Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM Oil Conservation
ARTESIA DISTRICT
JUN 11 2015
RECEIVED

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.

5. Lease Serial No.
NMNM2747

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
JACKSON B 46

2. Name of Operator
BURNETT OIL COMPANY INC
Contact: LESLIE GARVIS
E-Mail: lgarvis@burnettoil.com

9. API Well No.
30-015-36306-00-S1

3a. Address
801 CHERRY STREET UNIT 9
FORT WORTH, TX 76102-6881,

3b. Phone No. (include area code)
Ph: 817-332-5108

10. Field and Pool, or Exploratory
CEDAR LAKE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 24 T17S R30E SWNW 2310FNL 990FWL

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			
☒ Notice of Intent	☐ Acidize	☒ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

Burnett is requesting permission to deepen the Jackson B 46 to the base of the Yeso near 6100? TVD. The well is currently 5405? deep with 7? 23# casing and was previously an SWD for Burnett. This salt water injection was stopped in October 2014 and Burnett would now like to deepen this well to the top of the Tubb to make a Blinebry oil producer. Prior to deepening the well, the 102 Paddock perfs will be cement squeezed with 300 sx cmt.

Based on Burnett?s Blinebry completions offset to this well, it is anticipated to be an economic re-entry with 1-2 slick water frac stages in the new hole. A 6 1/8? bit will be used for the new hole and 5.5? 15.5# J-55 Flush Joint casing will be run to TD and cemented with 155 sx cmt. A cement bond log will be run in the 5.5? casing prior to any Blinebry completions. A tieback sleeve will be set at approximately 4100?, which is 632? above the top perf in the Paddock.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Need C-102

6/12/15
Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #302083 verified by the BLM Well Information System
For BURNETT OIL COMPANY INC, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 06/03/2015 (15JAS0356SE)

Name *(Printed/Typed)* LESLIE GARVIS — Title REGULATORY COORDINATOR

Signature (Electronic Submission) — Date 05/18/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

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

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JUN 6 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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 department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Additional data for EC transaction #302083 that would not fit on the form

32. Additional remarks, continued

Attached you will find the drilling plan, BOP Diagram and the proposed WBD.

BURNETT OIL CO., INC.

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 11 2015
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DRILLING PLAN
Jackson B 46 Deepening

VERTICAL RE-ENTRY CEDAR LAKE GLORIETA YESO WELL
NOTE: ALL WELLS IN THIS DEEPENING PLAN HAVE 7" CASING SET AND CEMENTED THROUGH THE PADDOCK (UPPER PART OF YESO).

1. **Geological Name of Surface Formation with Estimated Depth:**

   a. **Formations behind casing:**

Geological Name		Estimate Top	Anticipated Fresh Water, Oil or Gas
a.	Alluvium	Surface	Fresh Water, Sand
b.	Anhydrite	292'	
c.	Salt	490'	
d.	Base Salt/Tansill	1224'	
e.	Yates	1420'	
f.	Seven Rivers	1713'	Oil
g.	Queen	2342'	Oil
h.	Grayburg	2739'	Oil
i.	San Andres	3110'	Oil
j.	Glorieta	4631'	Oil
k.	Yeso	4724'	Oil

b. Formations to be drilled: Basal Yeso (T/Tubb) . **Current TD: 5405'. Proposed new TD: 6100'**

We will isolate the oil zones by running 5.5" Flush Joint casing to total depth and circulating cement to top of liner at 4100'.

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

   (MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

   a. **Existing casing: 7" 23# J-55 from surface to 5405', cmt to surface.**

   b. **Design Safety Factors:**

Type	Hole Size	Interval	OD Csg	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
Liner	6 1/8"	5405' - TD 4100'	5.5"	15.50#	FJM	J55	*1.125	1.00	1.80

3. **Cementing Program - 5.5" Production Liner**

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

Cement: 155 sx 50/50 P/C+5%PF44(BWOW)(Salt)+2%PF20(BentoniteGel)+0.7% PF606(Fluid Loss)+0.2%PF65(Dispersant)+0.4#/skPF46(Defoamer) 25% excess Density 14.3ppg, 1.34CF/sk Yield 6.064 gal/sx water

The above cement volumes may be revised pending the caliper measurement from the open hole logs. **Casing/cementing design is to bring cement to ~~200' above~~ top of liner.**

must test to 2000 psi

See COA

The blowout prevention equipment (BOPE) shown in attached diagram 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 accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 2000 PSI WP rating.

Burnett is requesting to keep the Mud/Gas Separator on location but only connect if/when needed.

4. **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 5405' until 5.5" casing is cemented.
   d. An H2S compliance package will be on all sites while drilling.

5. **Proposed Mud Circulation System**

Depth	Mud Wt	Visc	Fluid Loss	Type System	Max Volume
5405' - 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.

Pason equipment will be used to monitor the mud system.

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 5405' (7" csg shoe): Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.

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 2737#. This is based upon the following formula of .445 x 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. In the event that it is necessary to follow the H2S plan, a remote choke will be installed as required in Onshore Order 6. Refer to the attached H2S plan for details.

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 4 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.

Burnett Oil Co., Inc.

WELL COMPLETION SKETCH Date:

WELL	FIELD	CO/ST
Jackson B 46	Cedar Lake Yeso	Eddy, NM

Location: 2310' FNL, 990' FWL, Sec 24, Unit E

☐ PRESENT COMPLETION ☑ RECOMMENDED COMPLETION API # 30-015-34847

PERMANENT WELL BORE DATA **DATA ON THIS COMPLETION**

Spud: 6/3/2008

Elevation: 3703 KB
3691 GL

Proposed in red

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 11 2015
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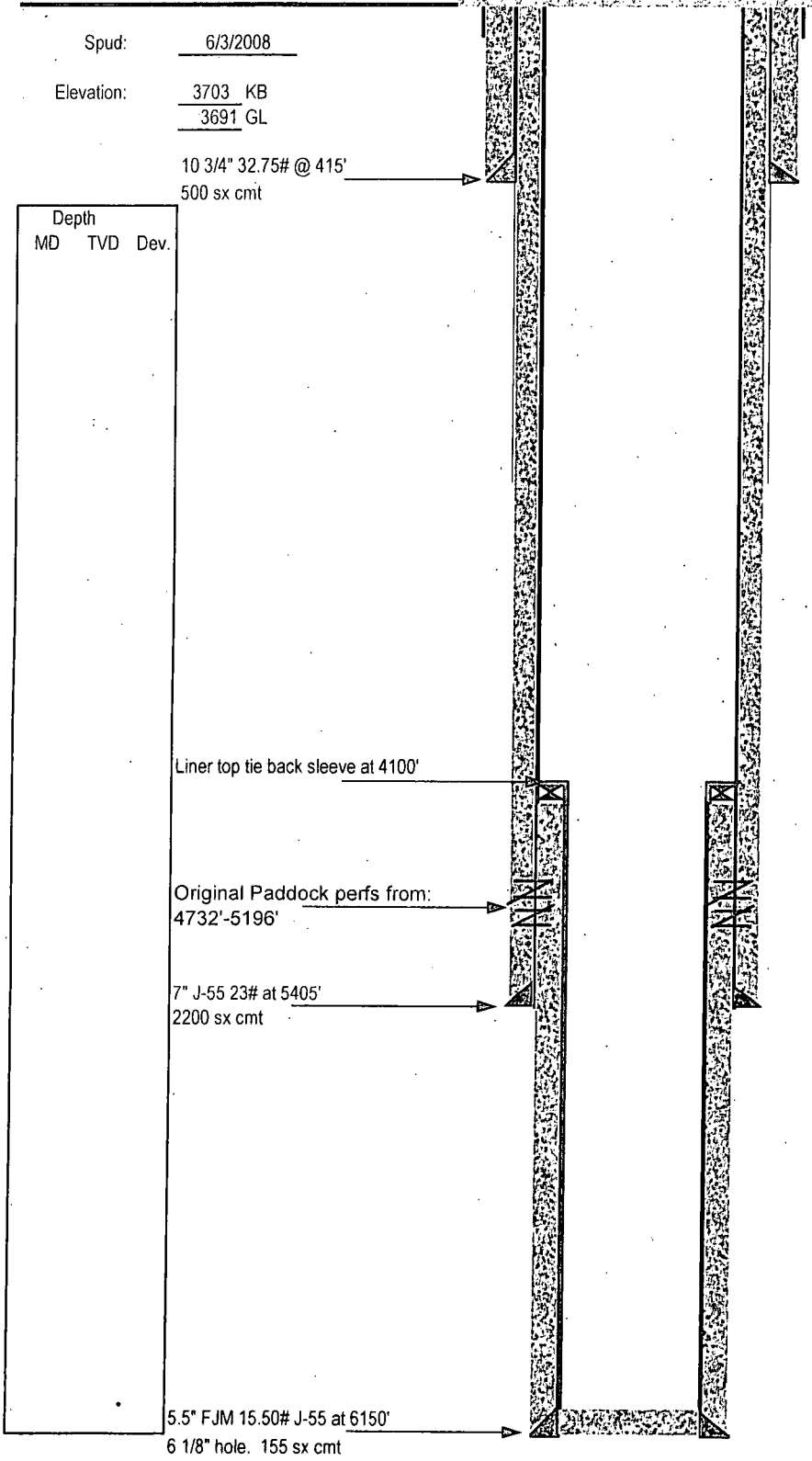

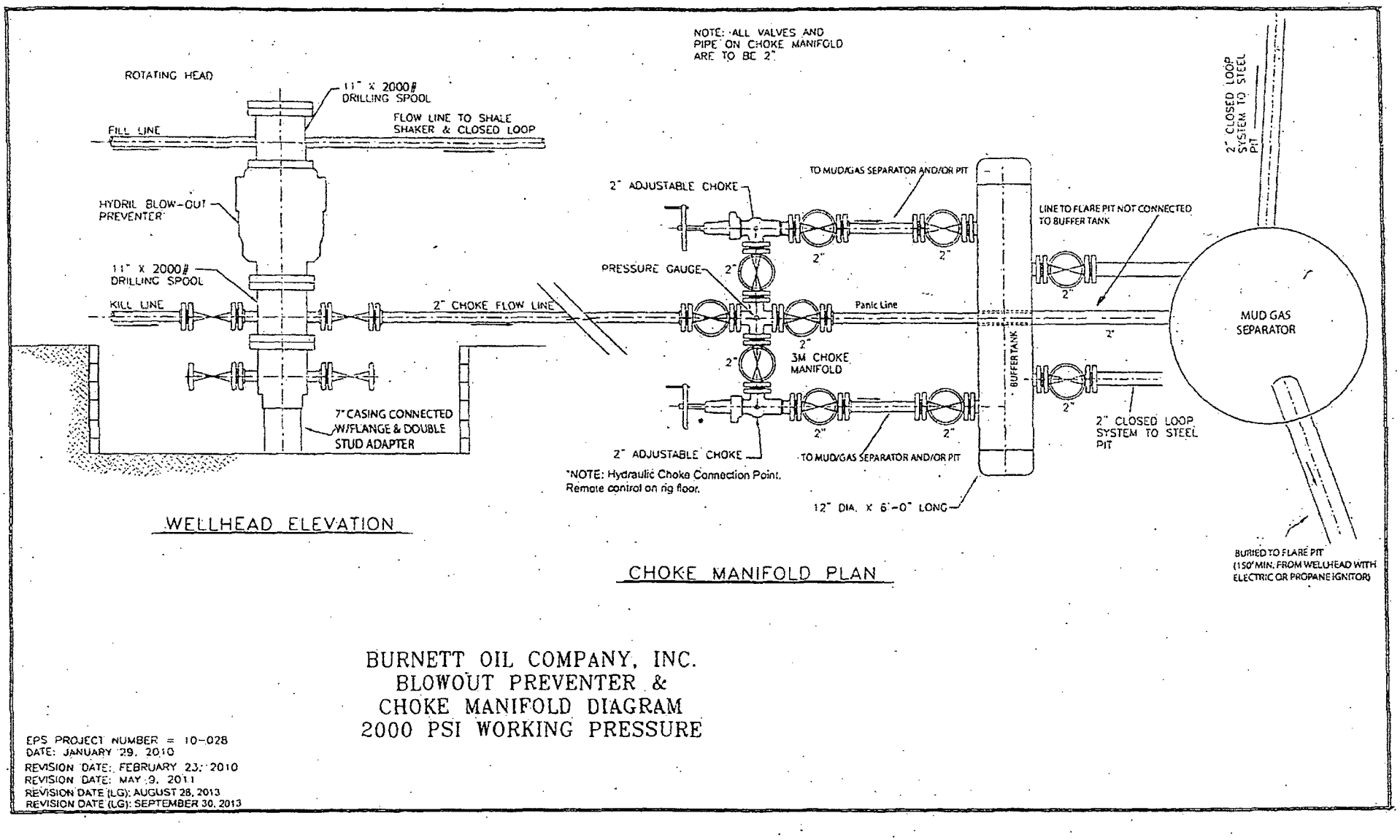

BURNETT OIL COMPANY, INC.
BLOWOUT PREVENTER & CHOKE MANIFOLD DIAGRAM
2000 PSI WORKING PRESSURE

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

U. S. Steel Tubular Products

5.5" 15.5# (0.275") API J55 USS-LIBERTY FJM™

	PIPE	CONNECTION	
MECHANICAL PROPERTIES			
Minimum Yield Strength	**55,000**		*psi*
Maximum Yield Strength	**80,000**		*psi*
Minimum Tensile Strength	**75,000**		*psi*
DIMENSIONS			
Outside Diameter	**5.500**	5.500	*in.*
Wall Thickness	0.275		*in.*
Inside Diameter	4.950	4.864	*in.*
Drift - API	4.825	4.825	*in.*
Nominal Linear Weight, T&C	**15.50**		*lbs/ft*
Plain End Weight	15.36		*lbs/ft*
SECTION AREA			
Cross Sectional Area | Critical Area	4.514	2.619	*sq. in.*
Joint Efficiency		58.0	%
PERFORMANCE			
Minimum Collapse Pressure	4,040	4,040	*psi*
Minimum Internal Yield Pressure	4,820	4,820	*psi*
Minimum Pipe Body Yield Strength	248,000		*lbs*
Joint Strength		145,000	*lbs*
Compression Rating		145,000	*lbs*
Maximum Uniaxial Bend Rating		26.8	*deg/100 ft*
MAKE-UP DATA			
Minimum Make-Up Torque		2,850	*ft-lbs*
Maximum Make-Up Torque		3,450	*ft-lbs*
Make-Up Loss		2.80	*in.*

Notes:

1) Performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness, and Specified Minimum Yield Strength (SMYS).
2) Compressive & Tensile Connection Efficiencies are calculated by dividing the connection critical area by the pipe body area.
3) Uniaxial bending rating shown is structural only, and equal to compression efficiency.
4) USS-LIBERTY FJM™ connections are optimized for each combination of OD and wall thickness, and cannot be interchanged.
5) Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).

USS Product Data Sheet Liberty FJM 2012 rev12 (Nov. 1)

U. S. Steel Tubular Products
10343 Sam Houston Park Dr., #120
Houston, TX 77064
1-877-893-9461
connections@uss.com
www.usstubular.com

Jackson B 46
30-015-36306
Burnet Oil Co.
June 03, 2015
Conditions of Approval

1. Work to be complete within 180 days.
2. Surface disturbance beyond the existing pad requires prior approval.
3. Closed loop system to be used.
4. H2S monitoring equipment should be onsite for personnel protection from surrounding oil operations. There is H2S present in this area.
5. BOP to be tested to **2000 psi**. **In the case where the only BOP installed is an annular preventer, it shall be tested to a minimum of 2000 psi (which may require upgrading to 3M or 5M annular).**
6. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group.
7. Cement on liner shall tie back to liner top, if this is not achieved contact appropriate BLM office. When plugged, cement plug will be required across this tie back and across squeezed perforations.
8. Test casing as per Onshore Order 2.III.B.1.h.
9. Subsequent sundry detailing work and current well test data are to be submitted when work is complete.

JAM 060315