

Form 3160-3
(March 2012)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 20145 Lease Serial No.
NMNM2748

6 If Indian, Allottee or Tribe Name

105
9/26/2012

7 If Unit or CA Agreement, Name and No.

1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2 Name of Operator Burnett Oil Co., Inc.

8. Lease Name and Well No.
Gissler B 85

9 API Well No.

10 Field and Pool, or Exploratory
Loco Hills Glorieta Yeso3a. Address 801 Cherry Street, Suite 1500
Fort Worth, Texas 761023b. Phone No. (include area code)
817-332-5108 x6326

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1105' FNL & 2590' FEL, Unit B

At proposed prod. zone 990' FNL & 2310' FWL, Unit C

11. Sec., T. R. M. or Blk. and Survey or Area
Section 11, T. 17S, R. 30E14. Distance in miles and direction from nearest town or post office*
Approximately 2 Miles North of Loco Hills, NM12 County or Parish
Eddy13. State
NM15 Distance from proposed* location to nearest property or lease line, ft
(Also to nearest drig. unit line, if any)

1105'

16. No. of acres in lease
124017. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft

625'

19 Proposed Depth
6100' TVD
6136.02 MD20 BLM/BIA Bond No. on file
NM-B00019721. Elevations (Show whether DF, KDB, RT, GL, etc.)
3739' GL22 Approximate date work will start*
09/04/201223. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)

4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5 Operator certification

6. Such other site specific information and/or plans as may be required by the BLM.

25 Signature

Name (Printed/Typed)

Date

Leslie M. Garvis

08/03/2012

Title

Regulatory Coordinator

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date SEP 12 2012

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL



BURNETT OIL Co., INC.

FINAL CERTIFICATION MEMO

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that Burnett Oil Co. Inc. is responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 22 day of July 2012.

Signed: Mark A. Jacoby

Printed Name: Mark A. Jacoby

Position: Engineering Manager

Company: Burnett Oil Co., Inc.

Address: 801 Cherry Street, Suite 1500, Unit #9, Fort Worth, Texas 76108

Telephone: 817.332.5108

Email: mjacoby@burnettoil.com

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-8720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-40726	Pool Code 96718	Pool Name LOCO HILLS GLORIETA YESO
Property Code 2389	Property Name GISSLER "B"	Well Number 85
OGRID No. 03080	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3739'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	11	17 S	30 E		1105	NORTH	2590	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	17 S	30 E		990	NORTH	2310	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>PROPOSED BOTTOM HOLE LOCATION Lot - N 32.853427761 Long - W 103.943142844 NMSPC- N 674409.619 E 619823.652 (NAD-27)</p> <p>Penetration Point</p> <p>SURFACE LOCATION Lot - N 32.853122104 Long - W 103.941899805 NMSPC- N 674299.830 E 620205.792 (NAD-27)</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Leslie M. Garvis</i> 7/12/12 Signature Date Leslie M. Garvis Printed Name lgarvis@burnettoil.com Email Address</p> <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><i>Max L. Jones</i> Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26501</p>
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Federal Lease: NMNM 2748



BURNETT OIL Co., INC.

**MASTER DEVELOPMENT PLAN
ALL VERTICAL LOCO HILLS & CEDAR LAKE GLORIETA YESO WELLS**

1. Geological Name of Surface Formation with Estimated Depth:

<u>Geological Name</u>	<u>Estimate Top</u>	<u>Anticipated Fresh Water, Oil or Gas</u>
a. Alluvium	Surface	Fresh Water, Sand
b. Anhydrite	305'	
c. Salt	502'	
d. Base Salt	1290'	
e. Yates	1450'	
f. Seven Rivers	1604'	Oil
g. Queen	2222'	Oil
h. Grayburg	2670'	Oil
i. San Andres	2985'	Oil
j. Glorieta	4460'	Oil
k. Yeso	4580'	Oil
l. Total Depth	Refer to APD	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. Deepest water is expected to be above 400'. We will set 10-3/4" casing @ approx. +/- 450' in the Anhydrite, above the salt and circulate cement to surface.

We will isolate the oil zones by running 7" casing to total depth and circulating cement to surface.

2. Casing Program: (ALL CASING WILL BE NEW API APPROVED MATERIAL.)

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

a. Design Safety Factors:

<u>Type</u>	<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
Conductor	24"	0'-90'	20"	Contractor Discretion			---	---	---
Surface	14-3/4"	0' - 450'	10-3/4"	32.75#	ST & C	H40	1.125	1.00	1.80
Production	8-3/4"	0' - TD	7"	23.00#	LT & C	J55	*1.125	1.00	1.80

**MASTER DEVELOPMENT PLAN
ALL VERTICAL LOCO HILLS & CEDAR LAKE GLORIETA YESO WELLS**

* 500' of fresh water gradient (.433 psi/ft) fluid will be maintained inside casing to keep SF 1.125. We will assure that the casing will be kept liquid filled-in order to meet the SF collapse standard.

b. Surface Casing Info

The proposed casing setting depth is 450' based on the attached cross sections which show the estimated top of the rustler and top of salt (**Exhibits H-J**). Drilling times will be plotted to find the hard section just above the salt. A mud logger will be on location to evaluate drill and cutting samples as long as circulation is maintained. If salt is penetrated, it will be obvious by the sudden increase in water salinity and surface casing will then be set above the top of salt. Our highly experienced drilling personnel has drilled many wells in this area and is able to easily identify the hard streak on the top of the salt.

3. Cementing Program (Note Yields and DV Tool Depth if Multiple Stage.)

BLM to be notified prior to all cementing and tag operations in order to observe the operation if desired.

a. **10-3/4" Surface Cement to surface**

- Lead with 150 sx Class C thix. cement + 10#/sk Cal-Seal 60 (Accelerator), +10#/sx LCM, 1% CaCl, 0.125#/sk Poly-E-Flake (LC), 14.2 ppg, 1.67 CF/Sk Yield.
- Tail with 250 sks Class C cement + 2% CaCl. 14.2 ppg, 1.35 CF/Sx yield. **TOC Surface. Excess cement 100%.**

If cement does not circulate to surface, BLM will be notified of same, plus the plans to bring the cement to surface so BLM may witness tagging and cementing. If surface pressures when circulating indicate cement is low in the annulus, temperate survey data will be reviewed with BLM representative for recommendation on how to determine TOC.

b. **7" Production Casing**

Stage 1 Cement: 550 sks VERSACEM – C (50:50 Poz (Fly Ash):Class C cement + 2% Bentonite) + 0.4% LAP-1 (FLC) + 0.3 % CFR-3 (Disp) + .025 lb/sk D-Air 5000 + 3 lb/sx Kol-Seal (LC) + 0.125 lb/sk Poly-E-Flake (LC) . 14.2 ppg, Yield 1.28 CF/Sx. **DV @ approx. 2600'. 30% excess cement.**

Stage 2 Cement: Lead with 525 sks/ ECONOCEM (35:65) Poz (Fly Ash):Class C cement + 6% Bentonite) + .125 lbs/sx Poly-E-Flake (LC) + 2% CaCl, , 12.7 ppg, Yield 1.87 CF/Sx. Tail with 100 sx Class C + 2% CaCl. 14.8 ppg, Yield 1.62 CF/sx. **TOC Surface. 140% excess cement.**

The above cement volumes may be revised pending the caliper measurement from the open hole logs. **Casing/cementing design is to bring cement to the surface.**

1.32 per operator 9/12/12

4. Pressure Control Equipment:

The blowout prevention equipment (BOPE) shown in **Exhibits K & L** will consist of a 2000 PSI Hydril Unit (annular) with hydraulic closing equipment. The equipment will comply with Onshore Order #2 and will be tested to 50% of rated working pressure (RWP), and maintained for at least ten (10) minutes. The 10-3/4" drilling head will be installed on the surface casing and in use continuously until total depth is reached. An independent testing company will be used for the testing. Other

**MASTER DEVELOPMENT PLAN
ALL VERTICAL LOCO HILLS & CEDAR LAKE GLORIETA YESO WELLS**

accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 2000 PSI WP rating.

5. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve with the appropriate connections on the rig floor at all times.
- c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation at drilling depth of 1800' (which is more than 500' above top of Grayburg) until 7" casing is cemented.
- d. An H2S compliance package will be on all sites while drilling.

6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 450'	8.6 - 9.5			Fresh Water
450' - TD' MD	10.0 max			Brine Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Logging, Coring and Testing program:

- a. Any drill stem tests will be based on geological sample shows and planned before spudding.
- b. The open hole electrical logging program will be:
 1. Total depth to 1000': Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.
 2. Total depth to Surface: Compensated Neutron with Spectral Gamma Ray.
 3. Coring program will be planned and submitted on a well by well basis.
 4. Additional testing will be done subsequent to setting the 7" production casing. The specific intervals will be based on log evaluation, geological sample shows and drill stem tests.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. Lost-circulation is expected in the surface hole and not expected in production. Water flows can occur periodically at various depths in the production hole. All personnel will be familiar with the safe operation of the equipment being used to drill this well. The maximum anticipated bottom hole pressure is 2715#. This is based upon the following formula of $.445 \times \text{BH ft. estimate}$. The anticipated bottom hole temperature is 105°F. This is based upon logs of drilled wells surrounding this well.

There is known H2S in this area. Refer to the attached H2S plan for details.

**MASTER DEVELOPMENT PLAN
ALL VERTICAL LOCO HILLS & CEDAR LAKE GLORIETA YESO WELLS**

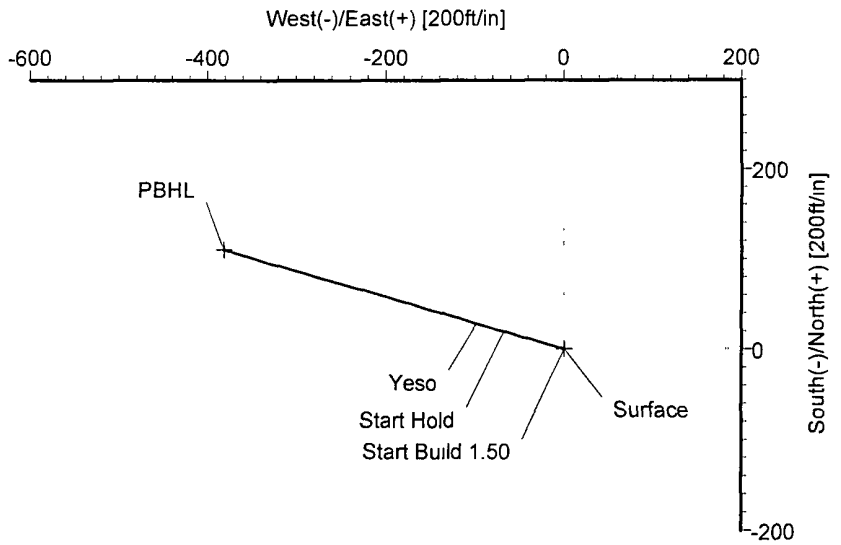
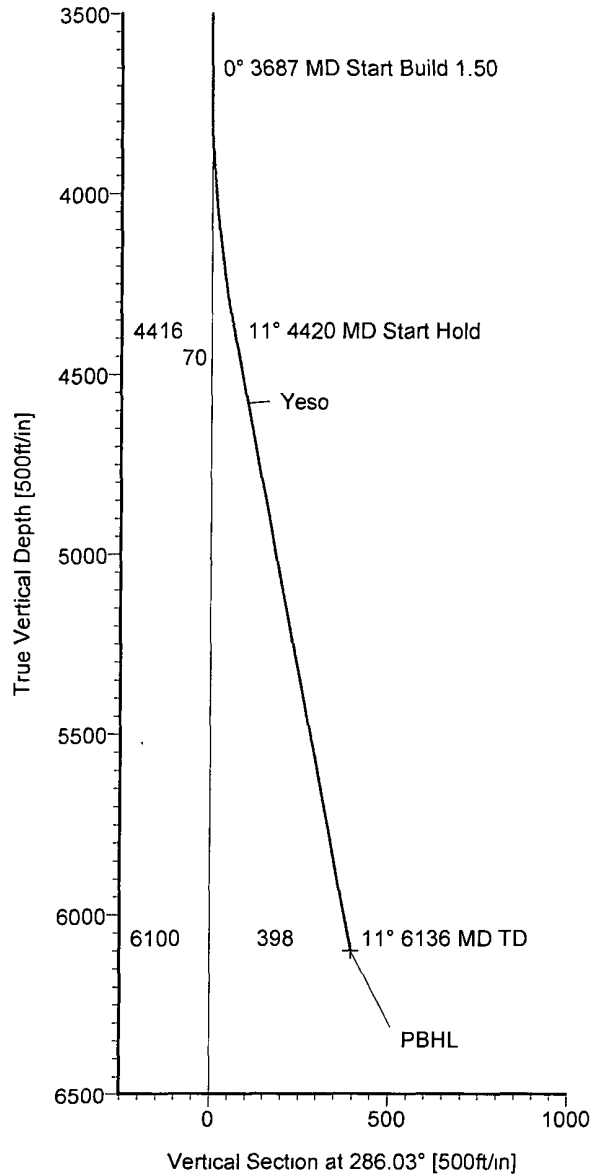
9. Anticipated Start Date and Duration of Operation

Road and location construction will begin after BLM has approved the APD and has approved the start of the location work. Anticipated spud date will be as soon as the location building work has been completed and the drilling rig is available to move to the location. Move in and drilling is expected to take approximately 14 days. If production casing is run, an additional 60 days would be required to complete the well and install the necessary surface equipment (pumping unit, electricity, flowline and storage facility) to place the well on production.

EXHIBIT G

BURNETT OIL CO. INC.

Field: Eddy County, NM
Site: Gissler B #85
Well: #85
Wellpath: Original Hole
Plan: Plan #1a



Azimuths to Grid North
True North: -0.21°
Magnetic North: 7.46°

Magnetic Field
Strength: 48872nT
Dip Angle: 60.68°
Date: 07/11/2012
Model: IGRF2010

FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	4580.00	4587.57	Yeso

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
Surface	0.00	0.00	0.00	674299.83	620205.79	32°51'11.240N	103°56'30.839W	Point
PBHL	6100.00	109.79	-382.14	674409.62	619823.65	32°51'12.340N	103°56'35.314W	Point

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	286.03	0.00	0.00	0.00	0.00	0.00	0.00	
2	3686.74	0.00	286.03	3686.74	0.00	0.00	0.00	0.00	0.00	
3	4420.07	11.00	286.03	4415.57	19.38	-67.45	1.50	286.03	70.18	
4	6136.02	11.00	286.03	6100.00	109.79	-382.14	0.00	0.00	397.60	PBHL

Plan Plan #1a (#85/Original Hole)

Created By Ivonne Gonzalez

Date 07/11/2012

ARCHER DIRECTIONAL DRILLING SERVICES
911 Regional Park Drive Houston, Texas 77060
Phone: 713-934-9600 Fax: 713-934-9067

Archer

EXHIBIT G
ARCHER
Planning Report

Company: BURNETT OIL CO. INC			Date: 07/11/2012			Time: 17:07:27			Page: 1		
Field: Eddy County, NM			Co-ordinate(NE) Reference: Well: #85, Grid North								
Site: Gissler B #85			Vertical (TVD) Reference: SITE 0.0								
Well: #85			Section (VS) Reference: Well (0.00N,0.00E,286.03Azi)								
Wellpath: Original Hole			Plan:			Plan #1a					
Field: Eddy County, NM											
Map System: US State Plane Coordinate System 1927						Map Zone: New Mexico, Eastern Zone					
Geo Datum: NAD27 (Clarke 1866)						Coordinate System: Well Centre					
Sys Datum: Mean Sea Level						Geomagnetic Model: IGRF2010					
Site: Gissler B #85											
Site Position:			Northing:		674299.83 ft		Latitude:		32 51 11.240 N		
From: Map			Easting:		620205.79 ft		Longitude:		103 56 30.839 W		
Position Uncertainty:			0 00 ft				North Reference:		Grid		
Ground Level:			3739.00 ft				Grid Convergence:		0.21 deg		
Well: #85 Slot Name:											
Well Position:			+N/-S 0.00 ft		Northing: 674299.83 ft		Latitude:		32 51 11.240 N		
			+E/-W 0.00 ft		Easting: 620205.79 ft		Longitude:		103 56 30.839 W		
Position Uncertainty:			0.00 ft								
Wellpath: Original Hole											
Current Datum: SITE			Height 0.00 ft		Drilled From: Surface		Tie-on Depth:		0.00 ft		
Magnetic Data: 07/11/2012					Above System Datum: Mean Sea Level		Declination:		7.67 deg		
Field Strength: 48872 nT					Mag Dip Angle: 60.68 deg		+E/-W		Direction		
Vertical Section: Depth From (TVD)			+N/-S		ft		ft		deg		
0 00			0.00		0.00		0.00		286.03		
Plan: Plan #1a Date Composed: 06/04/2012											
p1a for formation top Version: 1											
Principal: No Tied-to: From Surface											
Plan Section Information											
MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target	
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg		
0 00	0.00	286.03	0.00	0.00	0.00	0.00	0.00	0.00	0 00		
3686.74	0.00	286.03	3686.74	0.00	0.00	0.00	0.00	0.00	0.00		
4420.07	11.00	286.03	4415.57	19.38	-67.45	1.50	1.50	0.00	286.03		
6136.02	11.00	286.03	6100.00	109.79	-382.14	0.00	0.00	0.00	0.00	PBHL	
Survey											
MD	Incl	Azim	TVD	+N/-S	+E/-W	VS	DLS	Build	Turn	Tool/Comment	
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft		
3686.74	0.00	286.03	3686.74	0.00	0.00	0.00	0.00	0.00	0.00		
3700.00	0.20	286.03	3700.00	0.01	-0.02	0.02	1.50	1.50	0.00		
3800.00	1.70	286.03	3799.98	0.46	-1.61	1.68	1.50	1.50	0.00		
3900.00	3.20	286.03	3899.89	1.64	-5.72	5.95	1.50	1.50	0.00		
4000.00	4.70	286.03	3999.65	3.55	-12.34	12.84	1.50	1.50	0.00		
4100.00	6.20	286.03	4099.19	6.17	-21.47	22.33	1.50	1.50	0.00		
4200.00	7.70	286.03	4198.46	9.51	-33.09	34.43	1.50	1.50	0.00		
4300.00	9.20	286.03	4297.37	13.56	-47.21	49.12	1.50	1.50	0.00		
4400.00	10.70	286.03	4395.86	18.34	-63.82	66.40	1.50	1.50	0.00		
4420.07	11.00	286.03	4415.57	19.38	-67.45	70.18	1.50	1.50	0.00		
4500.00	11.00	286.03	4494.03	23.59	-82.11	85.43	0.00	0.00	0.00		
4587.57	11.00	286.03	4580.00	28.20	-98.17	102.14	0.00	0.00	0.00	Yeso	
4600.00	11.00	286.03	4592.20	28.86	-100.45	104.51	0.00	0.00	0.00		
4700.00	11.00	286.03									

EXHIBIT G

ARCHER

Planning Report

Company: BURNETT OIL CO. INC.
Field: Eddy County, NM
Site: Gissler B #85
Well: #85
Wellpath: Original Hole

Date: 07/11/2012 **Time:** 17:07:27
Co-ordinate(NE) Reference: Well: #85, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,286.03Azi)
Plan: Plan #1a

Page: 2

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5100.00	11.00	286.03	5083.01	55.20	-192.14	199.92	0.00	0.00	0.00	
5200.00	11.00	286.03	5181.17	60.47	-210.48	219.00	0.00	0.00	0.00	
5300.00	11.00	286.03	5279.34	65.74	-228.82	238.08	0.00	0.00	0.00	
5400.00	11.00	286.03	5377.50	71.01	-247.16	257.16	0.00	0.00	0.00	
5500.00	11.00	286.03	5475.66	76.28	-265.50	276.24	0.00	0.00	0.00	
5600.00	11.00	286.03	5573.82	81.55	-283.84	295.32	0.00	0.00	0.00	
5700.00	11.00	286.03	5671.99	86.82	-302.18	314.40	0.00	0.00	0.00	
5800.00	11.00	286.03	5770.15	92.08	-320.52	333.48	0.00	0.00	0.00	
5900.00	11.00	286.03	5868.31	97.35	-338.86	352.56	0.00	0.00	0.00	
6000.00	11.00	286.03	5966.48	102.62	-357.19	371.64	0.00	0.00	0.00	
6100.00	11.00	286.03	6064.64	107.89	-375.53	390.72	0.00	0.00	0.00	
6136.02	11.00	286.03	6100.00	109.79	-382.14	397.60	0.00	0.00	0.00	PBHL

Targets

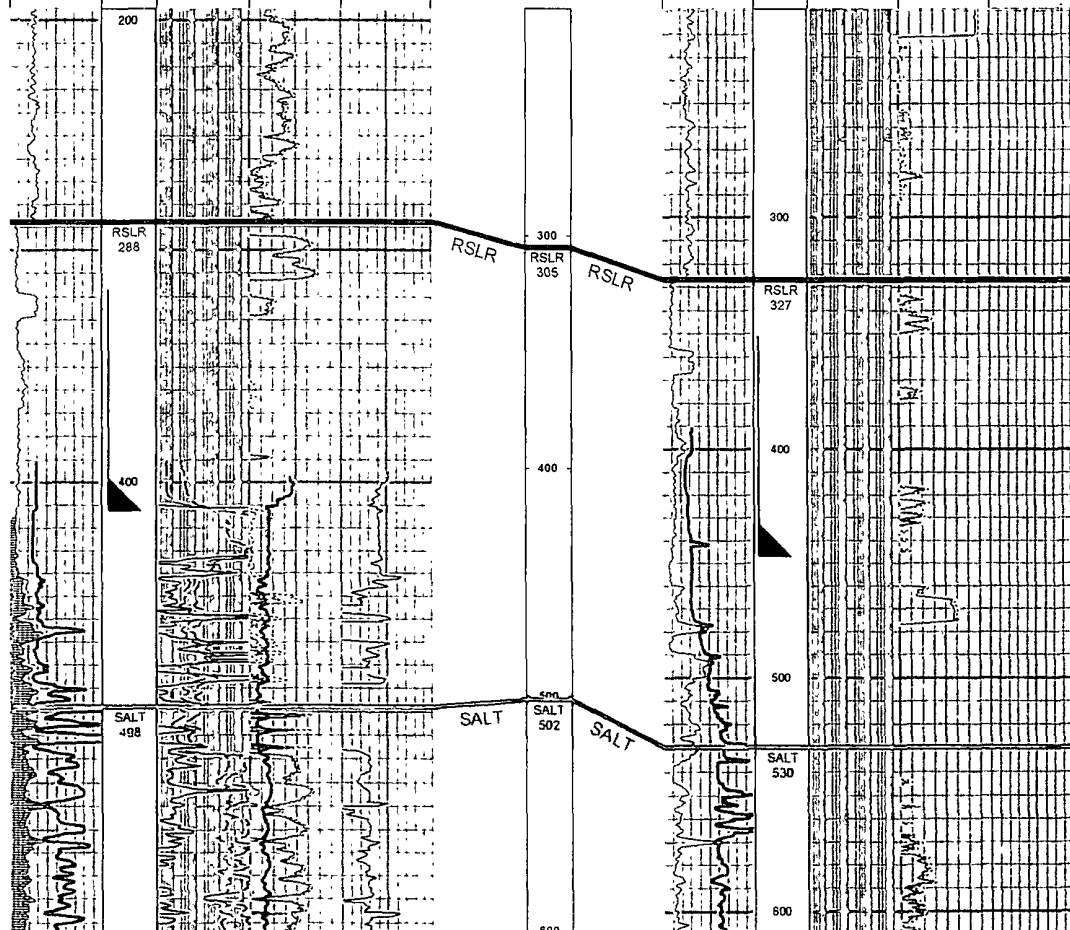
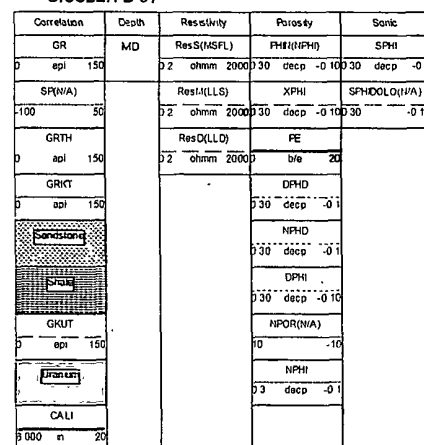
Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec		
Surface		0.00	0.00	0.00	674299.83	620205.79	32	51	11.240 N	103	56	30.839 W
PBHL -Plan hit target		6100.00	109.79	-382.14	674409.62	619823.65	32	51	12.340 N	103	56	35.314 W

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
4587.57	4580.00	Yeso		0.00	0.00

30015372400000
BURNETT OIL CO INC
GISSLER B 51

TD=6051
Datum=3759
Ground=3747



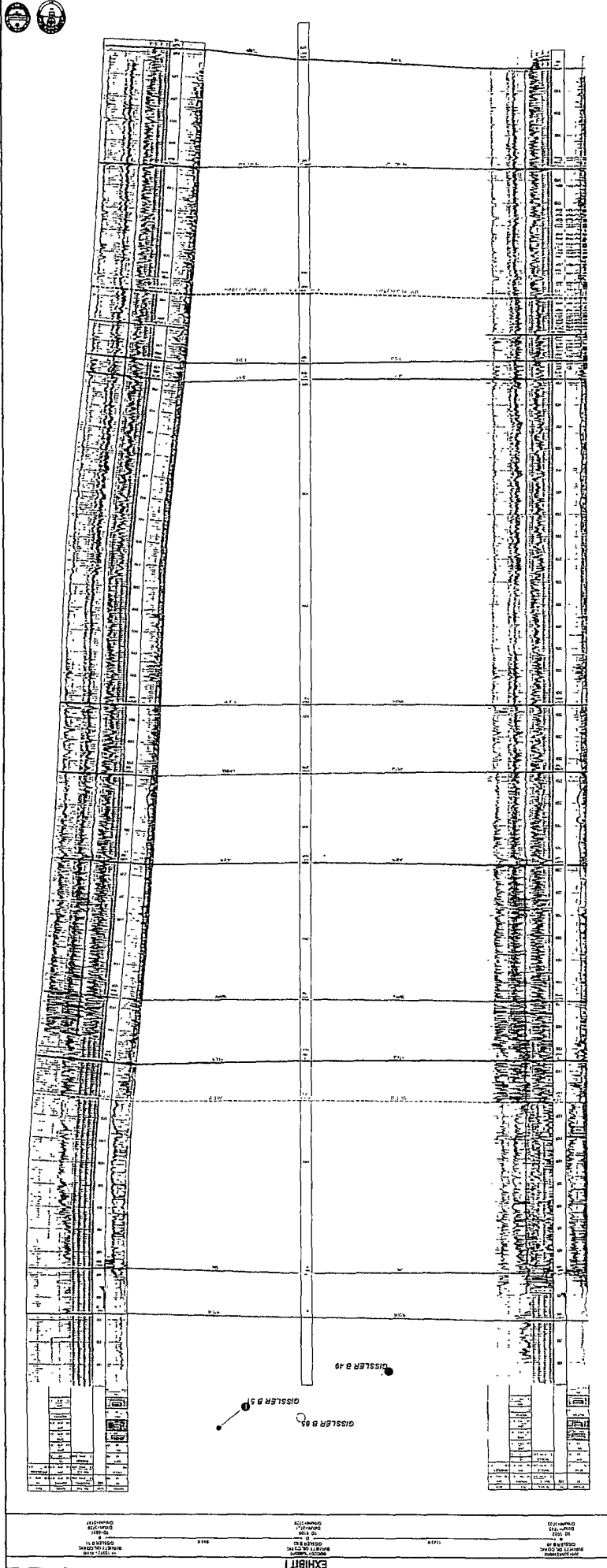


EXHIBIT J

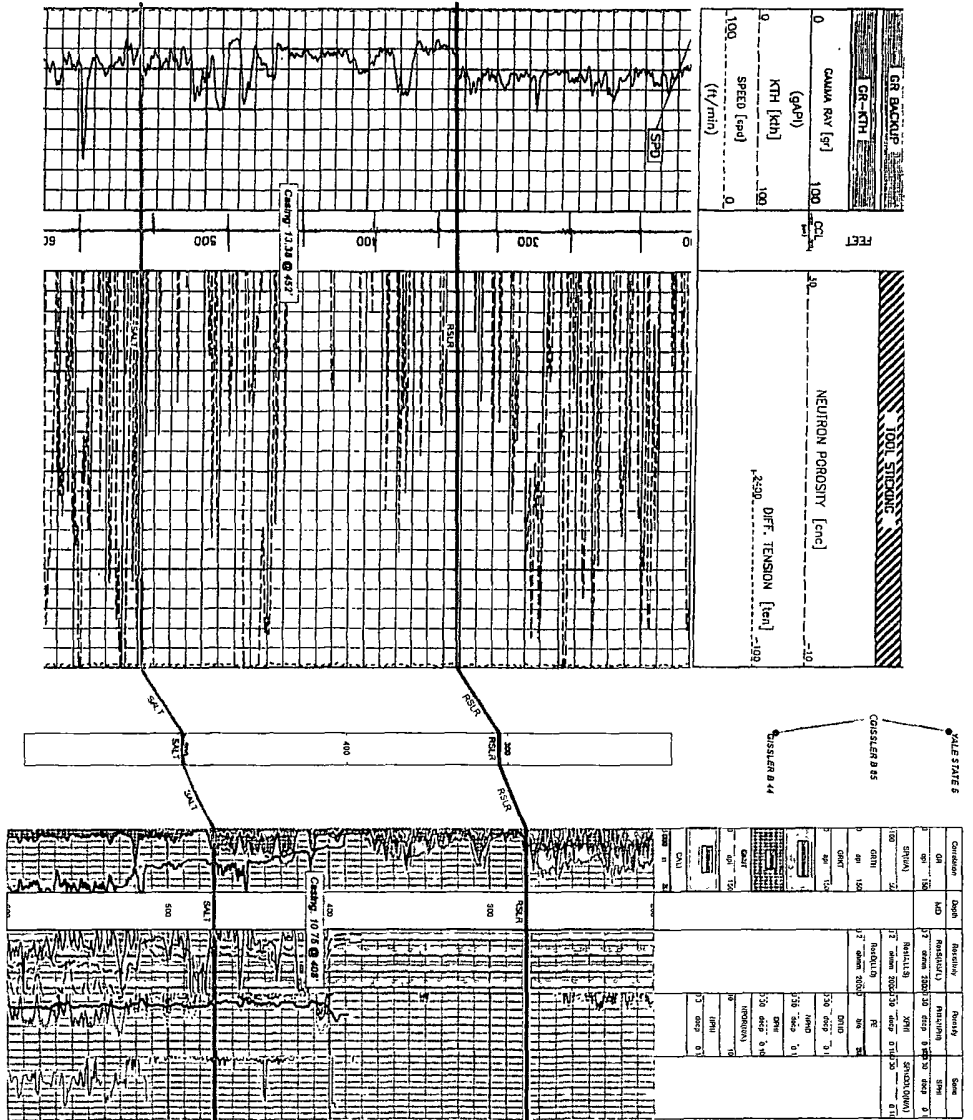
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 YALE STATE 5
 TD=6222
 Datum=3763
 Ground=3751

1480 ft

30015363800000 BURNETT OIL CO INC
 GISSLER B 85
 TD=6100
 Datum=3751
 Ground=3739

1888 ft

30015363800000 BURNETT OIL CO INC
 GISSLER B 44
 TD=5979
 Datum=3740
 Ground=3729



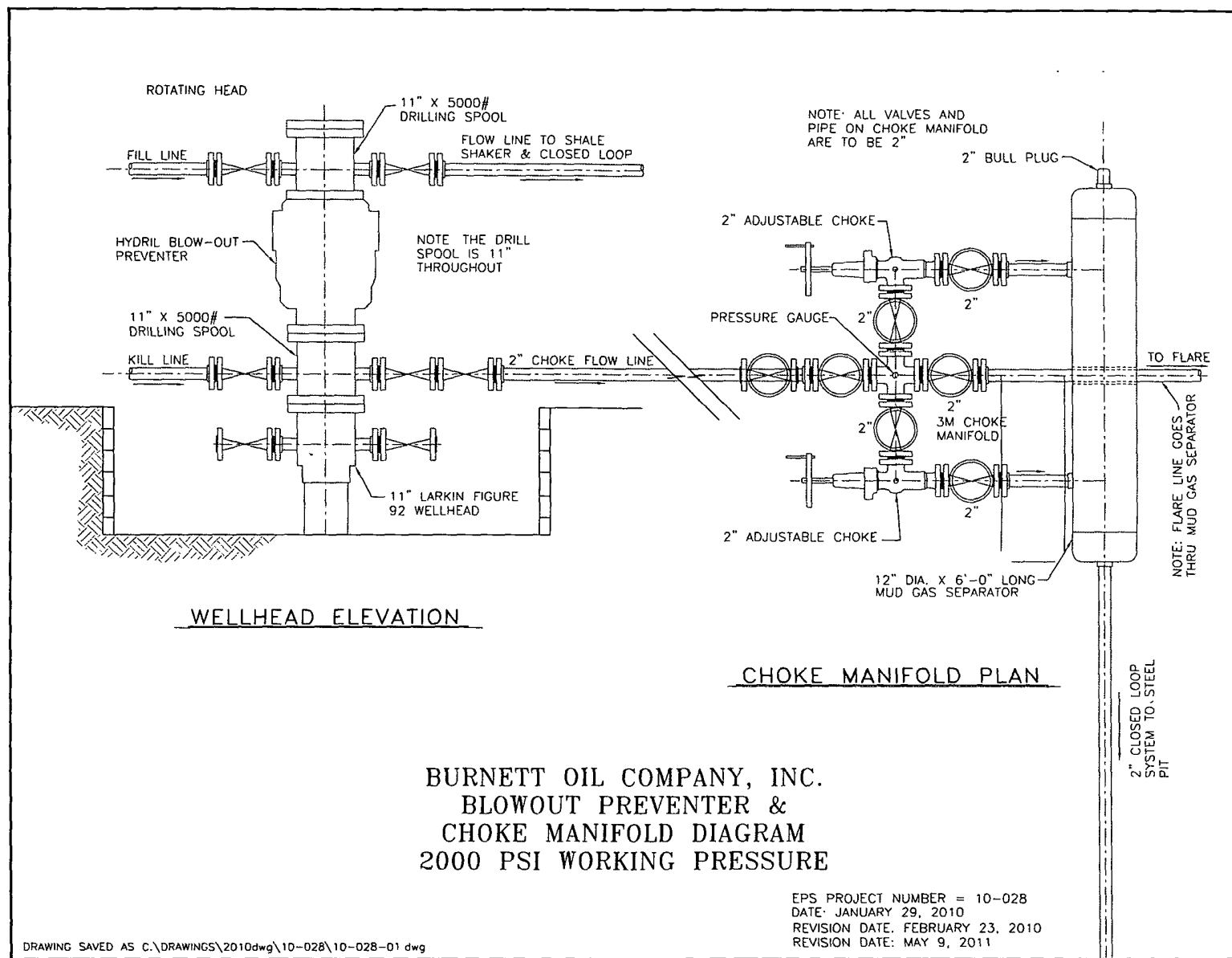
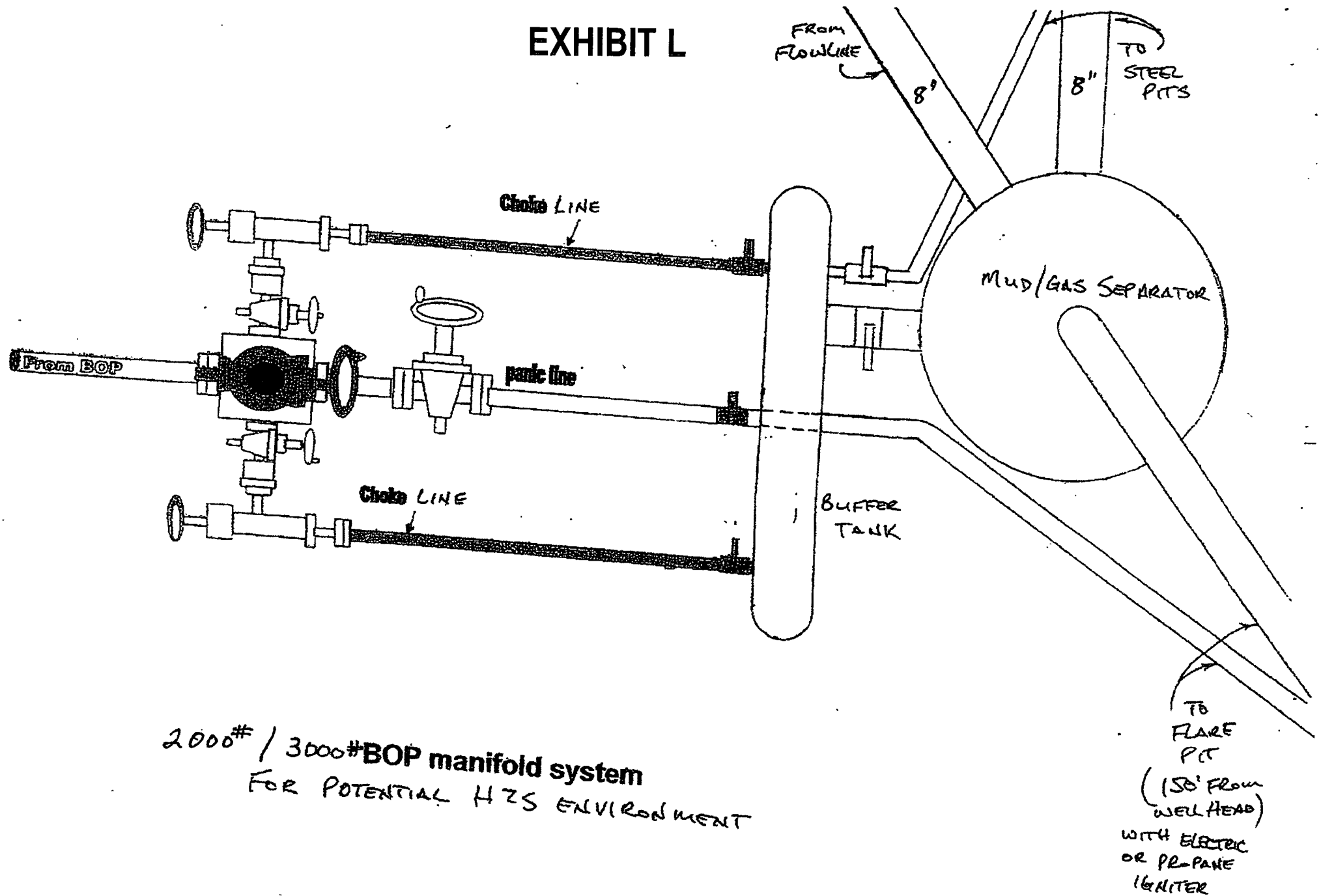


EXHIBIT L

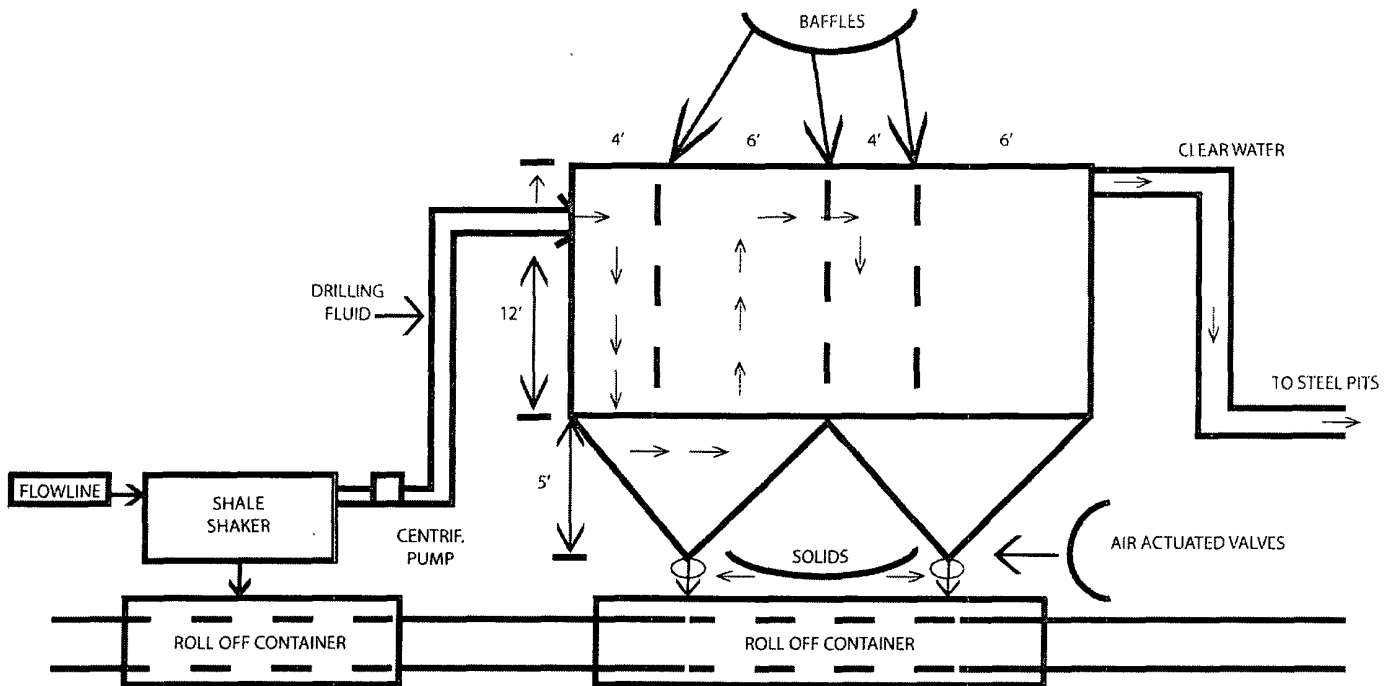


2000# / 3000# BOP manifold system
FOR POTENTIAL H₂S ENVIRONMENT



BURNETT OIL CO., INC.

EXHIBIT M



OPERATIONS & MAINTENANCE

Drilling Fluids from the wellbore will go through the flow line across the shale shaker. Solids will drop into roll off containers with baffles as drawn above. Baffles slow fluid velocity to allow solids to fall down through 6" air actuated valves into roll off containers. Clean water goes back out to the drilling fluid steel pits. Solids and any leftover liquid will be hauled to disposal.

INSPECTION

The closed loop equipment will be inspected daily by each tour and any necessary maintenance performed. Any leak in the system will be repaired and .or contained immediately. OCD will be notified within 48 hours. Remediation process started.

CLOSURE PLAN

During drilling operations, all liquids, drilling fluids and cutting will b e hauled off via CRO (Controlled Recovery Incorporated Permit R-9166)



BURNETT OIL Co., INC.

HYDROGEN SULFIDE (H₂S) PLAN & TRAINING

This plan was developed in accordance with 43 CFR 3162.3-1, section III.C, Onshore Oil and Gas Operations Order No. 6.

Based on our area testing H₂S at 100 PPM has a radius of 139' and does not get off our well sites. There are no schools, residences, churches, parks, public buildings, recreation area or public within 2+ miles of our area.

A. Training

1. Training of Personnel

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in accordance with 43 CFR 3162.3-1, section III.C.3.a. Training will be given in the following areas prior to commencing drilling operations on each well:

- a. The hazards and characteristics of Hydrogen Sulfide (H₂S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures and the prevailing wind.
- d. The proper techniques for first aid and rescue procedures.
- e. **ATTACHED HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN DRILLING EXHIBIT O**
- f. **ATTACHED EMERGENCY CALL LIST FOR ANY ON SITE EMERGENCY DRILLING EXHIBIT P.**

2. Training of Supervisory Personnel

In addition to the training above, supervisory personnel will also be trained in the following areas:

- a. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in special maintenance requirements.
- b. Corrective action and shut-in procedures when drilling or reworking a well, blowout prevention and well control procedures.
- c. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan (if applicable.)

3. Initial and Ongoing Training

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan (if applicable). This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

B. H2S Drilling Operations Plan

1. Well Control Equipment

- a. Flare line(s) and means of ignition
- b. Remote control choke
- c. Flare gun/flares
- d. Mud-gas separator

2. Protective equipment for essential personnel:

- a. Mark II Surviveair (or equivalent) 30 minute units located in the dog house and at the primary briefing area (to be determined.)
- b. Means of communication when using protective breathing apparatus.

3. H2S detection and monitoring equipment:

- a. Three (3) portable H2S monitors positioned on location for best coverage and response. These units have warning lights at 10 PPM and warning lights and audible sirens when H2S levels of 15 PPM is reached. A digital display inside the doghouse shows current H2S levels at all three (3) locations.
- b. An H2S Safety compliance set up is on location during all operations.
- c. We will monitor and start fans at 1- ppm or less, an increase over 10 ppm results in the shutdown and installation of the mud/gas separator.
- d. Portable H2S and SO2 monitor(s).

4. Visual warning systems:

- a. Wind direction indicators will be positioned for maximum visibility.
- b. Caution/Danger signs will be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

5. Mud program:

- a. The mud program has been designed to minimize the volume of H2S circulated to the surface Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- a. All drill strings, casings, tubing, wellheads, Hydril BOPS, drilling spools, kill lines, choke manifold, valves and lines will be suitable for H2S service.
- b. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- a Cellular Telephone and/or 2-way radio will be provided at well site.
- b. Landline telephone is located in our field office.



BURNETT OIL Co., INC.

EXHIBIT O - HYDROGEN SULFIDE (H₂S) CONTIGENCY PLAN

A. Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

1. Isolate the area and prevent entry by other persons into the 100 PPM ROE. Assumed 100PPM ROE = 3000'.
2. Evacuate any public places encompassed by 100 PPM ROE.
3. Be equipped with H₂S monitors and air packs in order to control release.
4. Use the "buddy system" to ensure no injuries occur during the response.
5. Take precautions to avoid personal injury during this operation.
6. Have received training in the following:
 - a. H₂S detection
 - b. Measures for protection against this gas
 - c. Equipment used for protection and emergency response.

B. Ignition of Gas Source

Should control of the well be considered lost and ignition considered, care will be taken to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition will be coordinated with the NMOCD and local officials. Additionally, the New Mexico State Police may become involved. NM State Police shall be the incident command on scene of any major release. Care will be taken to protect downwind whenever there is an ignition of gas.

C. Characteristics of H₂S and SO₂

<u>Common Name</u>	<u>Chemical Formula</u>	<u>Specific Gravity</u>	<u>Threshold Limit</u>	<u>Hazardous Limit</u>	<u>Lethal Concentration</u>
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	NA	1000 ppm

D. Contacting Authorities

Burnett Oil Co., Inc. personnel will liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD will be notified of the release as soon as possible but no later than four (4) hours after the incident. Agencies will ask for information such as type and volume of release, wind and direction, location of release, etc. Be sure all is written down and ready to give to contact list attached. Burnett's response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan.

Directions to the site are as follows:

Burnett Office
87 Square Lake Road (CR #220)
Loco Hills, NM 88255

Loco Hills, New Mexico (2 miles East of Loco Hills on US Hwy 82 to C #220. Then North on CR #220 approximately one (1) mile to office.



BURNETT OIL CO., INC.

EXHIBIT P - EMERGENCY NOTIFICATION LIST

BURNETT CONTACTS

Burnett's New Mexico Office 575.677.2313
87 Square Lake Road (CR #220) Loco Hills, New Mexico 88255
Directions: Loco Hills, NM – 2 miles east of Loco Hills on US Hwy 82 to CR#220. Then North on CR #220 approximately one (1) mile to office.

Belton Mathews – BOCI District Superintendent (NM) Cell - 575.703.9601

Burnett Oil Home Office 817.332.5108
Burnett Plaza – Suite 1500 | 801 Cherry Street – Unit #9| Fort Worth, Texas 76102

Mark Jacoby – BOCI Engineering Manager (TX) Cell – 817-312-2751

SHERIFF/POLICE CONTACTS

Eddy County Sheriff 911 or 575.677.2313
New Mexico State Police 575.746.2701

FIRE DEPARTMENT

Loco Hills Fire Department (VOLUNTEER ONLY) 911 or 575.677.2349
For Medical and Fire (Artesia) 575.746.2701

AIR AMBULANCE

Flight for Life Air Ambulance	(Lubbock)	806.743.9911
Aerocare Air Ambulance	(Lubbock)	806.747.8923
Med Flight Air Ambulance	(Albuq)	505.842.4433
S B Med Svc Air Ambulance	(Albuq)	505.842.4949

FEDERAL AND STATE

US Bureau of Land Management (Carlsbad)	575.361.2822	575.234.5972
New Mexico Oil Conservation Division (Artesia)		575.748.1283
New Mexico Emergency Response Commission (24 hour)		575.827.9126
Local Emergency Planning Operation Center (Artesia)		505.842.4949
National Emergency Response Center (Washington, DC)		800.424.8802

OTHER IMPORTANT NUMBERS

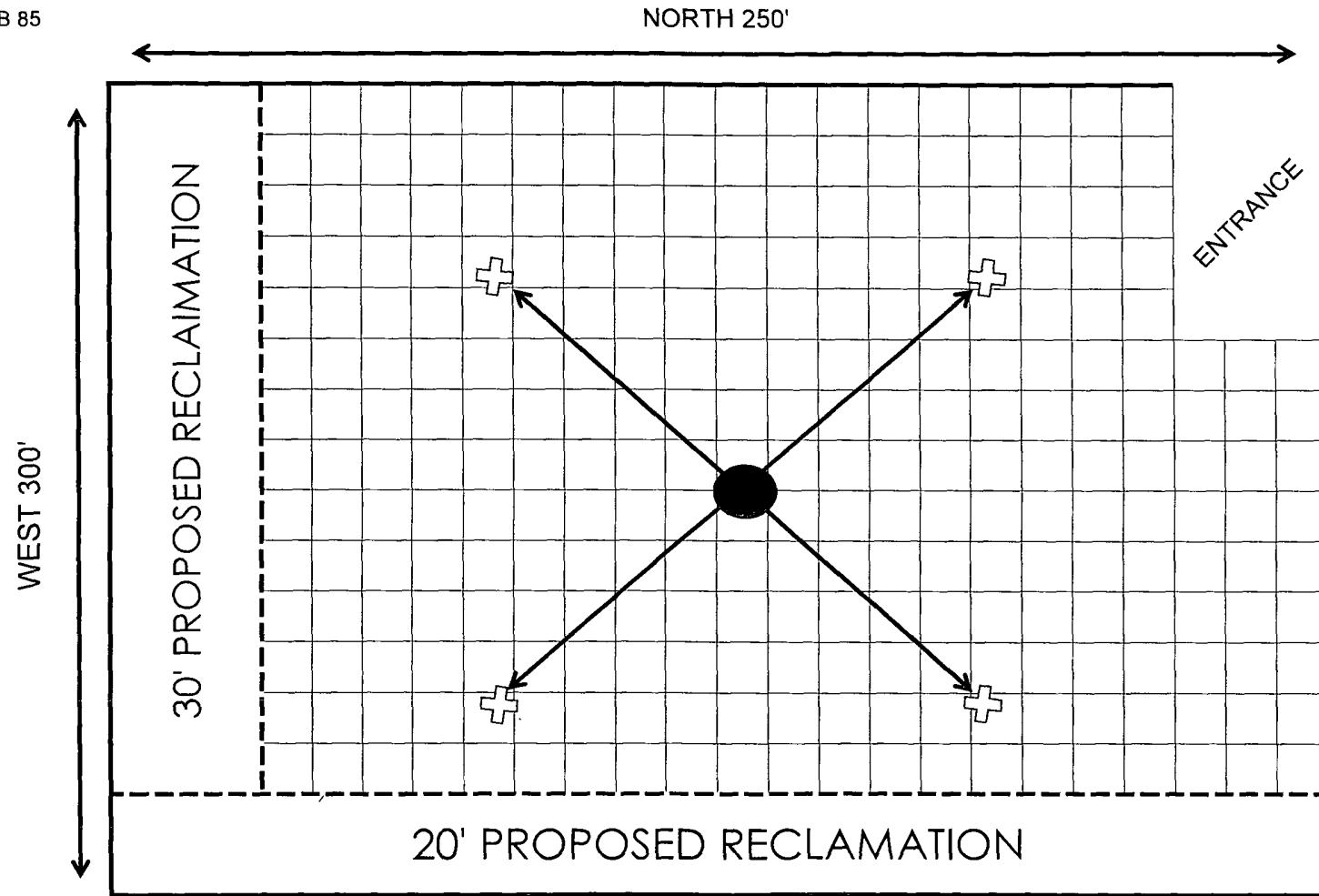
Boots & Coots IWC	800.256.9688
Cudd Pressure Control	432.570.5300
Halliburton Services	575.746.2757
BJ Service	575.746.2293

THIS MUST BE POSTED AT THE RIG WHILE ON LOCATION

EXHIBIT Q

BURNETT OIL CO., INC.
INTERIM RECLAMATION PLAT

GISSLER B 85



ANCHOR 75' FROM WELLHEAD TO ANCHORS

WELLHEAD

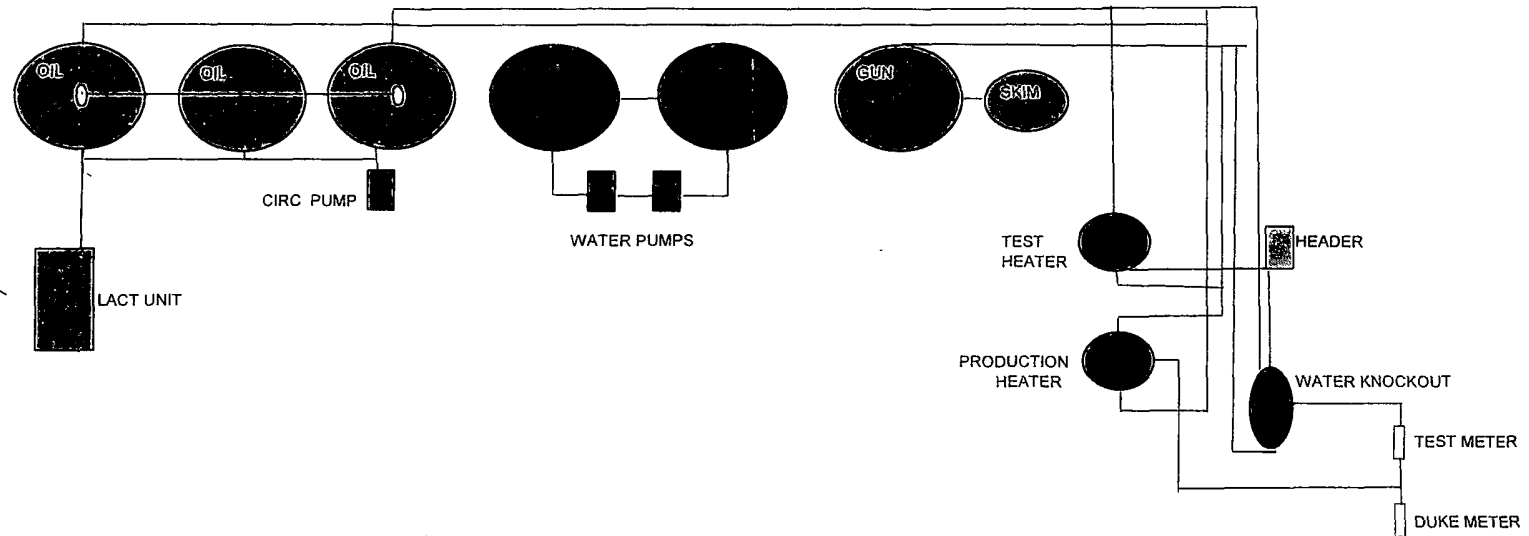
NOT TO SCALE

EXHIBIT R

6666

Burnett Oil Co., Inc.

Gissler B 3-1 Tank Battery



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Burnett Oil Co
LEASE NO.:	NM2748
WELL NAME & NO.:	85 Gissler B
SURFACE HOLE FOOTAGE:	1105' FNL & 2590' FEL
BOTTOM HOLE FOOTAGE:	990' FNL & 2310' FWL
LOCATION:	Section 11, T.17 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Pad Restriction
 - Chinaberry Tree Avoidance
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - H2S Requirements-Onshore Order #6
 - Logging Requirements
 - Waste Material and Fluids
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines – not requested
- ☐ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**