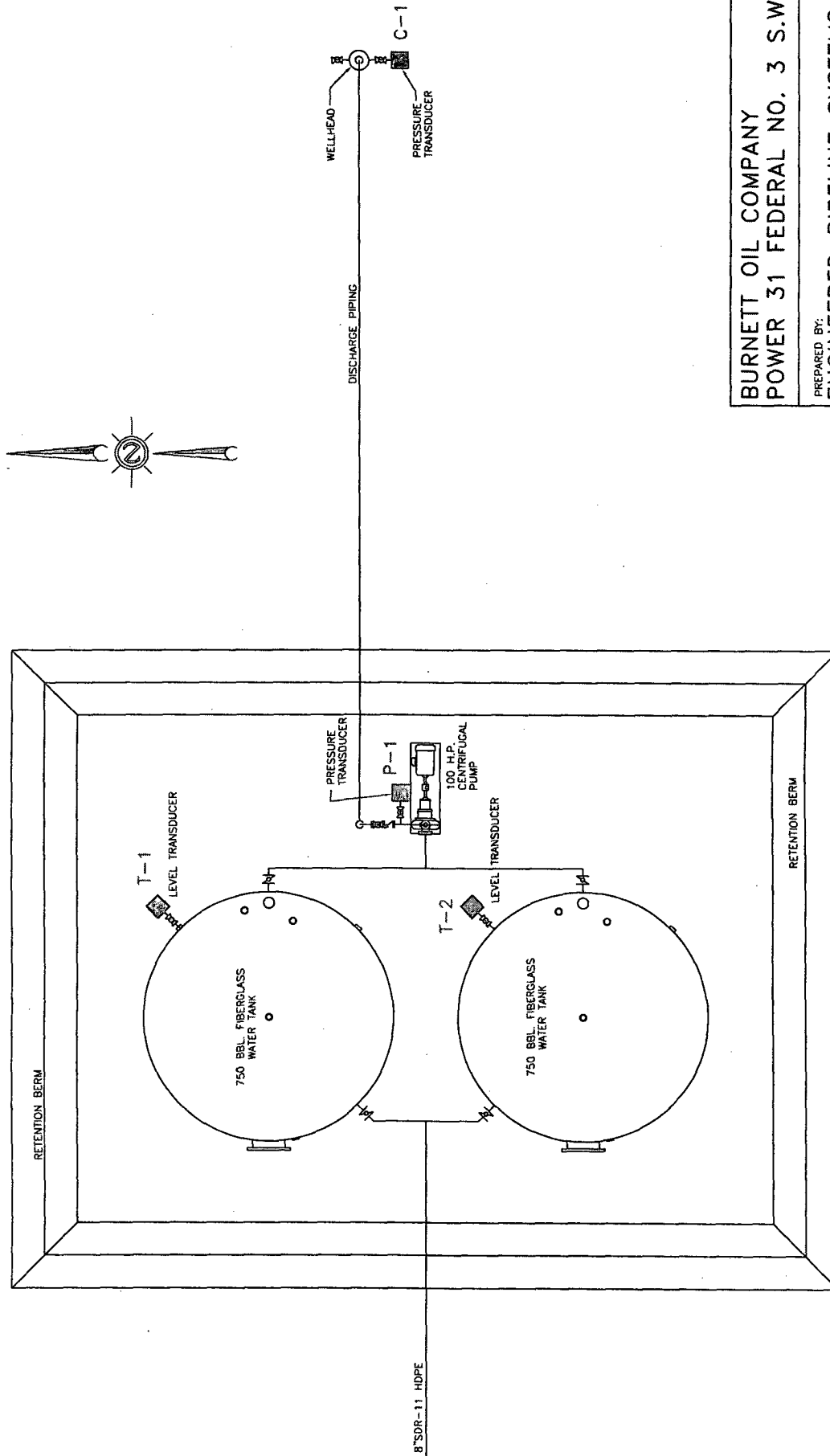
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Burnett Oil Co., Inc.  
Control Philosophy  
Powers 31 Fed #3 SWD**

Incoming water will be transferred through an 8" SDR-11 HDPE pipeline to two (2) each 750 bbl fiberglass water tanks. Each water tank level will be monitored by a pressure transducer, T1 and T2, shown on Drawing #10-118-CP which will allow for high level and low level shut down and alarm.

The water disposal pump will be 100 hp single stage centrifugal with a design rating of 10,000 bbl/day at 250 psi. Pump discharge pressure will be monitored by a pressure transducer labeled P1 as on Drawing #10-118-CP. This pressure transducer will allow for shut down of the system based on a high or low pump discharge pressure. The shut off head of this pump is 275 psi.

The casing will be fitted with a pressure transducer labeled C1 on Drawing #10-118-CP. This transducer will have the ability to shut in and alarm the system if the casing pressure exceeds 50 psi.



**BURNETT OIL COMPANY**  
**POWER 31 FEDERAL NO. 3 S.W.D.**

PREPARED BY:  
**ENGINEERED PIPELINE SYSTEMS, INC.**  
 P.O. BOX 14989  
 ODESSA, TEXAS 79768  
 PHONE: 432/367-1955  
 DATE: NOVEMBER 9, 2010  
 FAX: 432/367-1957  
 E.P.S. DRAWING NO. 10-118-CP

**Power 31 Federal SWD 3  
30-015-31806  
Burnett Oil Company Inc.  
November 30, 2010  
Conditions of Approval**

- 1. Operator to provide a low pressure shut-off value as proposal states that the system will shutdown based on a high or low pump discharge pressure.**
- 2. NMOCD approved an injection pressure of 1710 psi, but since casing was not tested as required, this monitoring proposal is being approved with the stipulation that the operator shall not exceed 275 psi without BLM approval.**
- 3. Operator to contact the BLM for a review of the completed system and a subsequent sundry submitted noting any changes to the as-built and including the pressure for item one.**

**WWI 113010**