Form 3160-5, (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

OCD ARTESA APR 15 15 Lease'S	FORM APPROVED OMB No 1004-0137 Expires. July 31, 2010 etial No.
APR 15 Lease'S	erial No.

SUNDRY NOTICES AND REPORTS ON WELLS

6 If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well X Oil Well Gas Well Other WAK NEVER DOALE 8. Well Name and No. JACKSON B #41 BURNETT OIL CO.: INC. 9 API Well No. 3a Address 801 CHERRY STREET, SUITE 15003b. Phone No. (include area code) 30-015-33133 UNIT #9 FORT WORTH, TX. 76102-688 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) A GEDAR LAKE YESO/LSA UNIT H, 2310' FNL, 380' FEL, SEC 24, T17S, R30E- SURF & BHL , as Eddy County, N.M. 1. Table 1. Table 1. Table 1. 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Deepen Water Shut-Off Notice of Intent Alter Casing Fracture Treat : Reclamantion Well Integrity Casing Repair New Construction Recomplete Other Subsequent Report Temporarily Abandon Change Plans Plug and Abandon Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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.) 4/01/2009 MIRU unit, RIH w/openended tubing to 3595', spot 50 sks Class C cement w/2% CaCl. Shut down overnight. 4/02/2009 RIH w/workstring, tag cement @3378'. LD workstring. Test to 620 PSI for 30 minutes- held ok. Witnessed and approved by BLM's Richard Carrasco and approved. Chart given to him. Well is T&A 4/02/2009 Failure to provide JustiFration as per SEE ATTACHED FOR CONDITIONS OF APPROVAL 14. I hereby certify that the foregoing is true and correct.) Name (Printed/Typed) ENGINEERING MANAGER MARK A. JACOBY THIS SPACE FOR FEDERAL OR STATE OFFICE USE /s/ JD Whitlock Jr 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 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)

Form 3160-5 (April 2004)

(Instructions on page 2)

UN D STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED	
OM B No 1004-0137	
Expires March 31, 2007	•

JAMES A. AMOS SUPERVISOR-EPS

SUNDRY NOTICES AND REPORTS ON WELLS

NMLC055264

5. Lease Serial No

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.	6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE- Other instructions on reverse side.	7. If Unit or CA/Agreement, Name and/or No		
1. Type of Well Gas Well Other	8. Well Name and Nα JACKSON B #41		
2 Name of Operator BURNETT OIL CO., INC.	9. API Well No.		
3a. Address 801 CHERRY STREET, SUITE 1500 3b. Phone No. (include area code) UNIT #9 FORT WORTH, TX. 76102-6881 (817) 332-5108	30-015-33133 10. Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec., T., R, M, or Survey Description)	CEDAR LAKE YESO/LSA 11. County or Parish, State		
UNIT H 2310' FNL, 380' FEL, SEC 24,T17S,R30E- SURF & BHL	Eddy County, N.M.		
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION TYPE OF ACTION	ON		
Notice of Intent Alter Casing Casing Repair Change Plans Fracture Treat Reclam Recomp	—		
Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA following completion of the involved operations. If the operation results in a multiple completion or recomt esting has been completed. Final Abandonment Notices shall be filed only after all requirements, including determined that the site is ready for final inspection.) To request permission to temporarily abandon this DHC well bore to give use Present status is DHC completion in the Lower San Andres with perfs from 3621' from 4834' to 5109'. The Well bore was drilled in Feb. 2004 to a TD of 5350' with	npletion in a new interval, a Form 3160-4 shall be filed once ng reclamation, have been completed, and the operator has us time to work on plans. ' to 4236' and Cedar Lake Yeso with perf's a PBTD of 5277'. Our original plan was to		
squeeze off the upper perfs and convert to a Cedar Lake Yeso SWDW. Conversation not to complete this conversation process in this zone. We propose to do 1.) Set CIBP @ 4750' (50' and 100' above perfs.) Bail 35' of cement. If a 2.) Circulate minimum of 9 ppg in hole to below 5109'(btm perf.) 3.) set CIBP @ 3750' (50' and 100' above perfs.) Bail 35' of cement. If a 4.) Circulate minimum of 9 ppg in hole to surface RD service unit.	the following:MI service unit cement is spotted it will be 50' of cement. cement is spotted it will be 50' of cement.		
* Subject to successful test within 60 des	CUNUITIONS OF APPROVAL		
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title			
MARK A JACOBY THE ENGINE Signature Manh a Date S	EERING MANAGER		
THIS SPACE FOR FEDERAL OR STATE OF	FICE USE		
	I APPROVED		
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.	SFP 7 2003		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	willfully to make to any department or agency of the United		

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided that the operator.

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
- Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.

The TA status could be extended for an additional 12 month period without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative. The operator must submit a sundry notice requesting an extension of TA status 30 days prior to expiration of the previous approval and appropriate justification for extending the TA status is included.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- A procedure to plug and abandon the well.