

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

BURNETT OIL CO., INC.

3a. Address 801 CHERRY STREET, SUITE 1500
UNIT #9 FORT WORTH, TX. 76102-68813b. Phone No. (include area code)
(817) 332-5108

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT I, 2310' FSL, 990' FEL, SEC 11, T17S, R30E - SURFACE
UNIT P, 330' FSL, 990' FEL, SEC 11, T17S, R30E - BHL5. Lease Serial No.
NM 2748 / NMLC 029338A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

GISSLER B #40

9. API Well No.

30-015-36034

10. Field and Pool, or Exploratory Area
LOCO HILLS PADDOCK

11. County or Parish, State

Eddy County, N.M.

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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

TO AMEND APPROVED APD DATED DECEMBER 19, 2007 TO DRILL AS A HORIZONTAL WELL FROM THIS SAME SURFACE SITE. THE ORIGINAL APPROVAL WAS FOR A VERTICAL WELL.

THE NEW BOTTOM HOLE LOCATION IS UNIT P 330' FSL, 990 FEL, SEC 11, T17S, R30E.(LC029338A)

APPROXIMATELY 990' OF THE BELOW GROUND (LATERAL) WILL CROSS THE FEDERAL LEASE LINE FROM NM 2748 TO FEDERAL LEASE LC 029338A TO THE BOTTOM HOLE LOCATION.

AN AMENDED C102 FROM JOHN WEST SURVEY IS INCLUDED AS WELL AS THE PLANNED HORIZONTAL DRILLING PLAN IS INCLUDED IN THIS FILING.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

MARK A. JACOBY

Title ENGINEERING MANAGER

Signature



Date

4/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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.

(Instructions on page 2)

Accepted for record - NMOCD

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-36034	Pool Code 96718	Pool Name LOCO HILLS PADDOCK
Property Code	Property Name GISSLER B	Well Number 40
OGRID No. 803080	Operator Name BURNETT OIL COMPANY	Elevation 3738

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	11	17-S	30-E		2310	SOUTH	990	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
P	11	17-S	30-E		330	SOUTH	990	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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

	OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Mark A. Jacoby</i> 4/23/2008 Signature Date MARK A. JACOBY Printed Name
	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. Date Surveyed AUG 16 2008 Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> RONALD J. EIDSON 08-13-0586
	Certificate No. GARY EIDSON 12641 RONALD EIDSON 3239

CCCC

April 23, 2008

Bureau of Land Management
Carlsbad District Office
Carlsbad, New Mexico

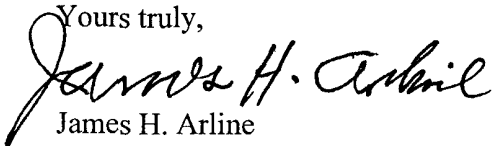
To Whom It May Concern:

Reference Gissler B #41H Eddy County, New Mexico

We have an approved Surface Use Plan for this well in Eddy County, New Mexico with your office: The only change to this plan is the change to a horizontal well and the notation of the bottom hole location shown on the enclosed 3160-5 filing.

Please contact our Mr. Mark Jacoby or the undersigned if you need additional information or have any comments.

Yours truly,


James H. Arline
Materials Coordinator

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 25 2008

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM 2748	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BURNETT OIL CO., INC.		7. If Unit or CA Agreement, Name and No.	
3a. Address 801 Cherry ST. Unit #9 Fort Worth,		8. Lease Name and Well No. GISSLER B #40	
3b. Phone No. (include area code) (817) 332-5108		9. API Well No. 30-015-	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface UNIT I, 2310' FSL, 990' FEL At proposed prod. zone SAME AS ABOVE Roswell Controlled Water Basin		10. Field and Pool, or Exploratory LOCO HILLS, PADDOCK	
14. Distance in miles and direction from nearest town or post office* Approx 6 miles East & North of Loco Hills, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area SEC 11, T17S, R30E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'	16. No. of Acres in lease 1240 ACRES	17. Spacing Unit dedicated to this well 40 ACRES	12. County or Parish EDDY CTY
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 40'	19. Proposed Depth 6000'	20. BLM/BIA Bond No. on file NMB# 000197	13. State NEW MEXICO
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3738' GL	22. Approximate date work will start* FEBRUARY 1, 2008	23. Estimated duration 25 Days to Drill	

24. Attachments

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

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Mark A. Jacoby</i>	Name (Printed/Typed) MARK JACOBY	Date 10/31/2007
Title ENGINEERING MANAGER		
Approved by (Signature) <i>Don Peterson</i>	Name (Printed/Typed) Don Peterson	Date 12/19/07
Title Gen-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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

API 30-015-36234

Burnett Oil Company

Eddy County, NM

Gissler B.

#40

Wellbore #1

Plan: Plan #1

Sperry Drilling Services Proposal Report

11 April, 2008

Well Coordinates: 672,434.20 N, 621,811.20 E (32° 50' 52.72" N, 103° 56' 12.10" W)
Ground Level: 3,738.00 ft

Local Coordinate Origin:	Centered on Well #40
Viewing Datum:	GL 3,738' + KB 12' @ 3750.00ft (Union ##)
TVDs to System:	N
North Reference:	Grid
Unit System:	api us survey ft 2

Version: 2003.16 Build: 42B

HALLIBURTON

Plan Report for #40 - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0
4,588.05	0.00	0.00	4,588.05	0.00	0.00	0.00	0.00	0.00	0.00	0
KOP at 4,588' MD - Build 20°/100'										
4,600.00	2.39	179.81	4,600.00	-0.25	0.00	0.25	20.00	20.00	0.00	180
4,700.00	22.39	179.81	4,697.17	-21.60	0.07	21.60	20.00	20.00	0.00	0
4,800.00	42.39	179.81	4,781.19	-74.89	0.25	74.89	20.00	20.00	0.00	0
4,900.00	62.39	179.81	4,841.90	-153.71	0.51	153.71	20.00	20.00	0.00	0
5,000.00	82.39	179.81	4,872.00	-248.54	0.83	248.54	20.00	20.00	0.00	0
5,050.70	92.53	179.81	4,874.25	-299.12	1.00	299.13	20.00	20.00	0.00	0
EOC at 5,050' MD - Hold at 92.53° Inc.										
5,100.00	92.53	179.81	4,872.07	-348.38	1.16	348.38	0.00	0.00	0.00	0
5,200.00	92.53	179.81	4,867.66	-448.28	1.49	448.28	0.00	0.00	0.00	0
5,300.00	92.53	179.81	4,863.24	-548.18	1.83	548.18	0.00	0.00	0.00	0

HALLIBURTON**Plan Report for #40 - Plan #1**

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
5,400.00	92.53	179.81	4,858.83	-648.08	2.16	648.09	0.00	0.00	0.00	0
5,500.00	92.53	179.81	4,854.42	-747.98	2.49	747.99	0.00	0.00	0.00	0
5,600.00	92.53	179.81	4,850.00	-847.89	2.83	847.89	0.00	0.00	0.00	0
5,700.00	92.53	179.81	4,845.59	-947.79	3.16	947.79	0.00	0.00	0.00	0
5,800.00	92.53	179.81	4,841.17	-1,047.69	3.49	1,047.70	0.00	0.00	0.00	0
5,900.00	92.53	179.81	4,836.76	-1,147.59	3.83	1,147.60	0.00	0.00	0.00	0
6,000.00	92.53	179.81	4,832.34	-1,247.49	4.16	1,247.50	0.00	0.00	0.00	0
6,100.00	92.53	179.81	4,827.93	-1,347.40	4.49	1,347.40	0.00	0.00	0.00	0
6,200.00	92.53	179.81	4,823.52	-1,447.30	4.83	1,447.31	0.00	0.00	0.00	0
6,300.00	92.53	179.81	4,819.10	-1,547.20	5.16	1,547.21	0.00	0.00	0.00	0
6,400.00	92.53	179.81	4,814.69	-1,647.10	5.49	1,647.11	0.00	0.00	0.00	0
6,500.00	92.53	179.81	4,810.27	-1,747.00	5.82	1,747.01	0.00	0.00	0.00	0
6,600.00	92.53	179.81	4,805.86	-1,846.91	6.16	1,846.92	0.00	0.00	0.00	0
6,700.00	92.53	179.81	4,801.44	-1,946.81	6.49	1,946.82	0.00	0.00	0.00	0
6,732.72	92.53	179.81	4,800.00	-1,979.50	6.60	1,979.51	0.00	0.00	0.00	0

TD at 6,732.72' MD

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
4,588.05	4,588.05	0.00	0.00	KOP at 4,588' MD
4,588.05	4,588.05	0.00	0.00	Build 20°/100'
5,050.70	4,874.25	-299.12	1.00	EOC at 5,050' MD
5,050.70	4,874.25	-299.12	1.00	Hold at 92.53° Inc.
6,732.72	4,800.00	-1,979.50	6.60	TD at 6,732.72' MD

Vertical Section Information

Angle Type	Target	Azimuth (°)	Origin Type	Origin		Start TVD (ft)
				+N/-S (ft)	+E/-W (ft)	
Target	Gissler.B.40.PBHL	179.81	Slot	0.00	0.00	4,800.00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	6,732.72	Plan #1	MWD

Targets associated with this wellbore

Target Name	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Shape
Gissler.B.40.PBHL	4,800.00	-1,979.50	6.60	Point

HALLIBURTON**North Reference Sheet for Gissler B. - #40 - Wellbore #1**

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to GL 3,738' + KB 12' @ 3750.00ft (Union ##). Northing and Easting are relative to #40

Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°

False Easting: 500,000.00ft, False Northing: 0.00ft, Scale Reduction: 0.99992608

Grid Coordinates of Well: 672,434.20 ft N, 621,811.20 ft E

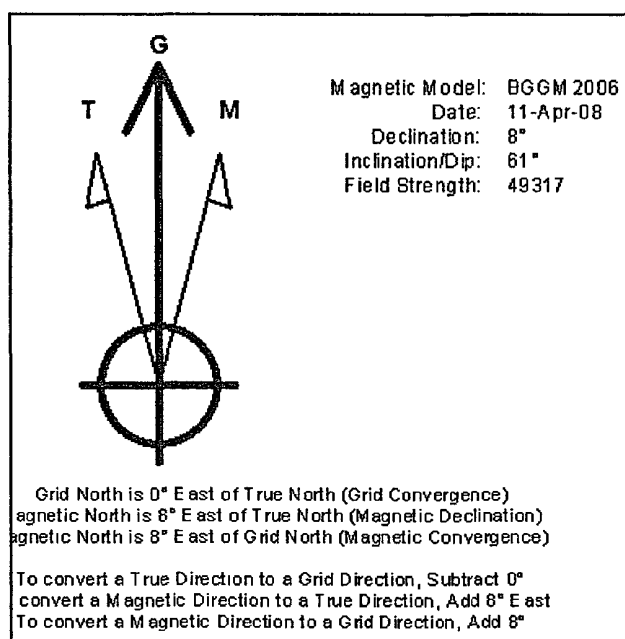
Geographical Coordinates of Well: 32° 50' 52.72" N, 103° 56' 12.10" W

Grid Convergence at Surface is: 0°

Based upon Minimum Curvature type calculations, at a Measured Depth of 6,732.72ft

the Bottom Hole Displacement is 1,979.51ft in the Direction of 179.81° (Grid).

Magnetic Convergence at surface is: -8° (11 April 2008, , BGGM2006)



Burnett Oil Company

HALLIBURTON

Sperry Drilling Services

Project: Eddy County, NM

Site: Gissler B.

Well: #40

Wellbore: Wellbore #1

Plan: Plan #1 (#40/Wellbore #1)

Rig: Union ##



SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	
4588.05	0.00	0.00	4588.05	0.00	0.00	0.00	0	0.00	KOP at 4,588' MD
5050.70	92.53	179.81	4874.25	-299.12	1.00	20.00	180	299.12	EOC at 5,050' MD
6732.72	92.53	179.81	4800.00	-1979.50	6.60	0.00	0	1979.51	TD at 6,732.72' MD

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Gissler.B.40.PBHL	4800.00	-1979.50	6.60	670454.70	621817.80	Point

Surface Location:

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 3,738' + KB 12' @ 3750.00ft (Union ##)
Northing 672434.20 Easting 621811.20 Latitude 32° 50' 52.720 N Longitude 103° 56' 12.102 W

To convert a Magnetic Direction to a Grid Direction, Add 8°

Magnetic Model: BGGM2006 Date: 11-Apr-08
Azimuths to Grid North

