

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: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

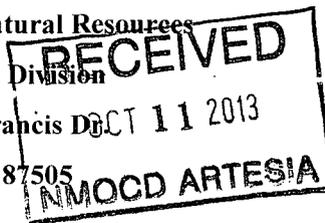
Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505



AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Burnett Oil Co., Inc. Burnett Plaza - Suite 1500		² OGRID Number 03080
801 Cherry Street - Unit 9 Fort Worth, Texas 76102		³ API Number 30-015- 41733
⁴ Property Code 40173	⁵ Property Name Burnett 36 SWD	⁶ Well No. 1

⁷ Surface Location

UL - Lot L	Section 36	Township 17S	Range 30E	Lot Idn	Feet from 2430'	N/S Line South	Feet From 1200'	E/W Line West	County Eddy
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⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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⁹ Pool Information

¹⁰ Pool Name SWD Wolfcamp Reef	¹¹ Pool Code 96135
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Additional Well Information

¹¹ Work Type N	¹² Well Type S	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3609'
¹⁶ Multiple No	¹⁷ Proposed Depth 9700'	¹⁸ Formation Wolfcamp Reef	¹⁹ Contractor United Drilling	²⁰ Spud Date As soon as possible
Depth to Ground water None, would be 300'		Distance from nearest fresh water well None Found		Distance to nearest surface water 20 Miles

We will be using a closed-loop system in lieu of lined pits

²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	48	500'	450	Surface
Interm	12 1/4'	9 5/8"	36 & 40	4500'	1235	Surface
Production	8 3/4'	7"	26	9700'	1165	4500'

Casing/Cement Program: Additional Comments

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²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular & Double Ram	5000#	5000#	Shaffer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/>, if applicable. Signature: <i>Leslie M Garvis</i> Printed name: Leslie M Garvis Title: Regulatory Coordinator E-mail Address: lgarvis@burnettoil.com Date: 10/10/13 Phone: 817-332-5108	OIL CONSERVATION DIVISION	
	Approved By: <i>T. C. Shapiro</i>	
	Title: "Geologist"	
	Approved Date: <i>10/16/2013</i>	Expiration Date: <i>10/16/2015</i>
	Conditions of Approval Attached	

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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 30-015-41733	Pool Code 96135	Pool Name SWD; Wolfcamp
Property Code 40173	Property Name BURNETT 36 SWD	Well Number 1
OGRID No. 03080	Operator Name BURNETT OIL CO., INC.	Elevation 3609

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	17 S	30 E		2430	SOUTH	1200	WEST	EDDY

Bottom Hole Location If Different From Surface

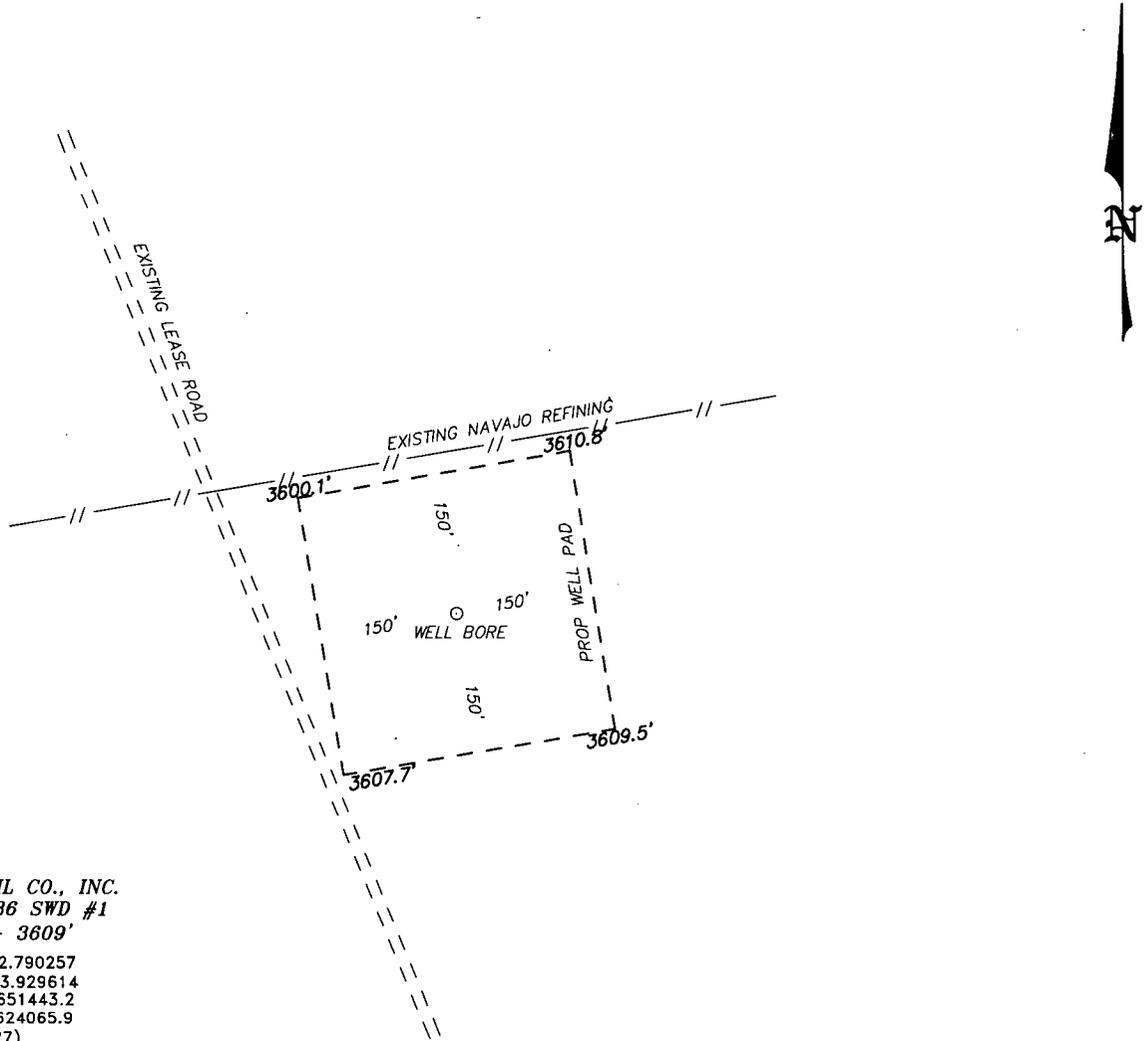
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

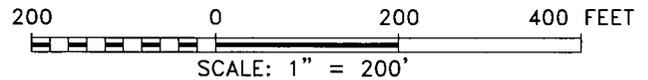
<p>N: 654291.5 E: 622857.2 NAD27</p>	<p>N: 654297.8 E: 625497.4 NAD27</p>	<p>N: 654304.2 E: 628137.6 NAD27</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unEDDysed 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. <i>Garvis</i> 10-10-13 Signature Date LEBUE GARVIS Printed Name <i>garvis@burnettoil.com</i> Email Address</p>
<p>SURFACE LOCATION Lat - N 32.790257 Long - W 103.929614 NMSPCE - N 651443.2 E 624065.9 (NAD-27)</p>			<p>0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WO Num.: 29306</p>
<p>N: 649010.8 E: 622874.8 NAD27</p>	<p>N: 649024.2 E: 628153.5 NAD27</p>		

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BURNETT OIL CO., INC.
BURNETT 36 SWD #1
ELEV. - 3609'
 Lat - N 32.790257
 Long - W 103.929614
 NMSPCE - N 651443.2
 E 624065.9
 (NAD-27)

LOCO HILLS, NM IS ±5 MILES TO THE NORTHWEST OF LOCATION.



Directions to Location:

FROM LOCO HILLS GO EAST ON HWY 82 FOR 2.9 MILES, RIGHT ONTO LEASE ROAD FOR 0.9 MILES, RIGHT FOR 1.1 MILES, RIGHT AT INTERSECTION FOR 0.4 MILES TO PROPOSED LOCATION.

Burnett Oil Co., Inc. *GGGG*

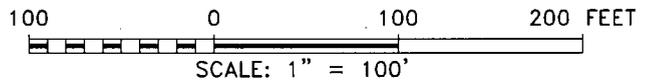
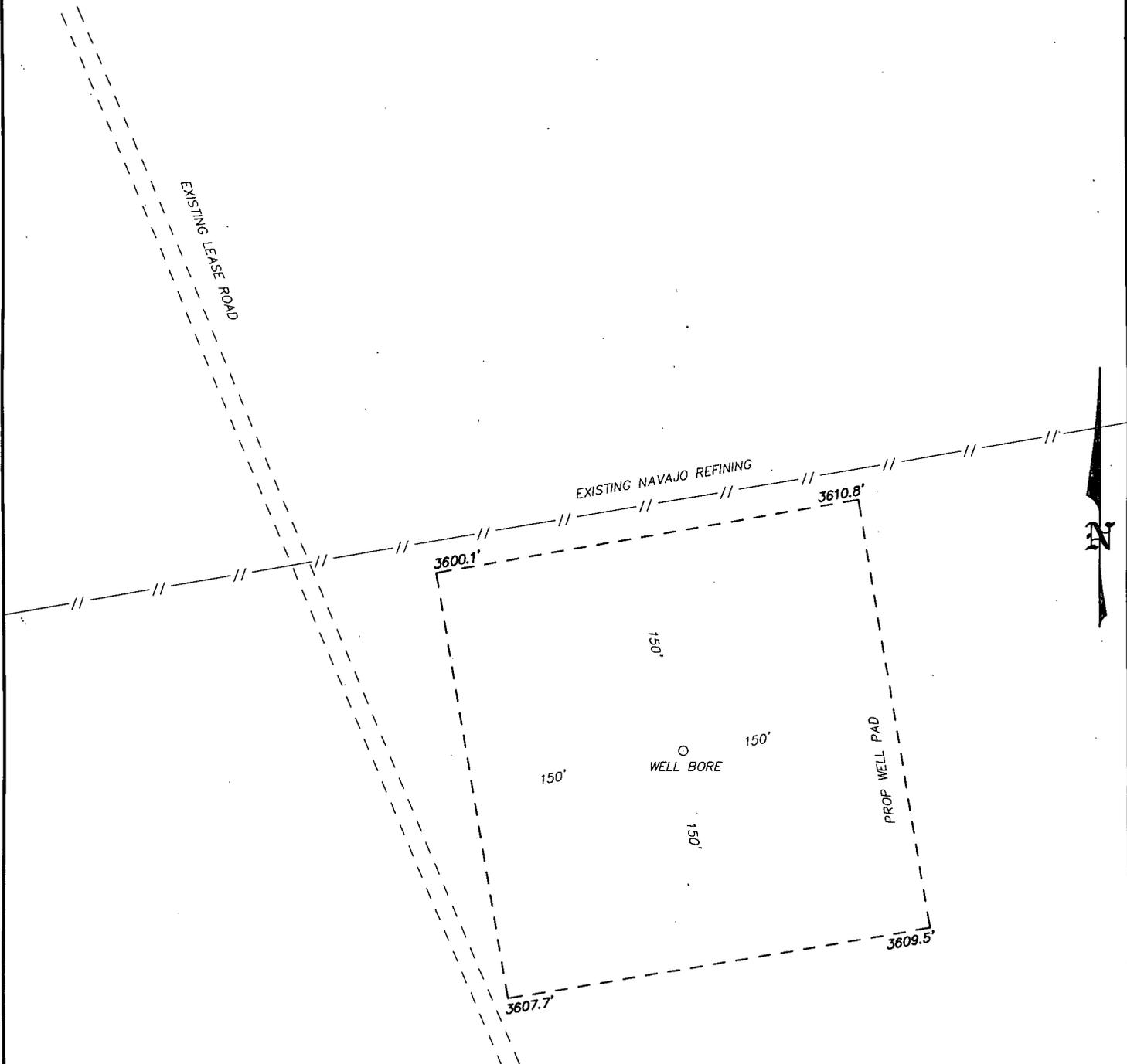
REF: BURNETT 36 SWD #1 / WELL PAD TOPO

THE BURNETT 36 SWD #1 LOCATED 2430' FROM THE SOUTH LINE AND 1200' FROM THE WEST LINE OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



P.O. Box 1786 (575) 393-7316 - Office
 1120 N. West County Rd. (575) 392-2206 - Fax
 Hobbs, New Mexico 88241 basinsurveys.com

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



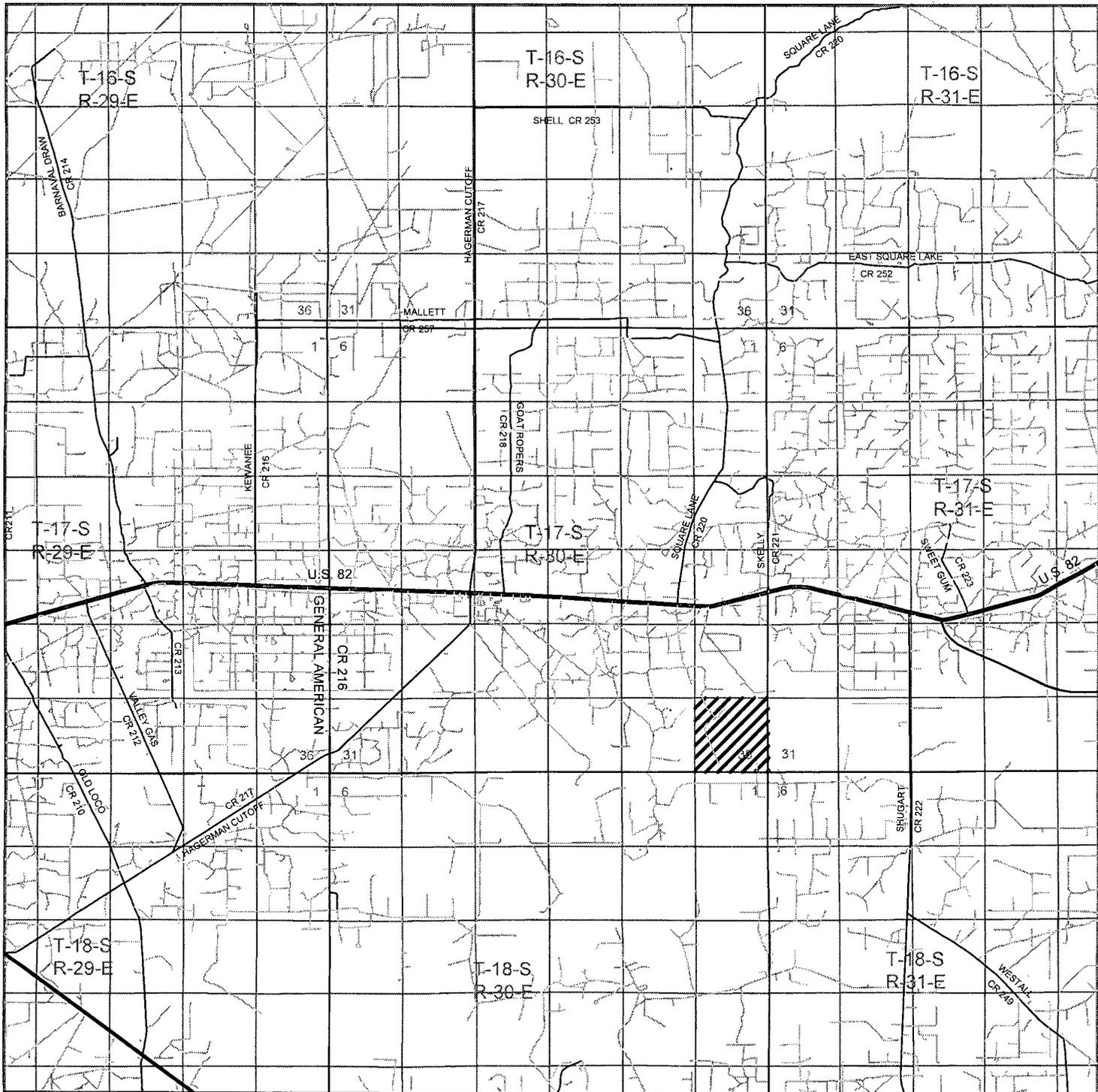
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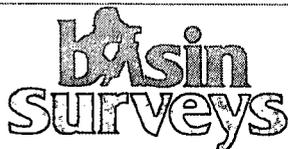
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BURNETT 36 SWD #1

Located 2430' FSL and 1200' FWL
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST
 N.M.P.M., EDDY County, New Mexico.



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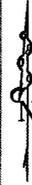
0 1 MI 2 MI 3 MI 4 MI

SCALE: 1" = 2 MILES

W.O. Number: KAN 29306

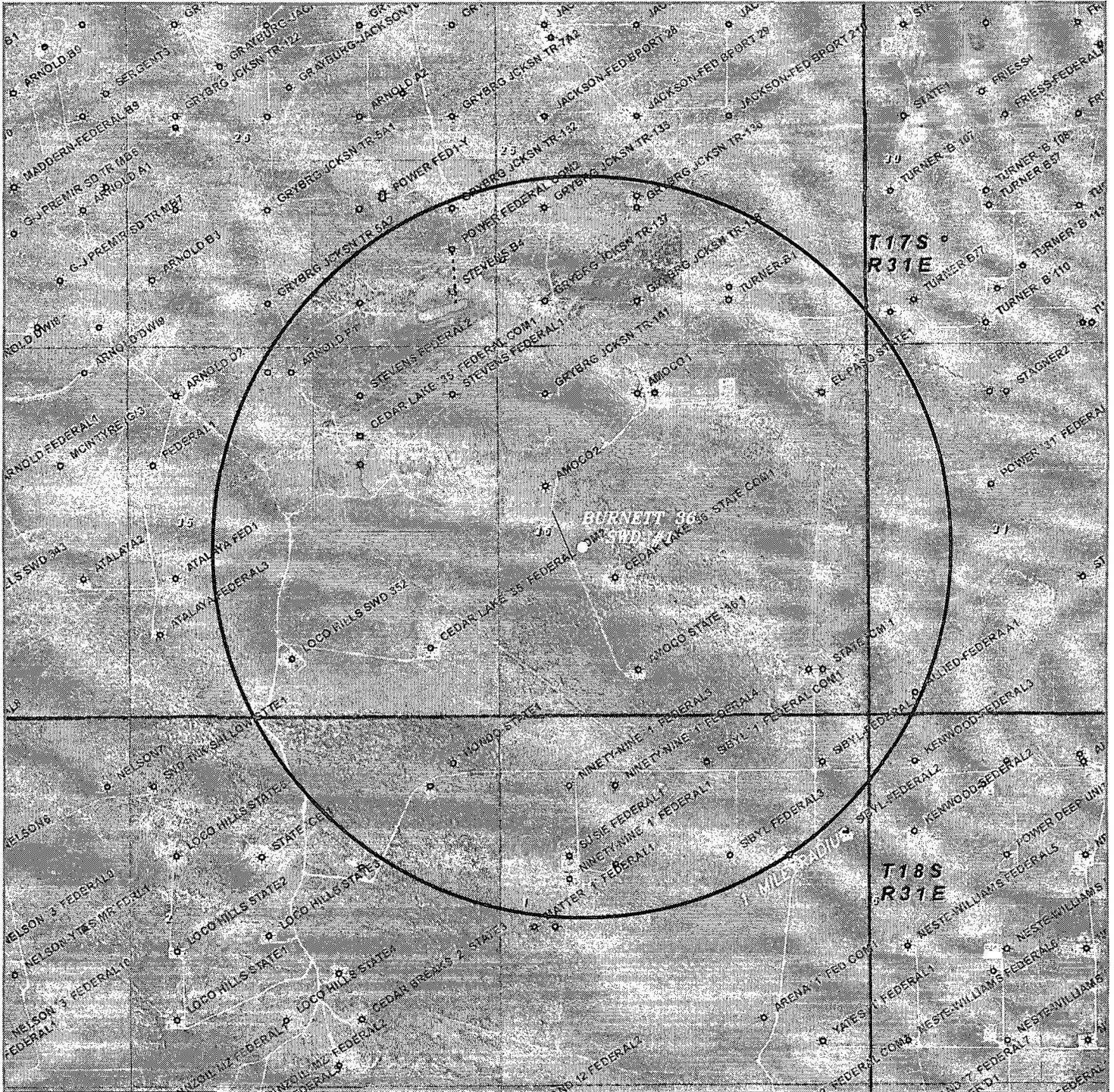
Survey Date: 08-21-2013

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



Burnett Oil Co., Inc.

6666



BURNETT 36 SWD #1

Located 2430' FSL and 1200' FWL
 SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST
 N.M.P.M., EDDY County, New Mexico.

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0'	1000'	2000'	3000'	4000'
SCALE: 1" = 2000'				
W.O. Number:		KAN 29306		
Survey Date:		08-21-2013		
YELLOW TINT - USA LAND BLUE TINT - STATE LAND NATURAL COLOR - FEE LAND				

Burnett Oil Co., Inc.
 6666



BURNETT OIL CO., INC.

DRILLING PLAN Burnett 36 SWD 1 SWD WELL

1. Geological Name of Surface Formation with Estimated Depth:

<u>Geological Name</u>	<u>Estimate Top</u>
a. Quaternary	Surface
b. Rustler	690'
c. Yates	2100'
d. Queen	3300'
e. Grayburg	3750'
f. San Andres	4250'
g. Bone Springs	7800'
h. Wolfcamp	8400'
i. Pennsylvanian	9800'

No interval expected of producing fresh water at any point in the well. We will set 13 3/8" casing @ approx. +/- 500' in the Rustler, above the salt and circulate cement to surface.

Any salt and/or hydrocarbons bearing intervals will be protected by setting 9 5/8" casing to 4500' and circulating cement back to surface. All other zones above TD will be cased with 7" casing and cement circulated to surface.

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

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

Design Safety Factor Minimums:

<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>	<u>Joint String</u>
Conductor	24"	0'-40'	20"	Contractor Discretion			---	---	---	
Surface	17 1/2"	0' - 500'	13 3/8"	48#	ST & C	H40	1.125	1.00	2.00	1.80
Intermediate	12 1/4"	0' - 4500'	9 5/8"	36.00# & 40.00#	ST & C	J55	1.125	1.00	2.00	1.80
Production	8-3/4"	0' - 9700'	7"	26.00#	LT & C	N80	*1.125	1.00	2.00	1.80

DRILLING PLAN

SWD WELL

a. Surface Casing Info

The proposed casing setting depth is 500' based on cross sections which show the estimated top of the rustler and top of salt. Drilling times will be plotted to find the hard section just above the salt. 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

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

a. 17 1/2" Surface (0-500') Cement to surface

- Pump 20 bbl Fresh Water with Rhodamine red dye (0.1lbm/bbl). Lead with 210 sx Extendacem CZ System cement with Poly-E-Flake (0.125 lbm/sx) , 12.9 ppg, 1.81 CF/sx Yield.
- Tail with 240 sxs HalCem-C + 2% CaCl.-Flake, 14.8 ppg, 1.35 CF/sx yield. **TOC Surface. Excess cement 100%.**

If cement does not circulate to surface, OCD will be notified of same, plus the plans to bring the cement to surface so OCD may witness tagging and cementing. If surface pressures when circulating indicate cement is low in the annulus, temperature survey results will be reviewed with OCD representative to determine the remediation needed.

b. 9 5/8" Intermediate Casing (0-4500')

- Pump 20 bbl WG-19 Gel Spacer (2.5 lbm/bbl) w/Rhodamine Red Dye (0.1 lbm/bbl). Lead with 1,230 sxs EconoCem HLC system cement w/5% Salt, Kol-Seal (5 lbm/sx) and Poly-E-Flake (0.125 lbm/sx) , 12.9 ppg, 1.88 CF/sx Yield.
- Tail with 300 sxs HalCem System cement, 14.8 ppg, 1.32 CF/sx yield. **TOC Surface. Excess cement 50%.**

c. 7" Production Casing (0-9700')

- Pump 40 bbl Fresh Water then pump 500 gallons (11.9 bbls) Super Flush 102, followed by pumping 20 bbls WC-19 Gel Spacer (2.5 lbm/bbl) with Rhodamine Red Dye (0.1 lbm/bbl). Lead with 480 sx EconoCem H System Cement w/ .5% Halad -322, Kol-Seal (3lbm/sx), Poly-E-Flake (0.125 lbm/sx) and D-AIR 5000 (.25 lbm/sx) , 11.9 ppg, 2.47 CF/sx Yield.
- Tail with 630 sxs VersaCem H + 0.4% LAP-1, 0.3% CFR-3, Kol-Seal (3 lbm/sx), Poly-E-Flake (0.125 lbm/sx) and D-AIR 5000 (0.25 lbm/sx). 14.2 ppg, **Yield 1.28 CF/sx. , TOC Surface. 35% 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.**

DRILLING PLAN SWD WELL

4. Pressure Control Equipment:

The blowout prevention equipment (BOPE) will consist of a 2,000 PSI and a 5,000 PSI Hydril Unit (annular) with hydraulic closing equipment and Rams (on 5,000 PSI BOP). The surface casing will have an Annular (2,000 PSI) and the Intermediate and Production casings will have both Annular and Double Rams (5,000 PSI). 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 accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 5,000 PSI WP rating.

Below are notes regarding the BOPE:

- a. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- b. Wear ring will be properly installed in head.
- c. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 5,000 psi working pressure.
- d. All fittings will be flanged.
- e. A full bore safety valve tested to a minimum 5,000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- f. All choke lines will be anchored to prevent movement.
- g. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- h. Will maintain a Kelly cock attached to the Kelly.
- i. Hand wheels and wrenches will be properly installed and tested for safe operation.
- j. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
- k. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

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>	<u>Max Volume</u>
0' – 500'	8.6 - 9.5	34	N.C.	Fresh Water	
500' – 4500'	10.6	30	N.C.	Saturated Water	

DRILLING PLAN SWD WELL

4500' - 9700' 9.2 28 12 to log Cut Brine

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

Pason equipment will be used to monitor the mud system.

7. Logging, Coring and Testing program:

- a. Drill stem tests not anticipated.
- b. The open hole electrical logging program will be:
 1. Logging expected to be Dual Laterolog-Micro Laterolog, Dual Spaced Neutron, Spectral Density log, Spectral Gamma Ray and Caliper and CSNG will be run from TD to 9 5/8 casing shoe and GR from 9 5/8' to 13 3/8' shoe.
 2. No coring program is anticipated.
 3. Zones considered for injection will be perforated and acidized.

8. Potential Hazards:

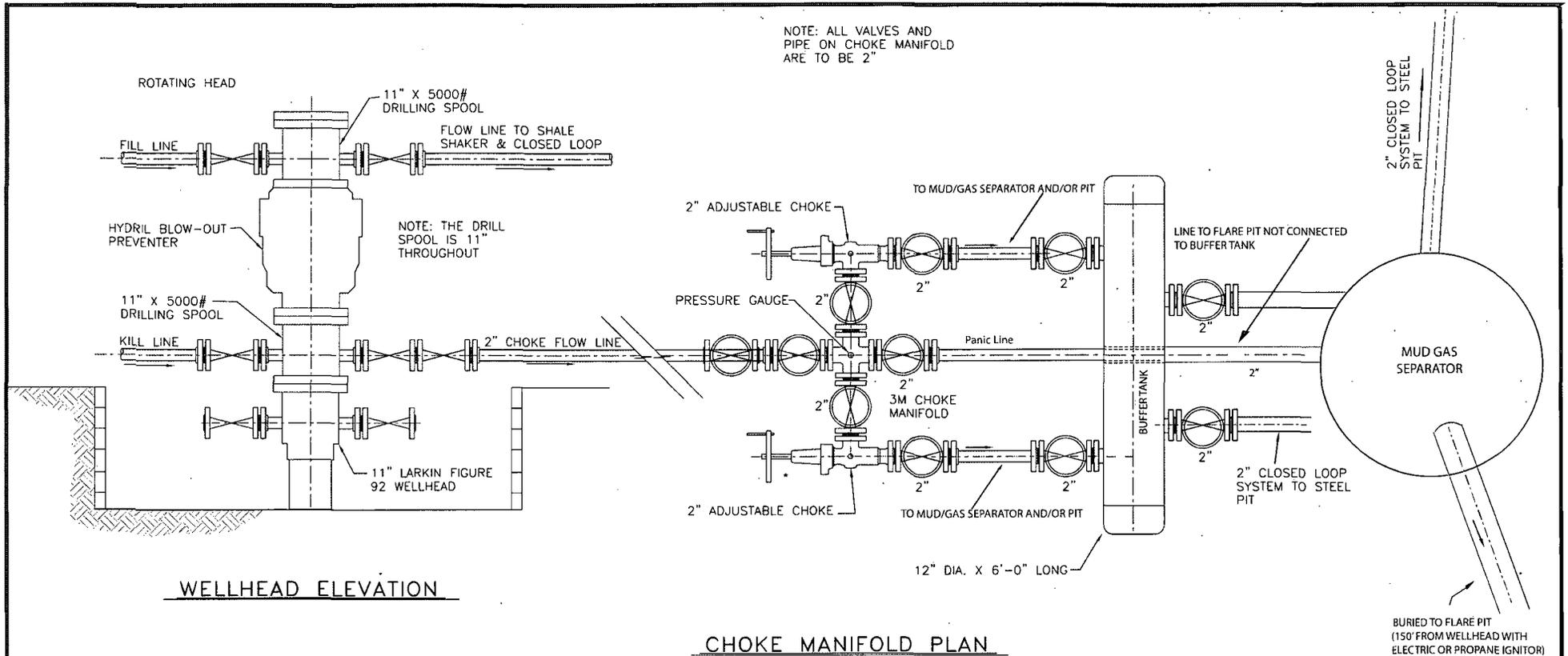
No abnormal pressures or temperatures are expected. All personnel will be familiar with the safe operation of the equipment being used to drill this well. The maximum anticipated bottom hole pressure is 4317#. This is based upon the following formula of .445 x BH ft. estimate. The anticipated bottom hole temperature is 140°F. This is based upon logs of drilled wells surrounding this well

There is known H2S in this area. The attached H2S plan will be implemented when drilling below the Grayburg. The Mud/Gas Separator will be connected for the Intermediate and Production Casing and a remote choke will be installed. Refer to the attached H2S plan for details.

9. Anticipated Start Date and Duration of Operation

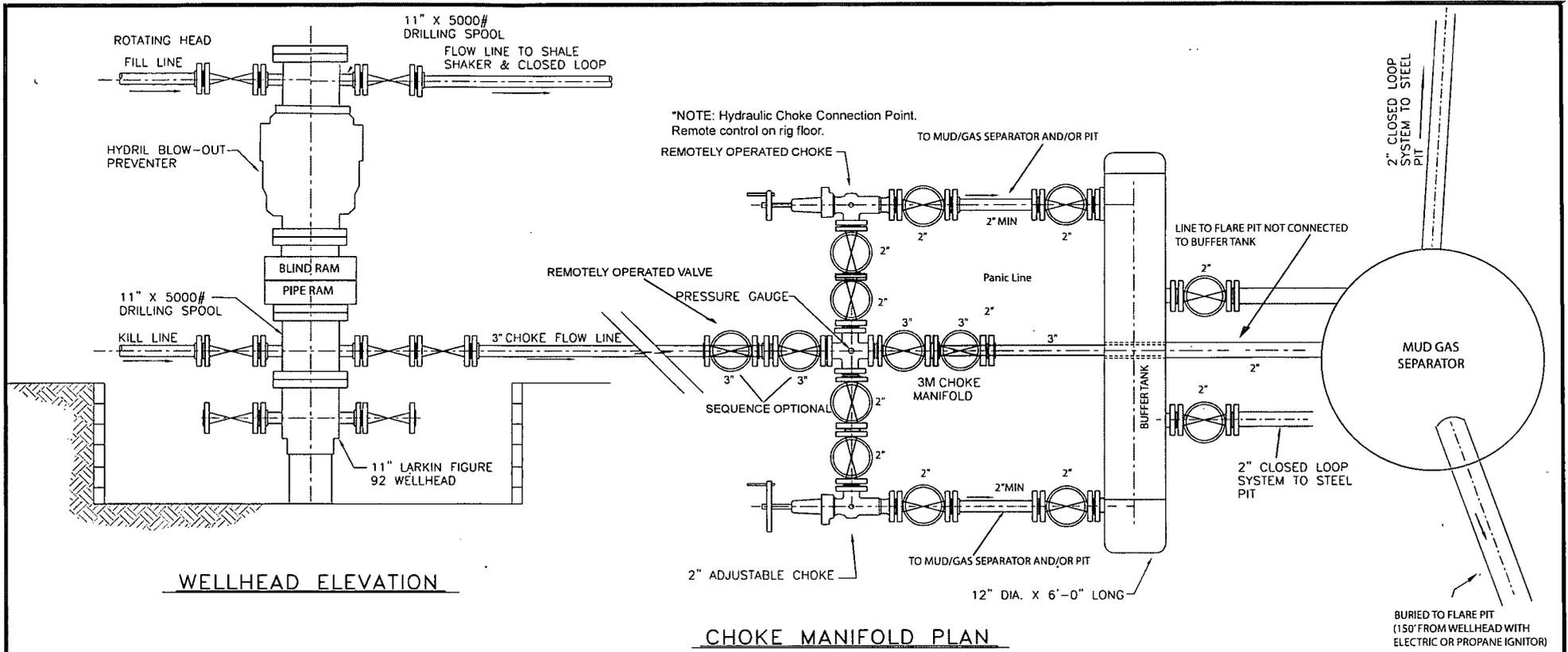
Road and location construction will begin after the APD has been approved. Anticipated spud date will be as soon as the location building work has been completed and the drilling rig is available to move to the location. Move in and drilling is expected to take approximately 15 days. When production casing is run, an additional 60 days would be required to complete the well and install the necessary surface equipment to place the well on injection.

SURFACE CASING

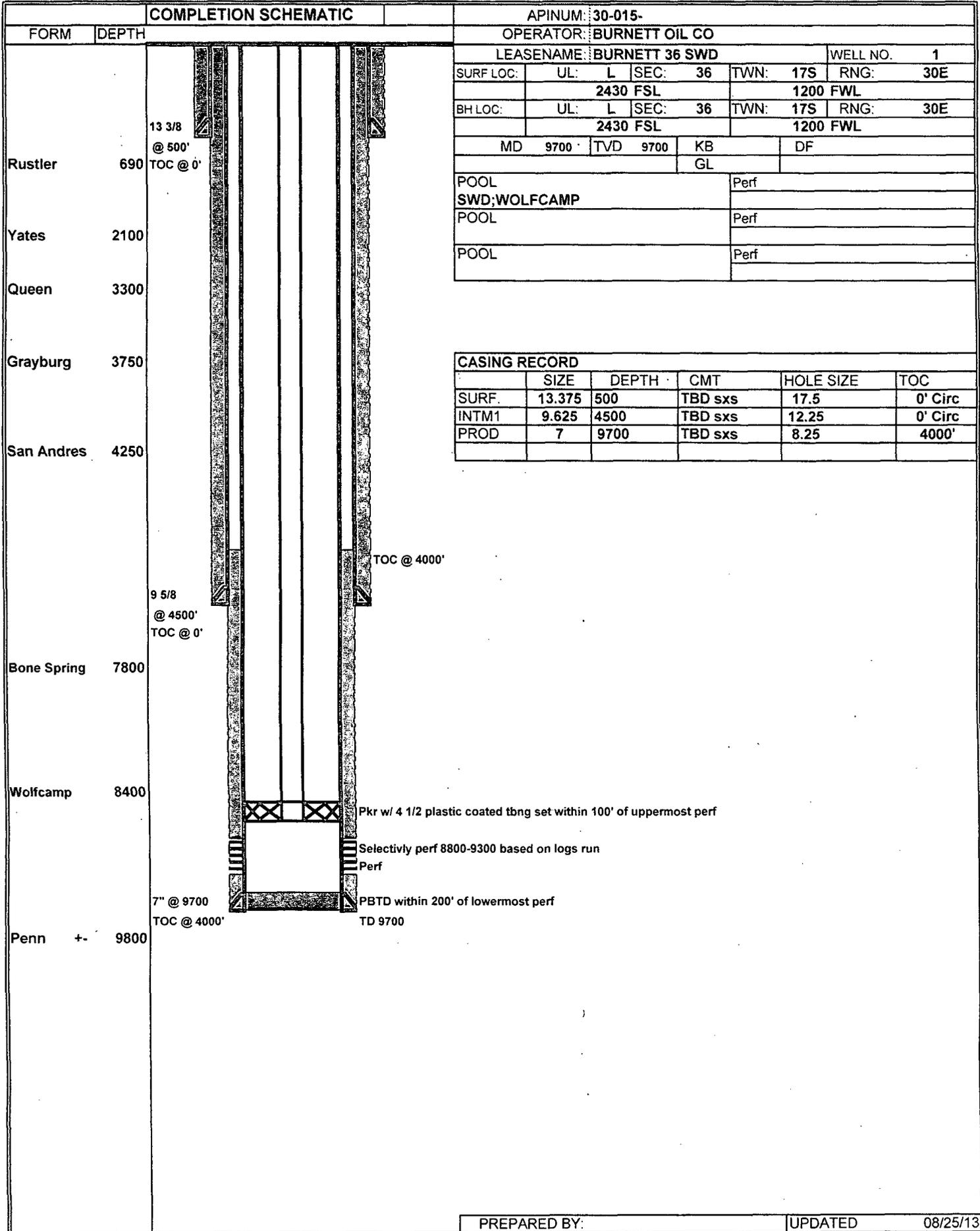


EPS PROJECT NUMBER = 10-028
 DATE: JANUARY 29, 2010
 REVISION DATE: FEBRUARY 23, 2010
 REVISION DATE: MAY 9, 2011
 REVISION DATE (LG): AUGUST 28, 2013
 REVISION DATE (LG): SEPTEMBER 30, 2013

INTERMEDIATE & PRODUCTION CASING



PROPOSED NEW DRILL WELLBORE SCHEMATIC



PREPARED BY:

UPDATED

08/25/13



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 K.**
- f. **ATTACHED EMERGENCY CALL LIST FOR ANY ON SITE EMERGENCY DRILLING EXHIBIT L.**

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.

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: Burnett Oil Co. Inc.

ADDRESS: Burnett Plaza, Suite 1500, 801 Cherry St., Unit 9, Ft. Worth, TX 76102

CONTACT PARTY: Mark A. Jacoby PHONE: 817-332-5108

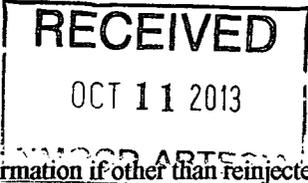
III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).



*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Mark A. Jacoby TITLE: V.P. Production

SIGNATURE: [Handwritten Signature] DATE: 8/31/2013

E-MAIL ADDRESS: mjacoby@burnett.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: will send all logs to OCD after drilling.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

ATTACHMENT TO APPLICATION C-108

Burnett 36 SWD #1
Unit L, Sect. 36, Tws. 17 S., Rng. 30 E.
Eddy Co., NM

III. WELL DATA

- A.
 - 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 4 1/2" plastic coated tubing.
 - 4) Baker Lock Set with on/off tool.

- B.
 - 1) Injection formation is the Wolfcamp Reef.
 - 2) Injection interval from 8800' to 9300'.
 - 3) This will new a new drill as a SWD.
 - 4) The next higher producing zone is the Abo Reef at approximately 8200'.
The next lower producing zone is the Penn at approximately 9800'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

VII. Burnett proposes and is filing APD to drill a new well for disposal, in the Wolfcamp Reef, with perforations from 8800' to 9300'. Plan to set 4 1/2" coated tubing and packer in 7" casing at approximately 8700' or 100' above upper most perms. Acidize as needed, run MIT as required and put on injection.

- 1) Plan to inject approximately 8000 bpd of produced water from Burnetts own operation.
- 2) Closed system.
- 3) Average injection pressure should be approximately 1600# or whatever limit OCD allows.
- 4) Produced water analysis.
- 5) Water from Burnetts offset production from San Andres, Yeso, and Grayburg.

VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic formations are the Wolfcamp Reef from 8800' to 9300'.

The fresh water formation in the area is the Ogallala, which if existed, would be in excess of 300 ft.

IX. ACIDIZE AS NEEDED.

X. LOGS WILL BE SUBMITTED AFTER DRILLING.

XI. NO WATER FOUND OR NOTED BY STATE ENGINEERS SITE. MAP AND DATA ATTACHED.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

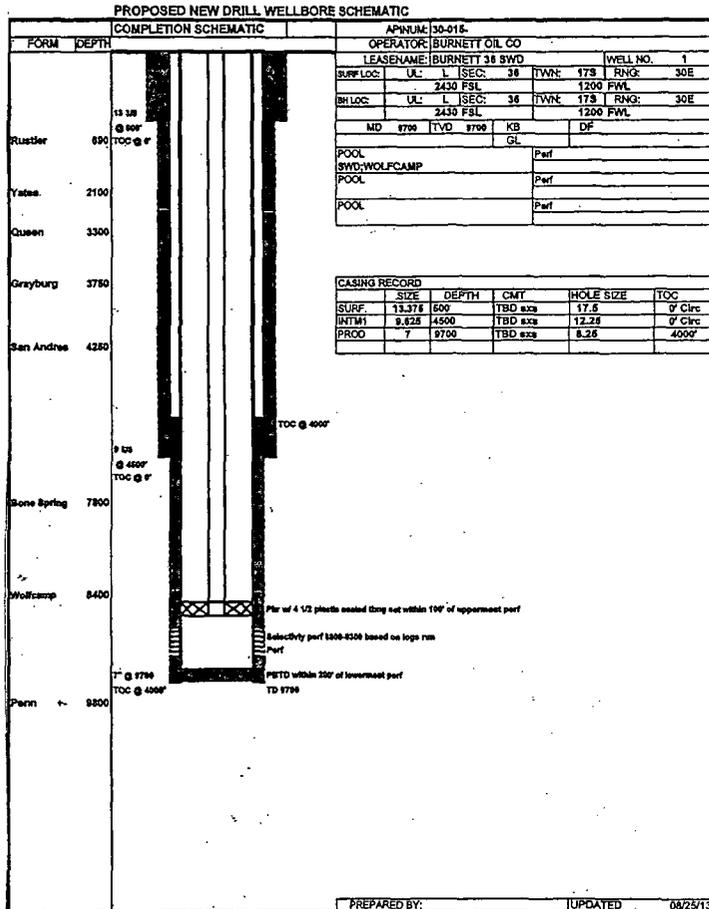
INJECTION WELL DATA SHEET

OPERATOR: Burnett Oil Co Inc

WELL NAME & NUMBER: Burnett 36 SWD #1

WELL LOCATION: 2430/S 1200/W L 36 17 30
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5 Casing Size: 13 3/8
 Cemented with: TBD SX. or _____ ft³
 Top of Cement: Surface Method Determined: Crc.

Intermediate Casing

Hole Size: 12.25 Casing Size: 9.625
 Cemented with: TBD SX. or _____ ft³
 Top of Cement: Surface Method Determined: Crc.

Production Casing

Hole Size: 8.25 Casing Size: 7
 Cemented with: TBD SX. or _____ ft³
 Top of Cement: App. 4000 ft. Method Determined: TS
 Total Depth: 9700

Injection Interval

8800 feet to 9300

(Perforated) or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2 Lining Material: Plastic Coated
Type of Packer: Baker Loc. Set
Packer Setting Depth: Approx. 8700
Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

1. Is this a new well drilled for injection? Yes No
If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Wolfcamp
3. Name of Field or Pool (if applicable): _____
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO,
new well
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____
Abco Reef is at 8200
Penn is at 9800

DISPOSAL WELL

30-015-	BURNETT 36 SWD	1	BURNETT OIL COMPANY		S	N	Eddy	S	L	36	17	S	30	E	2430	S	1200	W
---------	----------------	---	---------------------	--	---	---	------	---	---	----	----	---	----	---	------	---	------	---

All wells within 1/2 mile of proposed disposal interval.

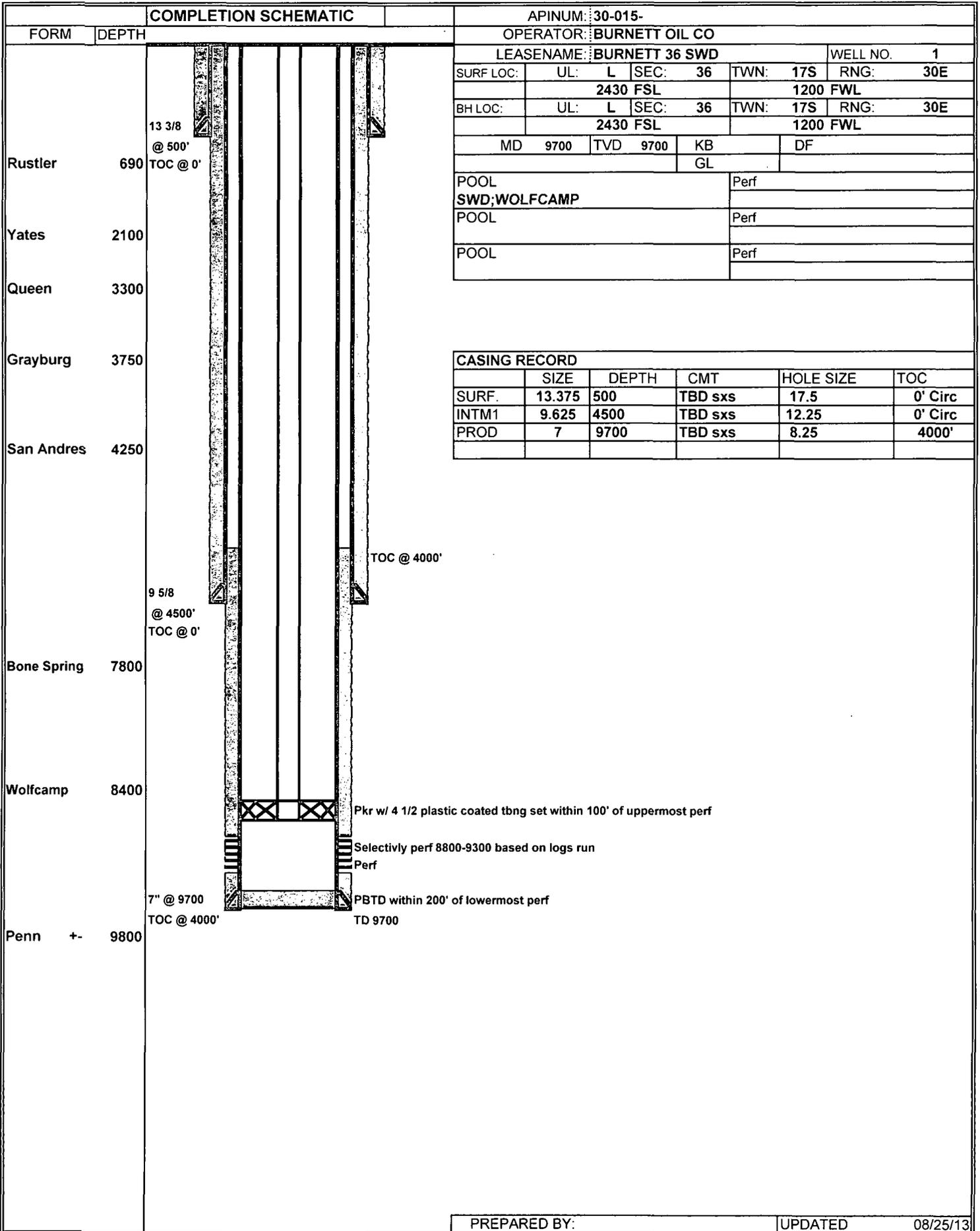
API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Dist				
30-015-27851	CEDAR LAKE 35 FEDERAL COM	2	EOG RESOURCES INC	11600	G	A	Eddy	F	P	35	17	S	30	E	990	S	990	E	2621
30-015-04453	AMOCO STATE	1	PENDRAGON ENERGY PARTNERS INC	3390	O	P	Eddy	S	C	36	17	S	30	E	660	N	1980	W	2324
30-015-28487	CEDRO APG STATE COM	1	ENERVEST OPERATING L.L.C.	11775	G	A	Eddy	S	C	36	17	S	30	E	660	N	2230	W	2420
30-015-04452	GRAYBURG JACKSON UNIT	1	ASHER ENTERPRISES LTD. CO.	3334	O	A	Eddy	S	D	36	17	S	30	E	660	N	660	W	2255
30-015-04451	AMOCO STATE	2	PENDRAGON ENERGY PARTNERS INC	3400	O	P	Eddy	S	E	36	17	S	30	E	1980	N	660	W	1023
30-015-30405	CEDAR LAKE 36 STATE COM	1	EOG RESOURCES INC	11750	G	P	Eddy	S	K	36	17	S	30	E	1980	S	1650	W	636
30-015-25961	AMOCO 36 STATE	1	ANADARKO PETROLEUM CORP	3565	O	P	Eddy	S	N	36	17	S	30	E	660	S	1980	W	1934

Wells within 1/2 mile penetrating proposed disposal interval.

5280 5280

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Dist				
30-015-27851	CEDAR LAKE 35 FEDERAL COM	2	EOG RESOURCES INC	11600	G	A	Eddy	F	P	35	17	S	30	E	990	S	990	E	2621
30-015-28487	CEDRO APG STATE COM	1	ENERVEST OPERATING L.L.C.	11775	G	A	Eddy	S	C	36	17	S	30	E	660	N	2230	W	2420
30-015-30405	CEDAR LAKE 36 STATE COM	1	EOG RESOURCES INC	11750	G	P	Eddy	S	K	36	17	S	30	E	1980	S	1650	W	636

PROPOSED NEW DRILL WELLBORE SCHEMATIC

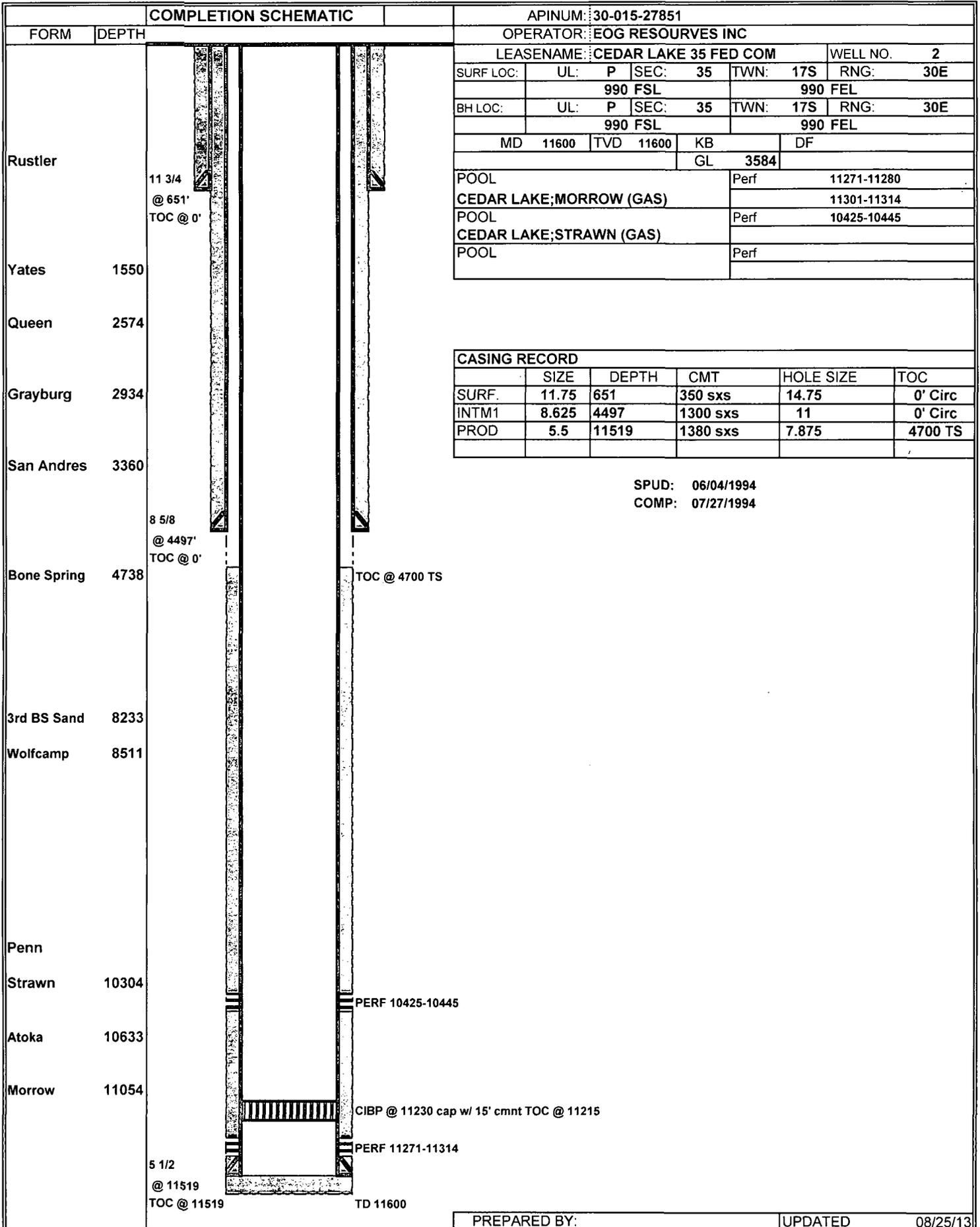


PREPARED BY:

UPDATED

08/25/13

WELLBORE SCHEMATIC AND HISTORY



11 3/4
@ 651'
TOC @ 0'

8 5/8
@ 4497'
TOC @ 0'

5 1/2
@ 11519
TOC @ 11519

TOC @ 4700 TS

PERF 10425-10445

CIBP @ 11230 cap w/ 15' cmnt TOC @ 11215

PERF 11271-11314

TD 11600

APINUM: 30-015-27851
OPERATOR: EOG RESOURVES INC

LEASENAME: CEDAR LAKE 35 FED COM WELL NO. 2

SURF LOC: UL: P SEC: 35 TWN: 17S RNG: 30E
990 FSL 990 FEL

BH LOC: UL: P SEC: 35 TWN: 17S RNG: 30E
990 FSL 990 FEL

MD 11600 TVD 11600 KB GL 3584 DF

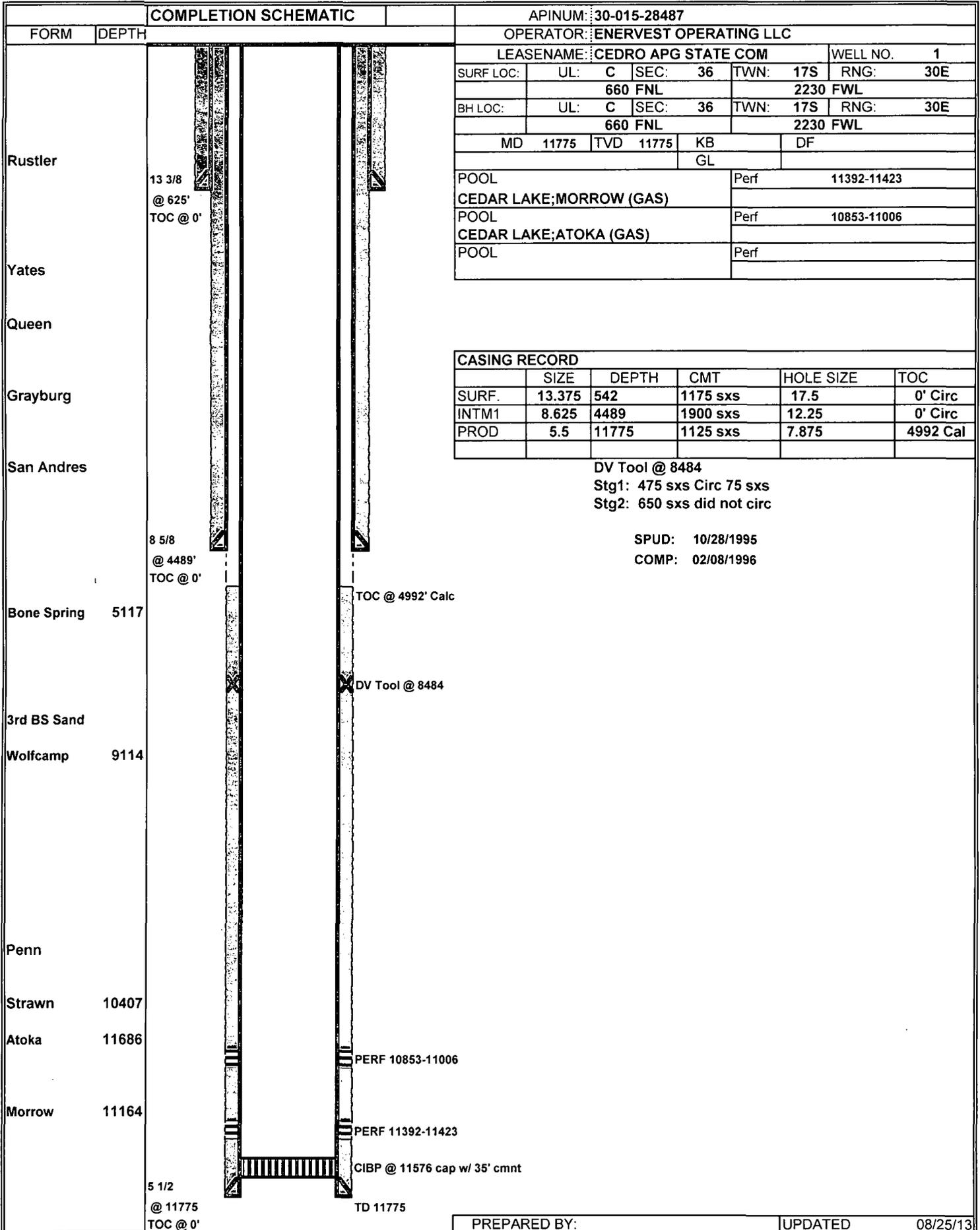
POOL CEDAR LAKE;MORROW (GAS)	Perf	11271-11280
		11301-11314
POOL CEDAR LAKE;STRAWN (GAS)	Perf	10425-10445
POOL	Perf	

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	11.75	651	350 sxs	14.75	0' Circ
INTM1	8.625	4497	1300 sxs	11	0' Circ
PROD	5.5	11519	1380 sxs	7.875	4700 TS

SPUD: 06/04/1994
COMP: 07/27/1994

WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC	
FORM	DEPTH
Rustler	13 3/8 @ 625' TOC @ 0'
Yates	
Queen	
Grayburg	
San Andres	
Bone Spring	5117 8 5/8 @ 4489' TOC @ 0'
3rd BS Sand	
Wolfcamp	9114
Penn	
Strawn	10407
Atoka	11686
Morrow	11164
	5 1/2 @ 11775 TOC @ 0'

APINUM: 30-015-28487				
OPERATOR: ENERVEST OPERATING LLC				
LEASENAME: CEDRO APG STATE COM				WELL NO. 1
SURF LOC:	UL: C	SEC: 36	TWN: 17S	RNG: 30E
660 FNL			2230 FWL	
BH LOC:	UL: C	SEC: 36	TWN: 17S	RNG: 30E
660 FNL			2230 FWL	
MD	11775	TVD	11775	KB DF
			GL	
POOL CEDAR LAKE;MORROW (GAS)			Perf	11392-11423
POOL CEDAR LAKE;ATOKA (GAS)			Perf	10853-11006
POOL			Perf	

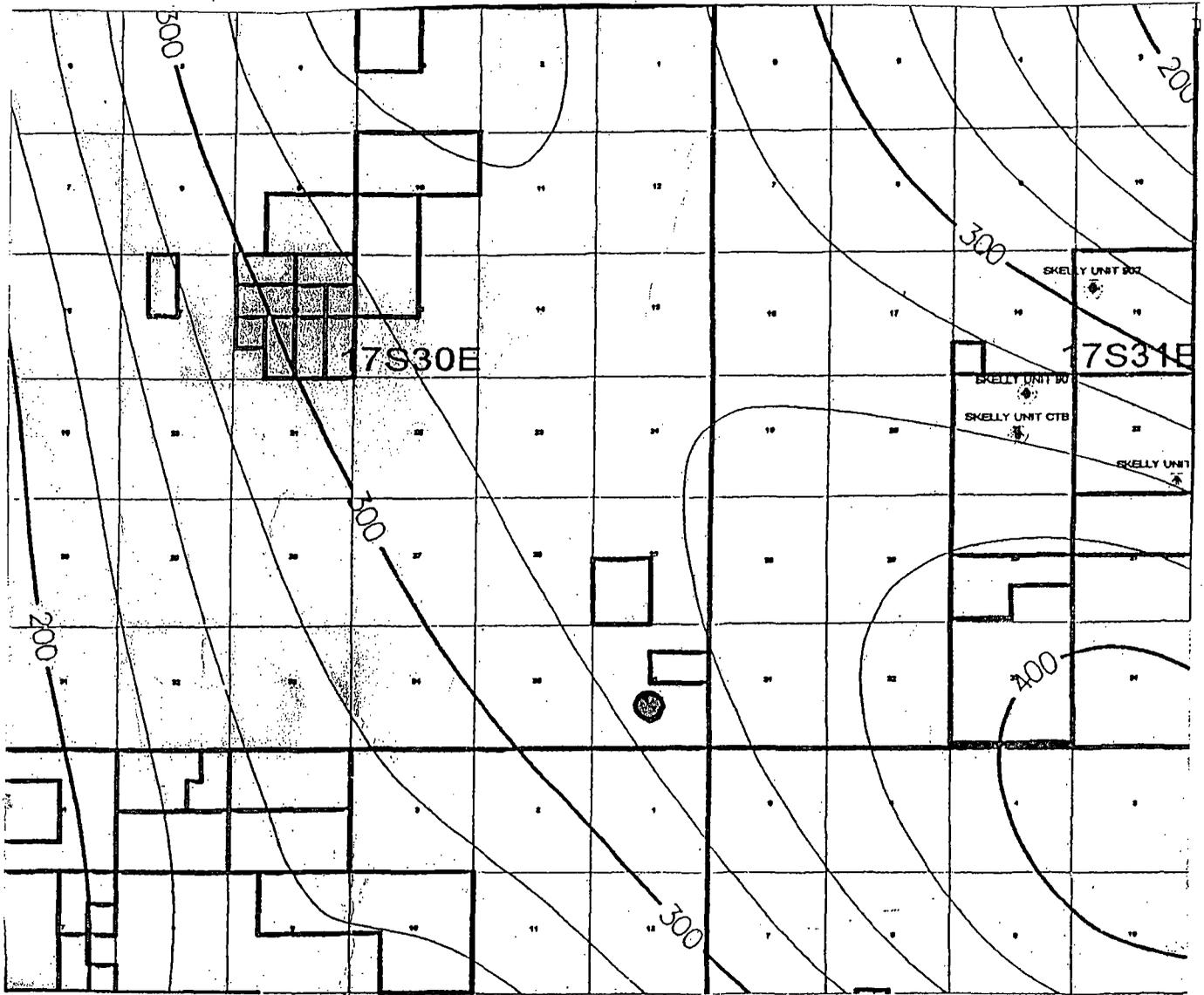
CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13.375	542	1175 sxs	17.5	0' Circ
INTM1	8.625	4489	1900 sxs	12.25	0' Circ
PROD	5.5	11775	1125 sxs	7.875	4992 Cal

DV Tool @ 8484
 Stg1: 475 sxs Circ 75 sxs
 Stg2: 650 sxs did not circ

SPUD: 10/28/1995
 COMP: 02/08/1996

Water Sample Analysis

Pool	Section	Location Township	Range	Chlorides
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	116085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
DK Drinkard	30	20S	39E	106855
Littman San Andres	8	21S	38E	38895
East Hobbs grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	36E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	38494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124960
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23788
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	36E	38895
Dean Pemo Perin	5	16S	37E	44730
Dean Devonian	35	15S	36E	19525
South Denton Wolfcamp	26	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	29288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114685
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
Mallamar Grayburg SA	22	17S	32E	46079
Mallamar Paddock	27	17S	32E	115375
Mallamar Devonian	22	17S	32E	25418



Groundwater Map

Records of wells from Eddy County, New Mexico

Location	Well Status	Altitude (feet)	Depth of Well(ft.)	Depth to Water(ft.)	Aquifer	Date of Measurement	Remarks
17.28.14,220	Stock/domestic			80	Dckm ?		
19.200	Stock			224.3	Ckbf/Rslr	Dec.2,1948	
22.230	Abandoned stock			45.5	Rslr/Dckm	Dec.1,1948	
24.224	Stock	3565	33.88	24.2		Oct.14,1977	
17.29. 8.231	Stock	3617	92.7	90.13		Oct.14,1977	
<i>No water listed</i>							
22.110	Stock	3550		79.7	Dckm ?	Nov.29,1948	
<i>No water</i> 29.400	Stock			210	Dckm ?	Dec.3,1948	
17.31.34.000	Stock			271+	Dckm	Dec.6,1948	
18.27. 8.240	Unused	3505		181.40		Jan.9,1964	
8.244	Industrial	3513	381	325 ?		Apr.,1951	Oil test
10.200	Unused						
10.214	Industrial	3470		46.92		Jan.9,1964	
28.13	Domestic/stock	3493	130	50		Jul.,1958	Oil test
28.140	Unused	3377	120	100		May,1960	
33.42	Stock	3415		91.37		Jan.9,1964	
		3447	90	49.3		Sep.,1969	
18.28. 8.330	Stock			81.6	Ckbf/Rslr	Dec.3,1948	
30.110	Stock/domestic	3560		137.1	Ckbf ?	Dec.2,1948	
18.29.24.142	Windmill	3436		156.44		Oct.18,1977	S.C.2600; 21°C
24.23311	Windmill	3436		160.20	Trsc	Apr.8,1971	
24.300	Stock	3430		158.3	Dckm	Apr.28,1950	
34.324	Stock	3440	250	230		Mar.,1960	Yield: 63gpm
18.30.21.4200	Open cased hole	3495		266.48	Trcl	Dec.9,1965	
22.2220	Open cased hole	3430		239.26	Trcl	Apr.8,1971	
26.4140	Stock	3430	223.0	201.67	Trcl	Dec.14,1977	S.C. 1100
31.323	Observation	3370	161.0	157.80		Nov.18,1977	
32.32422	Windmill	3380		161.28	Trcl	Apr.8,1971	
32.413	Abandoned windmill	3370	266	158.77		Oct.18,1977	
18.31. 1.44432	Windmill	3797		460.42	Trcl	Apr.7,1971	
12.223	Stock	3795	480+	453.39		Oct.18,1977	
12.23144	Stock	3775	600	435.34	Trcl	Apr.7,1971	

OFFSETS AND MINERAL NOTICES

SURFACE OWNER & MINERAL OWNER

State Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

OFFSETS OPERATORS

EOG Resources, Inc.
Box 2267
Midland, TX 79702

Enervest Operating, LLC
1001 Fannin St., Ste 800
Houston, TX 77002

OFFSET MINERALS

U.S. - BLM
620 E. Green St.
Carlsbad, NM 88220

U	US	US	
	ST of NM	US	
US	US	US	

Unit L Sect 36 - 17 - 30

● state of N.M Minerals

● u.s. minerals

BURNETT OIL CO.

August 2013

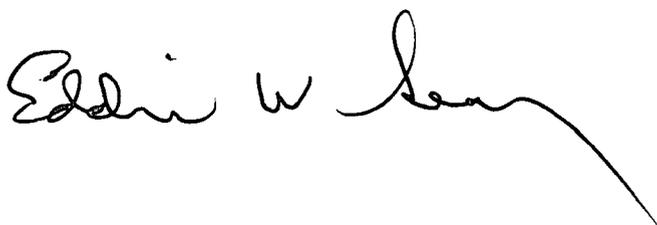
RE: Burnett 36 SWD #1
Unit L, Section 36, Tws. 17 S., Rng. 30 E.
Eddy Co., NM

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject in to the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (575)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank You,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

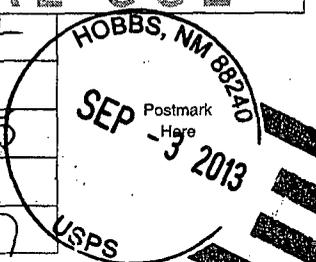
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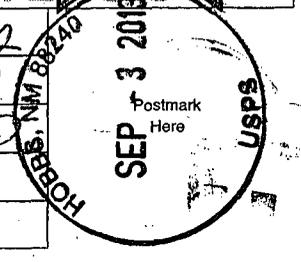
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Carrizosa, NM 88220

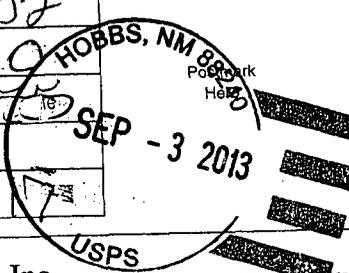
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Sent To
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Street, Apt. No., or PO Box No.
Box 2267
City, State, ZIP+4
Midland, TX 79702

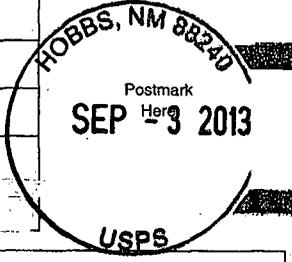
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17



Sent To
Enervest Operating, LLC
Street, Apt. No., or PO Box No.
1001 Fannin St., Ste. 800
City, State, ZIP+4
Houston, TX 77002

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Burnett Oil Co. Inc., Burnett Plaza, Suite 1500, 801 Cherry St. Unit #9, Ft. Worth, Texas 76102, is filing a C-108, Application for Salt Water Disposal. The well being applied for is a new drill for SWD, the Burnett 36 SWD #1, located in Unit L, Section 36, Township 17 South, Range 30 East, Eddy Co., NM. The injection formation is the Wolfcamp Reef from 8800' to 9300' below surface. Expected maximum injection rate is 8000 bpd., and the expected maximum injection pressure is 1600 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

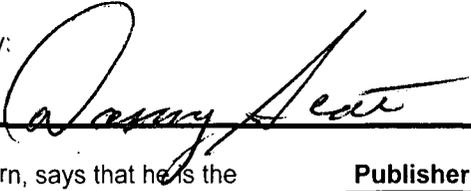
Affidavit of Publication

NO. 22715

STATE OF NEW MEXICO

County of Eddy:

Danny Scott



being duly sworn, says that he is the Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same

day as follows:

First Publication September 1, 2013

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

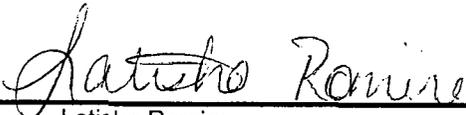
Subscribed and sworn to before me this

3rd day of September 2013



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015



Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Burnett Oil Co., Inc., Burnett Plaza, Suite 1500, 801 Cherry St., Unit #9, Ft. Worth, Texas 76012, is filing a C-108 application for Salt Water Disposal. The well being applied for is a new drill for SWD, the Burnett 36 SWD #1, located in Unit L, Sections 36 Township 17, South Range 30, East Eddy Co., NM. The injection formation is the Wolfcamp Reef from 8800' to 9300' below surface. Expected maximum injection rate is 800 bpd and the expected maximum injection pressure is 1600 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575) 392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

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