

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TR. DATE*
(Other instructions on reverse side)

30-016-27440
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

(REVISED DUE TO MOVING STAKE 100' TO NEARER NORTH)

2. NAME OF OPERATOR

Burnett Oil Co., Inc. Production Dept.

3. ADDRESS OF OPERATOR

801 Cherry St., Suite 1500, Fort Worth, Texas 76102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660' FWL, 1880' FNL, Sec. 24, T17S, R30E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

3 miles ENE from Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any) 660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1568'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3684 G.L.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" OD	24	+/- 480'	300 sks. Cl. C (will circulate)
7 7/8"	5 1/2" OD	17	+/- 3550'	+/-500 sks. Cl. C (or equivalent)
				(if waterflows are encountered, cementing program may vary. See Drilling Program.)

A 12 1/4" surface hole will be drilled to the Rustler Anhydrite. 8 5/8" casing will be set at this point and cemented back to surface. After waiting on cement 12 hours, casing and blowout preventer will be tested before drilling out the casing shoe. A 7 7/8" hole will be drilled to the base of the Jackson productive interval at +/- 3550'. Well will be logged if there are no waterflows, and 5 1/2" casing will be set at total depth. Casing will be cemented back to at least 600' above the highest possible productive interval. Productive intervals of the Jackson and Grayburg will be perforated and stimulated conventionally.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. John C. McPhaul
SIGNED John C. McPhaul TITLE Production Superintendent DATE April 19, 1993

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY ORIG. SCD. 10-1
CONDITIONS OF APPROVAL, IF ANY:

TITLE

AREA MANAGER

DATE

5/14/93

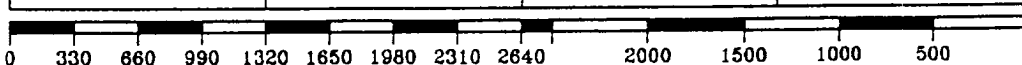
APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

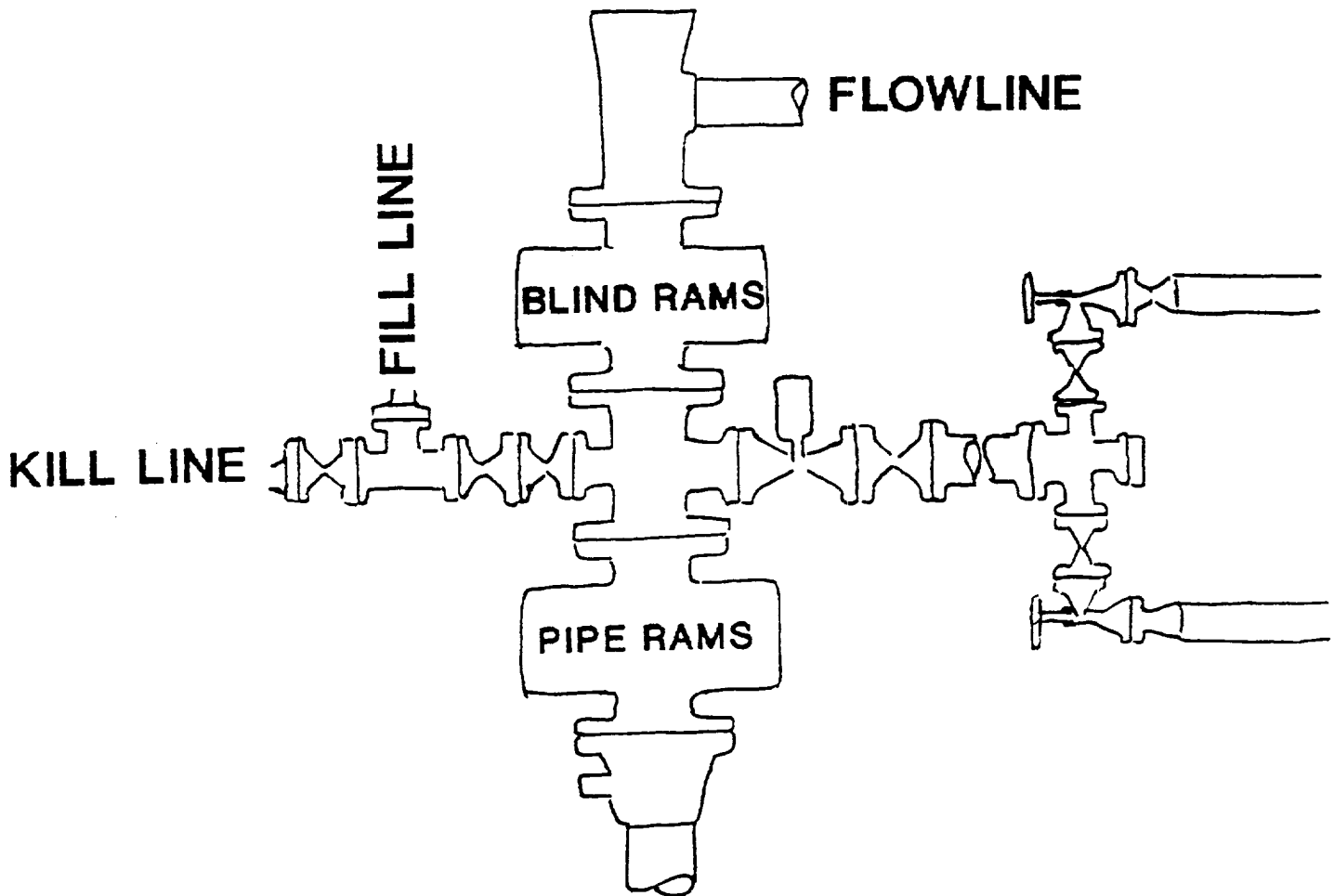
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED
Title 18 U.S.C. Section 1001, makes 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.



BURNETT OIL CO., INC
BLOWOUT PREVENTER SPECIFICATIONS
3000 PSI DOUBLE RAM



**THE BOPE WILL BE TESTED TO 3000 PSI
BEFORE DRILLING OUT BELOW SURFACE PIPE.**

DRILLING PLAN
COVERING
BURNETT OIL CO., INC.
LEASE NO. NM 2747
JACKSON B LEASE, WELL NO. 34
UNIT LETTER H
660' FWL, 1880' FNL
SECTION 24, TOWNSHIP 17 SOUTH, RANGE 30 EAST
EDDY COUNTY, NEW MEXICO

(A) DRILLING PROGRAM

(1) Estimated tops of geologic markers:

Alluvium.....Surface
Anhydrite.....350'
Salt.....520'
Base Salt.....1250'
Red Sand.....2340'
Grayburg.....2725'
San Andres.....3100'

(2) Estimated depths of producing formations:

Fresh water.....None
Saltwater flows..(?)*
Oil and Gas.....2900', 3000', 3400'**

*As waterflows, if any, are encountered, their depth will be recorded, and drilling will continue to total depth. Multiple stage cementers will be placed in the production casing string to enable us to confine the waterflows to their respective depths by cementing.

**Oil and gas bearing zones, if any, will be determined by log analysis, and will be confined by cementing; subsequently perforated, stimulated and produced in a conventional manner.

(3) Blowout Preventer Specifications:

3000 psi Double Ram unit with hydraulic closing equipment. (See Exhibit E schematic). The preventer will be tested before drilling out below surface pipe setting depth. The exact description of the preventer and related equipment will depend on the successful contractor, who has not yet been selected. No high pressure hydrocarbon zones are anticipated.

(4) Supplementary drilling equipment information:
Not available at this time.

Supplementary casing program information:

a. Surface casing: Surface casing will consist of new 8-5/8" OD 24# K-55 ST&C R3 pipe and will be run into a 12-1/4" hole with notched Texas Pattern shoe on bottom, insert float valve in first collar, 2 centralizers around shoe joint and first collar. Bottom 3 joints will be collar tacked and thread locked. Setting depth will be +/- 500', depending on where suitable casing seat can be found in the Rustler anhydrite. Cement will be circulated back to the Surface. Initial cement volume will be calculated to be 100% excess of the calculated annular volume between the 8-5/8" casing and the hole. If circulation of cement is not achieved due to lost circulation zone(s), annular space will be cemented via 1" from the surface as per BLM specifications. 12 hours WOC will be allowed. Casing will be tested to 800 psi before drilling out.

b. Production casing: Production casing will consist of new 5-1/2" OD 17# 8rd. R3 inspected pipe being run to total depth with float shoe on bottom, float collar in first collar, centralizers throughout pay intervals and above and below any multiple stage cementers, and being cemented with sufficient volume to bring top of cement 600' above the top of the highest potential producing horizon. If water flow is encountered, we will cement from TD back to the stage cementer, open stage cementer, cement from stage center with sufficient volume of Class C or equivalent to bring cement up to at least 600' above the highest potential producing horizon, then balancing hydrostatic weight of the cement by adjusting the flow of water to surface through the 5-1/2" casing, enabling the 2nd stage of cement to set up. Casing will be shut in after 12 hours. If there is no flow of water to surface around the 5-1/2" casing, we will cement the water flow proper through the stage cementer with +/- 400 sacks. In case the 2nd stage is not successful in shutting off any annular flow, we will repeat the 2nd stage until successful. After drilling out and testing the casing to 2000 psi, a cement bond log will be run to evaluate the cement job.

- (5) Mud program: Native mud (red beds and shale) will be used to total depth. After drilling surface hole with fresh water, salinity of water will rise throughout rest of the hole. If no water flows are encountered, we may mud up lightly to drill the various pay sections. If water flow(s) are encountered, no control will be used until Total Depth is reached, at which time we will sweep the hole with 50 viscosity gelled water.
- (6) Logging program: If no water flow(s) are encountered, we will run GR/CN-D-DLL logs. If water flow(s) are encountered, no open hole logging will be attempted, and after casing is set, cased hole GR/CN logs will be run. No testing or coring is anticipated.
- (7) Abnormal pressures or hazards: No abnormal pressures or potential hazards are anticipated.
- (8) Other facets of the operation to be pointed out:
None.

(B) SURFACE USE PROGRAM

- (1) Existing roads: Exhibits A and B show maps of the general area. From Loco Hills, New Mexico, go east on U.S. Highway 82 approximately 2 miles. Turn north on Eddy County Road 220 (Square Lake Road) just less than .5 miles. Turn east on caliche road, follow map headings approximately .25 miles to location. The proposed 800' of new access road will be constructed to match the established lease roads. All access roads will be maintained in the same or better condition than before drilling operations began, in accordance with SMA standards.
- (2) Access roads to be constructed: Approximately 800' of new access road will be constructed (see Exhibit B and D). This road will be 12' wide surfaced with compacted caliche. Maximum grade should be +/- 1%. No major cuts or fills, turnouts, culverts, drainage problems, bridges, fences, or cattleguards are anticipated. Existing caliche access roads will be watered and bladed, with only minor repairs indicated. No other existing facilities will be modified.

- (3) Location of existing wells: See Exhibit A.
- (4) Location of existing or proposed production facilities: See Exhibit D for location of existing facilities. No new facilities are anticipated, with the exception of approximately 1600' of flowline to be connected to an existing flowline. See Exhibit D.
- (5) Location and type of water supply: All water to be used in drilling the well will be fresh water trucked from Loco Hills, New Mexico or fresh water furnished by our waterflood facilities.
- (6) Construction materials: Construction material will be caliche which is expected to be available at the proposed location.
- (7) Methods of handling waste disposal: Drill cuttings will be disposed of in the lined reserve drilling pit. Auxiliary emergency water containment pits may be necessitated by large volume water flows and these pits, which will hold only water, will not be lined. All drilling fluids will be allowed to evaporate after drilling is completed, at which time pits will be backfilled, leveled and reseeded. Trash, waste paper, garbage and junk will be placed in a portable screened trash container on location. All trash and debris will be transported to an authorized disposal station within 30 days following completion activities. Oil and/or water produced during testing operations will be stored in steel tanks until either sold or disposed of through one of our approved disposal methods.
- (8) Ancillary Facilities: There are no planned ancillary facilities.
- (9) Well site layout: Exhibit C shows the relative location and dimensions of the drilling pad and related components. Only minor differences, if any, in length and/or width of the drilling pad are anticipated, depending on which drilling contractor is selected to drill the well. Only minor leveling of the drilling site is anticipated.

(10) Plans for restoration of the surface:

(a) After drilling and successful completion operations are finished, all equipment and other materials not required for normal production operations will be removed. Pits will be backfilled, leveled and reseeded. Wellsite will be left in a neat condition.

(b) Any unguarded pits containing fluid will be fenced until backfilled.

(c) After abandonment of the well, surface restoration will be in accordance with regulations of the SMA. Pits will be backfilled and location will be cleaned. The pit area, well pad and all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.

(11) Surface ownership: All lands are Federal.

(12) Other information: The topography of the area is relatively flat, with small hills and sand dunes. The soil is fine, deep sand underlain by caliche. Vegetation cover is generally sparse and consists of mesquite, yucca, oak shinners and sparse native grasses. Wildlife in the area is typical of that of semi-arid lands and includes coyotes, rabbits, rodents, reptiles, dove and quail. There are no ponds, streams or residences in the area. There is intermittent cattle grazing and hunting in the area; however, the principal land use is for oil and gas production. An archaeological clearance report will be sent to you by New Mexico Archaeological Service recommending archaeological clearance for the road, flowline and drilling pad.

(13) Operator's representative: Our field representative responsible for compliance with the approved surface use and operations plan is:

Mr. Rayford Starkey, District Supt.

P.O. Box 188

Loco Hills, New Mexico 88255

Office phone: 505-677-2313

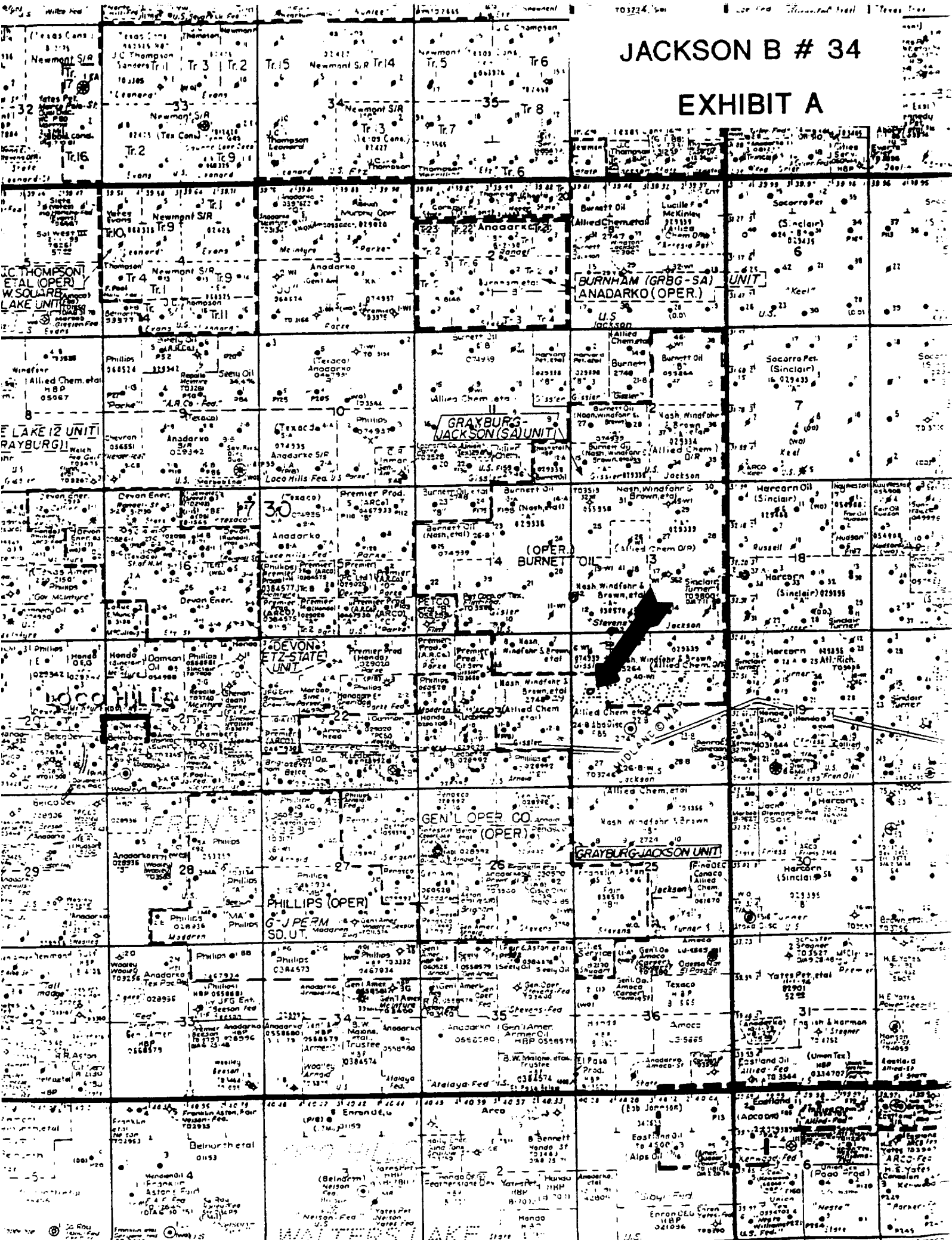
Home phone: 505-746-4619

I hereby certify that I, or persons under my direct supervision have inspected the drill site and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Burnett Oil Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: April 19, 1993 By: John C. McPhaul
John C. McPhaul, Prod. Supt.

JACKSON B # 34

EXHIBIT A



[illegible]

- | | |
|-----------------------------|-------------------|
| 1. SHALE PIT (30' X 8') | 8. RIG |
| 2. MUD PIT (20' X 8') | 9. PIPERACKS |
| 3. SUCTION PIT (30' X 8') | 10. DOG HOUSE |
| 4. RESERVE PIT (100' X 50') | 11. CAT WALK |
| 5. PUMPS | 12. STINGER |
| 6. WATER TANK | 13. TRASH TRAILER |
| 7. FUEL TANK | |

Gissler

14

Stevens

JACKSON B # 34

EXHIBIT D

Premier

Gissler

Stevens

Stevens

Jackson

BOCI
"A"

BOCI
"B"

BOCI
"A"

Gissler

EXISTING
ROAD

PROPOSED
ROAD

Jackson

BOCI
"B"

BOCI
"B"

Gissler

23

24

BOCI
"B"

PROPOSED
FLOWLINE

EXISTING
FLOWLINE

Gissler

GEN. AM.
Arnold

Jackson

BOCI
"B"

Arnold

EXISTING
TANK BATTERY

LBO
OPERATOR

GRAYBURG-JACKSON (PREMIER) FLOOR