

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011

Permit 343365

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

1. Operator Name and Address BURNETT OIL CO INC 801 Cherry Street Unit #9 Fort Worth, TX 76102		2. OGRID Number 3080
		3. API Number 30-015-54020
4. Property Code 334566	5. Property Name FOUR MILE DRAW PM	6. Well No. 002H

7. Surface Location

UL - Lot M	Section 8	Township 19S	Range 26E	Lot Idn	Feet From 1300	N/S Line S	Feet From 620	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot M	Section 7	Township 19S	Range 26E	Lot Idn M	Feet From 350	N/S Line S	Feet From 101	E/W Line W	County Eddy
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9. Pool Information

WILDCAT G-01 S192617K;GLOR-YESO	97788
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3371
16. Multiple N	17. Proposed Depth 8455	18. Formation Blinebry	19. Contractor	20. Spud Date 10/15/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ 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
Surf	12.25	9.625	36	1250	438	0
Prod	8.75	7	26	2900	1442	0
Prod	8.75	5.5	17	8455	1442	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	TBD

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Heather Dissmore	Approved By: Ward Rikala
Title: Engineering Technician	Title:
Email Address: hdissmore@burnettoil.com	Approved Date: 8/1/2023 Expiration Date: 8/1/2025
Date: 7/28/2023 Phone: 817-583-8873	Conditions of Approval Attached

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Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-54020	Pool Code 97788	Pool Name WILDCAT G-01 S192617K; GLOR-YESO
Property Code 334566	Property Name FOUR MILE DRAW PM	Well Number 2H
OGRID No. 03080	Operator Name BURNETT OIL CO.	Elevation 3371'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	19 S	26 E		1300	SOUTH	620	WEST	EDDY

Bottom Hole Location If Different From Surface

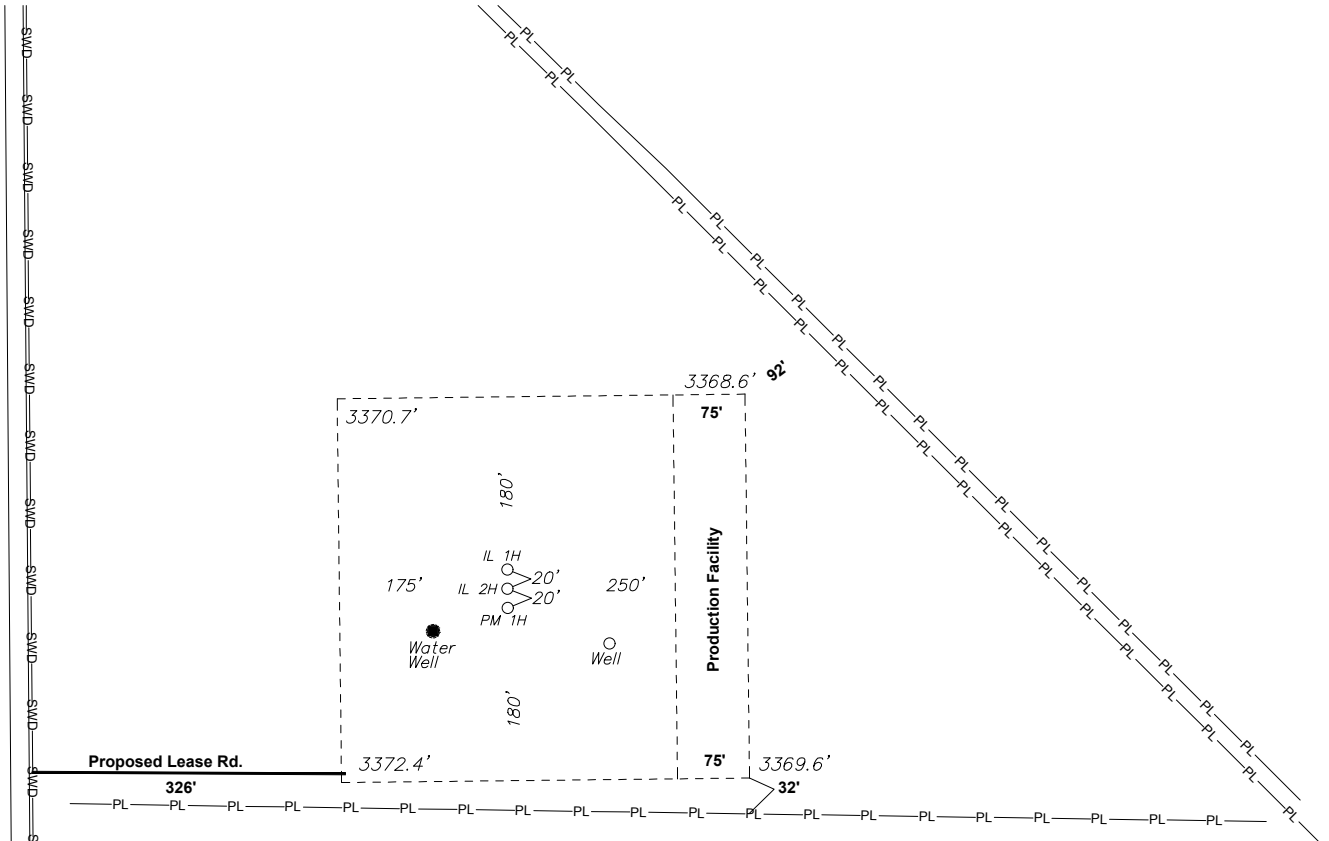
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	7	19 S	26 E		350	SOUTH	101	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lat - N 32.668736° Long - W 104.429334° NMSPCE- N 607030.7 E 511796.3 (NAD-83)</p> <p>Lat - N 32.668623° Long - W 104.428816° NMSPCE- N 606969.3 E 470617.6 (NAD-27)</p>	<p>FIRST TAKE POINT</p> <p>350' FSL & 101' FEL</p> <p>Lat - N 32.668873° Long - W 104.412771° NMSPCE- N 607076.2 E 516893.2 (NAD-83)</p> <p>Lat - N 32.668759° Long - W 104.412253° NMSPCE- N 607014.7 E 475714.4 (NAD-27)</p>	<p>SURFACE LOCATION</p> <p>Lat - N 32.671416° Long - W 104.410713° NMSPCE- N 608000.9 E 517527.1 (NAD-83)</p> <p>Lat - N 32.671302° Long - W 104.410196° NMSPCE- N 607939.4 E 476348.3 (NAD-27)</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Gretchen Ritchey</i> 6/28/23 Signature Date</p> <p>GRETCHEN RITCHEY Printed Name gritchey@burnettoil.com Email Address</p>
			<p>SURVEYORS CERTIFICATION</p> <p>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.</p> <p>APRIL 17, 2023 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>James C. Tompkins</i> JAMES C. TOMPKINS NEW MEXICO 27177 PROFESSIONAL SURVEYOR</p> <p>Job No.: 55926 Draft: FH! JAMES C. TOMPKINS 27117 DATE: 04/17/2023 Certificate Number</p> <p>0' 1000' 2000' 3000' 4000' SCALE: 1" = 2000'</p>

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

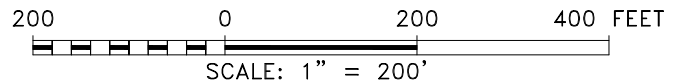


BURNETT OIL CO.
FOUR MILE DRAW PM 2H
ELEV. - 3371'

Lat - N 32.671416°
Long - W 104.410713°
NMSPCE - N 608000.9
E 517527.1
(NAD-83)

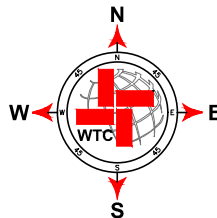


CARLSBAD, NM IS ±15 MILES TO THE SOUTHWEST OF LOCATION.



WTC, INC.
405 S.W. 1st Street
Andrews, TX 79714
(432) 523-2181

WTC
ENGINEERS | SURVEYORS



BURNETT OIL CO.

REF: FOUR MILE DRAW PM #2H / WELL PAD TOPO

THE FOUR MILE DRAW PM 2H LOCATED 1300'
FROM THE SOUTH LINE AND 620' FROM THE WEST LINE OF
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 26 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY,
NEW MEXICO.

3370.7'

3368.6'

75'

92'

180'

175'

IL 1H

IL 2H

PM 1H

250'

Water Well

Well

Production Facility

180'

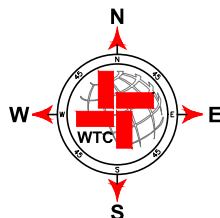
3372.4'

75'

3369.6'

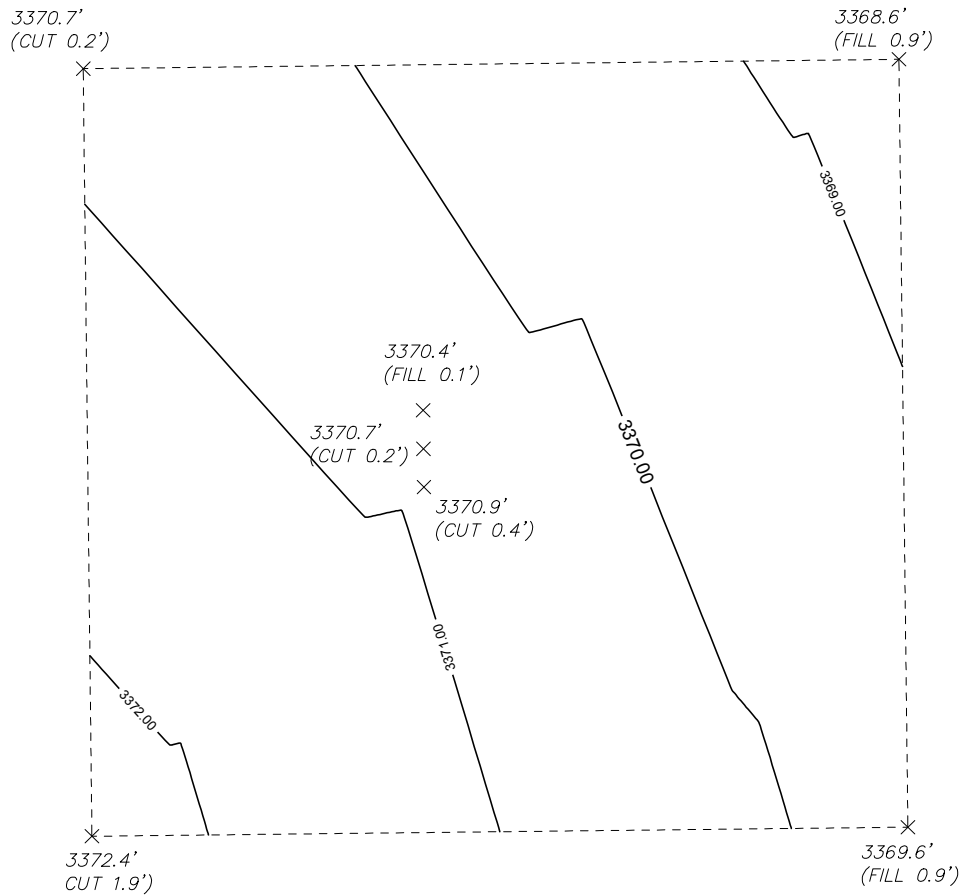
32'

PL



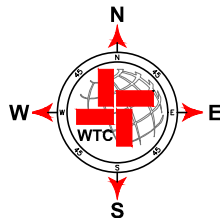
THE FOUR MILE DRAW PM 2H LOCATED 1300'
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WTC
ENGINEERS | SURVEYORS

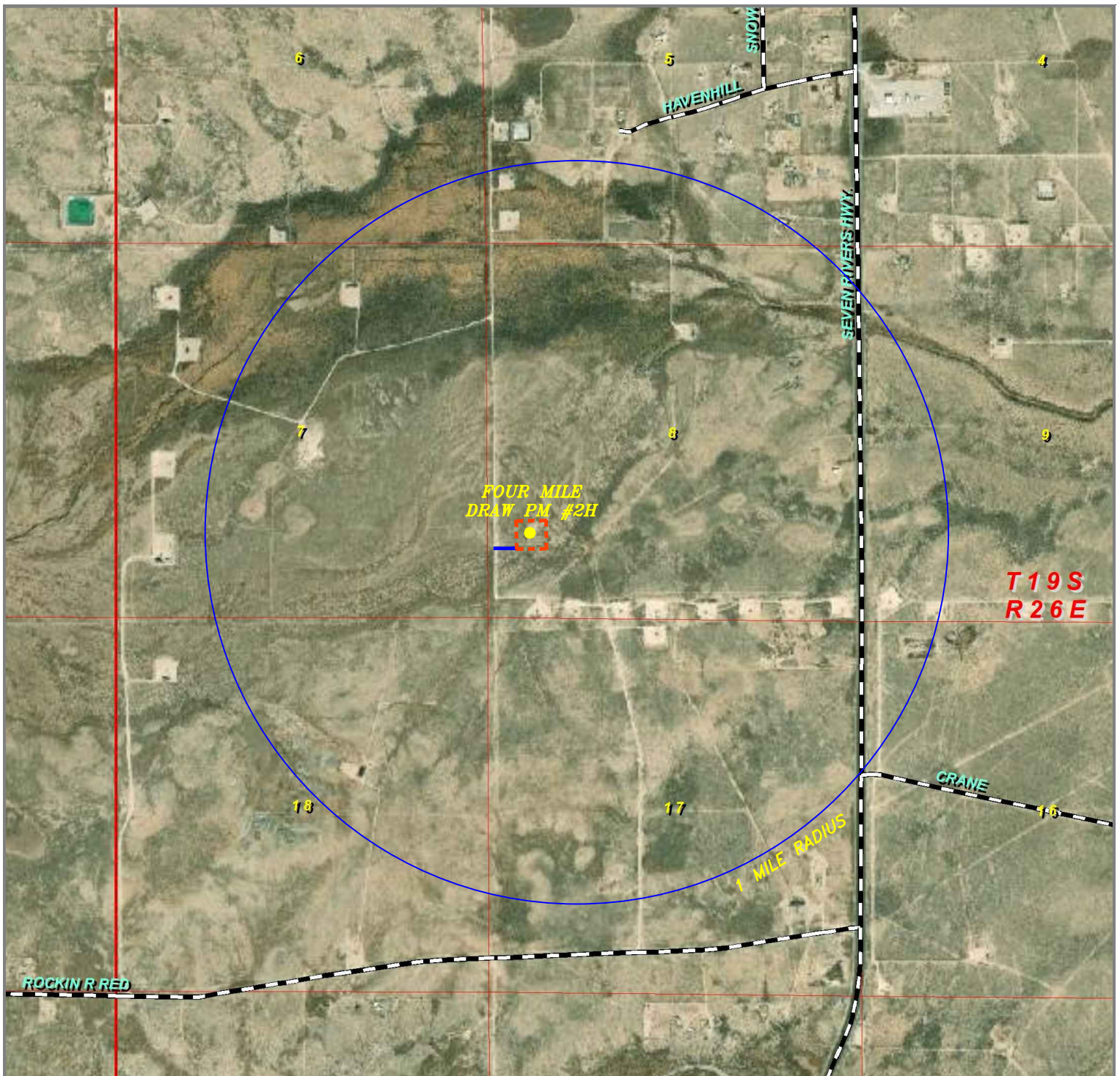


100 0 100 200 FEET
SCALE: 1" = 100'

BURNETT OIL CO.

REF: FOUR MILE DRAW CUT & FILL

THE FOUR MILE DRAW WELL PAD
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 26 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

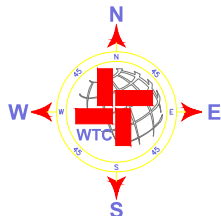


FOUR MILE DRAW PM #2H

Located 1300' FSL and 620' FEL
 Section 8, Township 19 South, Range 26 East,
 N.M.P.M., Eddy County, New Mexico.

WTC, INC.
 405 S.W. 1st Street
 Andrews, TX 79714
 (432) 523-2181

WTC
 ENGINEERS | SURVEYORS



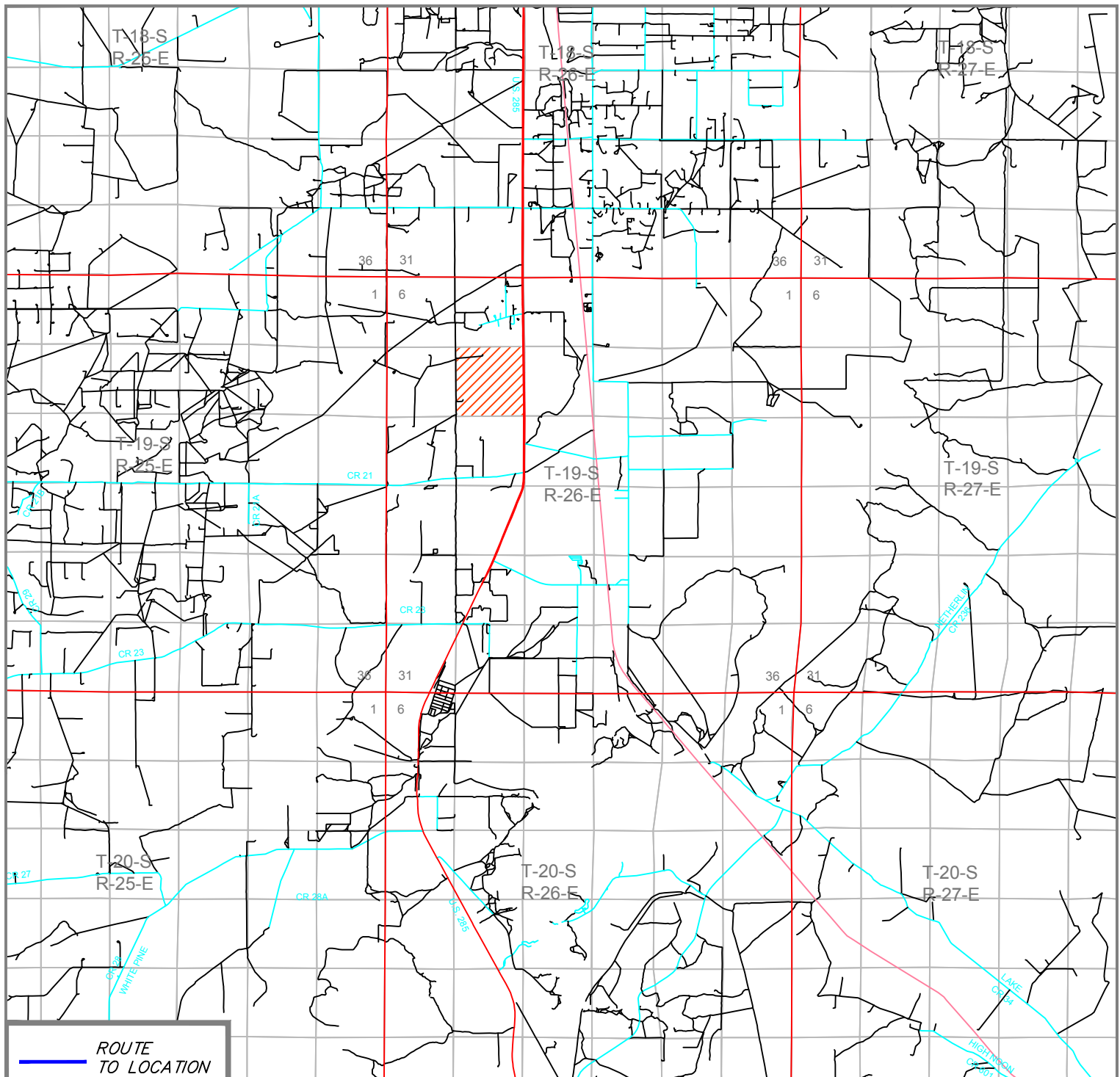
0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'

W.O. Number: KJG 59263

Survey Date: 04-17-2023

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

BURNETT
 — OIL CO —
 FORT WORTH ★ TEXAS

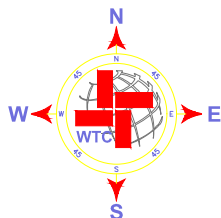


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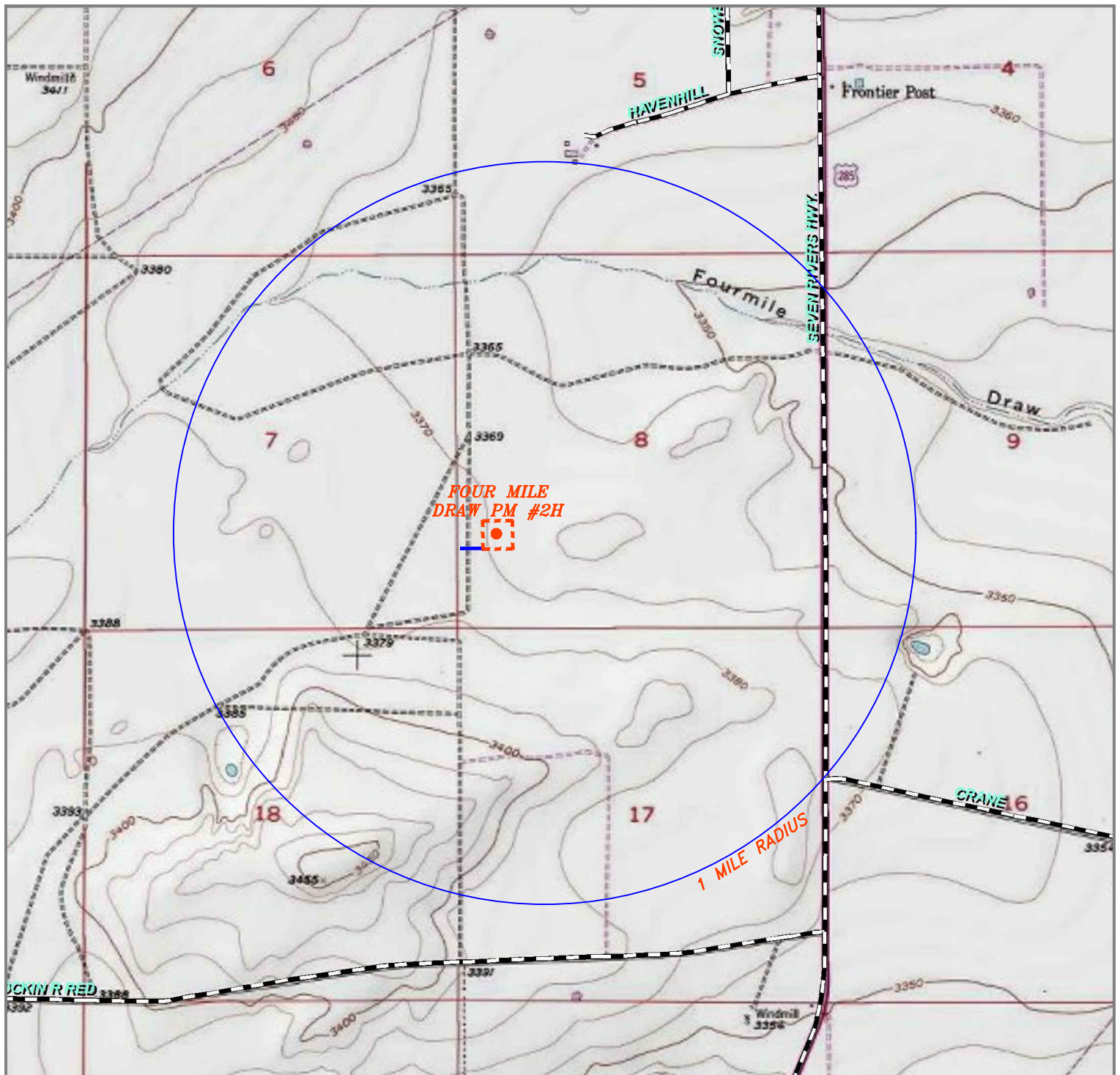
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— OIL CO —
FORT WORTH ★ TEXAS

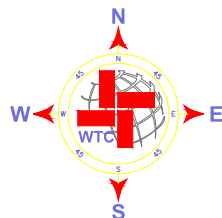


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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 343365

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BURNETT OIL CO INC [3080] 801 Cherry Street Unit #9 Fort Worth, TX 76102	API Number: 30-015-54020
	Well: FOUR MILE DRAW PM #002H

OCD Reviewer	Condition
ward.rikala	Notify OCD 24 hours prior to casing & cement
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
ward.rikala	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
ward.rikala	Burnett Oil is currently out of compliance with Rule 5.9. This well can not be produced until Burnett is in compliance with Rule 5.9.
ward.rikala	Burnett will be required to rename this well to meet NMOCD naming convention.



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

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.

**EXHIBIT L - HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN****A. Emergency Procedures**

In the event of a release of gas containing H₂S, the first responder(s) must

1. Isolate the area and prevent entry by other persons into the 100 PPM ROE. Assumed 100PPM ROE = 3000'.
2. Evacuate any public places encompassed by 100 PPM ROE.
3. Be equipped with H₂S monitors and air packs in order to control release.
4. Use the "buddy system" to ensure no injuries occur during the response.
5. Take precautions to avoid personal injury during this operation.
6. Have received training in the following:
 - a. H₂S detection
 - b. Measures for protection against this gas
 - c. Equipment used for protection and emergency response.

B. Ignition of Gas Source

Should control of the well be considered lost and ignition considered, care will be taken to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition will be coordinated with the NMOCD and local officials. Additionally, the New Mexico State Police may become involved. NM State Police shall be the incident command on scene of any major release. Care will be taken to protect downwind whenever there is an ignition of gas.

C. Characteristics of H₂S and SO₂

<u>Common Name</u>	<u>Chemical Formula</u>	<u>Specific Gravity</u>	<u>Threshold Limit</u>	<u>Hazardous Limit</u>	<u>Lethal Concentration</u>
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	NA	1000 ppm



D. Contacting Authorities

Burnett Oil Co., Inc. personal will liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD will be notified of the release as soon as possible but no later than four (4) hours after the incident. Agencies will ask for information such as type and volume of release, wind and direction, location of release, etc. Be sure all is written down and ready to give to contact list attached. Burnett's response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan.

Directions to the site are as follows:

Burnett Office
87 Square Lake Road (CR #220)
Loco Hills, NM 88255

Loco Hills, New Mexico (2 miles East of Loco Hills on US Hwy 82 to C #220. Then North on CR #220 approximately one (1) mile to office.

Hydrogen Sulfide Contingency Plan

EXHIBIT M - EMERGENCY NOTIFICATION LIST**BURNETT CONTACTS**

Burnett's New Mexico Office 817.332.5108 x 102
87 Square Lake Road (CR #220) Loco Hills, New Mexico 88255
Directions: Loco Hills, NM – 2 miles east of Loco Hills on US Hwy 82 to CR#220. Then North on CR #220 approximately one (1) mile to office.

Burnett Oil Home Office 817.332.5108
Burnett Plaza – Suite 1500 | 801 Cherry Street – Unit #9| Fort Worth, Texas 76102

Walter Glasgow Office - 817.583.8871
VP Engineering Cell - 817.343.5567

Tyler Deans Office – 575.677.2313
VP Engineering- New Mexico Cell – 432-553-4699

Bryan Burnes Office – 817.332.5108
HSE & Security Coordinator Cell – 575-706-5999

SHERIFF/POLICE CONTACTS

Eddy County Sheriff 911 or 575.677.2313
New Mexico State Police 575.746.2701

FIRE DEPARTMENT

Loco Hills Fire Department (VOLUNTEER ONLY) 911 or 575.677.2349
For Medical and Fire (Artesia) 575.746.2701

AIR AMBULANCE

Flight for Life Air Ambulance	(Lubbock)	806.743.9911
Aerocare Air Ambulance	(Lubbock)	806.747.8923
Med Flight Air Ambulance	(Albuq)	505.842.4433
S B Med Svc Air Ambulance	(Albuq)	505.842.4949

FEDERAL AND STATE

US Bureau of Land Management (Carlsbad)	575.361.2822	575.234.5972
New Mexico Oil Conservation Division (Artesia)		575.748.1283
New Mexico Emergency Response Commission (24 hour)		575.827.9126
Local Emergency Planning Operation Center (Artesia)		505.842.4949
National Emergency Response Center (Washington, DC)		800.424.8802

OTHER IMPORTANT NUMBERS

Boots & Coots IWC	800.256.9688
Cudd Pressure Control	432.570.5300
Halliburton Services	575.746.2757
BJ Service	575.746.2293

THIS MUST BE POSTED AT THE RIG WHILE ON LOCATION



**Four Mile Draw PM #2H
DRILLING PLAN
HORIZONTAL LOCO HILLS GLORIETA YESO WELL**

1. Geological Name of Surface Formation with Estimated Depth:

<u>Geological Name</u>	<u>Estimate Top</u>	<u>Anticipated Fresh Water, Oil or Gas</u>
Alluvium	Surface	Useable Water
San Andres	915'	Oil
Glorieta	2460'	Oil
Yeso	2575'	Oil
Total Depth	Refer to APD	Oil

No other formations are expected to yield fresh water, oil or gas in measurable volumes. We will set 9-5/8" casing @ +/-1250' and circulate cement to surface.

All intervals will be isolated by setting 7" x 5-1/2" casing to total depth and circulating cement to surface.

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

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

a. Design Safety Factors:

Type	Hole Size	Depth Interval	OD CSG	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
Conductor	20"	0-90'	16"	Contractor	Discretion	-----	-----	-----	-----
Surface	12-1/4"	0-1,250'	9-5/8"	36#	LTC	J-55	1.125	1.00	1.80
Production	8-3/4"	0'-2,900'	7"	26#	BTC	P-110	1.125	1.00	1.80
	8-3/4"	2,900'-9,000'	5-1/2"	17#	BTC	P-110	1.125	1.00	1.80

b. Surface Casing Info

The proposed 9-5/8" casing setting depth is +/- 1250'.

c. Production casing

We will run 7" x 5-1/2" production casing with a crossover from 7" to 5-1/2" at +/-2,900', 5-1/2" to TD. The wellbore will be cemented to surface.

DRILLING PLAN

Horizontal Yeso

3. Cementing Program

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

a. 9 5/8" Surface Casing:

- Cement to surface
- 20 bbls fresh water spacer at 8.4 lbm/gal.
- Lead: 270 sx Class C Premium Plus Cement, fluid weight 12.2 ppg, slurry yield 2.31 ft³/sx, water 13.48 gal/sx.
- Tail: 168 sx Class C Premium Plus Cement, fluid weight 13.2 ppg, slurry yield 1.84 ft³/sx, water 9.92 gal/sx.
- Excess Cement: **Lead 100%, Tail 165%**

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

b. 7" & 5 1/2" Production Casing:

- Lead: 169 sx Class C Premium Plus Cement, fluid weight 11.8 ppg, slurry yield 2.54 ft³/sx, water 15.29 gal/sx.
- Tail: 1273 sx Class C Premium Plus Cement, fluid weight 13.2 ppg, slurry yield 1.81, water 9.81 gal/sx.
- Excess Cement: **lead 0%, Tail 50%**

4. Pressure Control Equipment:

The blowout prevention equipment (BOPE) will consist of a 2,000 PSI Hydril Unit (annular) with hydraulic closing equipment. The equipment will comply with Onshore Order #2 and will be tested to 2,000 psi and the Annular tested to 1,500 psi and maintained for at least ten (10) minutes. The 9-5/8" 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 2,000 PSI WP rating.

Occasionally, water flows have been encountered. To control these water flows and to drill through salt formation(s), our anticipated maximum mud weight is 8.9 ppg. For the producing formation and at TD, the pore pressure in this area is 0.47 psi/ft based on review of drilling histories, mud weights, formation gradients etc. from surrounding wells.

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

DRILLING PLAN

Horizontal Yeso

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 will be on the rig floor at all times.
- c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation prior to drilling out the surface shoe and will remain until production casing is cemented.
- d. An H2S compliance package will be on site while drilling.

6. Proposed Mud Circulation System (Closed Loop System)

<u>Depth</u>	<u>Mud Wt</u>	<u>Vis</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 1250'	8.6 – 8.9	32-36	NC	Fresh Water
1250' – TD MD	8.6 – 8.9	32-36	NC	Cut Brine Water

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

Pason or similar equipment will be used to monitor the mud system.

7. Logging, Coring and Testing program:

- a. No cores or DSTs are planned at this time.
- b. A mud logger will be on the well from 200' to TD.
- c. No open hole logs will be run.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. Lost circulation is expected in the surface hole and not expected in production.

For the producing formation and at TD, the anticipated bottom hole pressure at deepest TVD is 1588 psi based on drilling histories, mud weights, formation gradients etc. from surrounding wells. Based upon logs of wells in this area, the anticipated bottom hole temperature is 105°F.

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.

DRILLING PLAN

Horizontal Yeso

9. Anticipated Start Date and Duration of Operation

Road and location construction will begin after NMOCD 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 operations and drilling is expected to take approximately 25 days. If production casing is run, an additional 90 days would be required to complete the well and install the necessary surface equipment (pumping unit, electricity, flowline and storage facility) in order to place the well on production.

10. Completion Procedure

Upon completion of drilling operations, this well will be perforated and frac'd in multiple stages. Due to the completion process that Burnett utilizes, we do not anticipate any flowback. Upon completion of stimulation, the well will be put on production.

Burnett Oil Company, Inc.

Eddy County, NM (NAD 83)

Sec 8-T19S-R26E

Four Mile Draw PM 2H

Wellbore #1

Plan: Plan #1 NAD 83

Standard Planning Report

20 June, 2023

Microsoft
Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Four Mile Draw PM 2H
Company:	Burnett Oil Company, Inc.	TVD Reference:	3371+17 @ 3388.0usft
Project:	Eddy County, NM (NAD 83)	MD Reference:	3371+17 @ 3388.0usft
Site:	Sec 8-T19S-R26E	North Reference:	Grid
Well:	Four Mile Draw PM 2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1 NAD 83		

Project	Eddy County, NM (NAD 83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Sec 8-T19S-R26E			
Site Position:		Northing:	608,040.90 usft	Latitude: 32° 40' 17.493 N
From:	Map	Easting:	517,526.60 usft	Longitude: 104° 24' 38.574 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence: -0.04 °

Well	Four Mile Draw PM 2H			
Well Position	+N/-S	-40.0 usft	Northing:	608,000.90 usft
	+E/-W	0.5 usft	Easting:	517,527.10 usft
Position Uncertainty		0.0 usft	Wellhead Elevation:	Latitude: 32° 40' 17.098 N
				Longitude: 104° 24' 38.568 W
				Ground Level: 3,371.0 usft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	06/20/23	6.73	60.26	47,495.34405522

Design	Plan #1 NAD 83			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	260.39

Plan Survey Tool Program	Date	06/20/23		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	8,455.0	Plan #1 NAD 83 (Wellbore #1)	MWD
				OWSG MWD - Standard

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.00	0.00	
724.2	22.42	184.73	718.5	-43.1	-3.6	10.00	10.00	0.00	184.73	
2,473.0	22.42	184.73	2,335.2	-707.7	-58.6	0.00	0.00	0.00	0.00	
3,357.7	90.50	269.49	2,846.0	-924.7	-633.9	10.00	7.70	9.58	84.96	FTP Four Mile Draw F
8,455.0	90.50	269.49	2,801.5	-970.2	-5,730.8	0.00	0.00	0.00	0.00	BHL Four Mile Draw F

Microsoft
Planning Report

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Site:	Sec 8-T19S-R26E	North Reference:	Grid
Well:	Four Mile Draw PM 2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1 NAD 83		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP BLD 10°/100'									
550.0	5.00	184.73	549.9	-2.2	-0.2	0.5	10.00	10.00	0.00
600.0	10.00	184.73	599.5	-8.7	-0.7	2.2	10.00	10.00	0.00
650.0	15.00	184.73	648.3	-19.5	-1.6	4.8	10.00	10.00	0.00
700.0	20.00	184.73	696.0	-34.4	-2.9	8.6	10.00	10.00	0.00
724.2	22.42	184.73	718.5	-43.1	-3.6	10.7	10.00	10.00	0.00
EOB HLD 22.42° Inc.									
800.0	22.42	184.73	788.6	-72.0	-6.0	17.9	0.00	0.00	0.00
900.0	22.42	184.73	881.0	-110.0	-9.1	27.3	0.00	0.00	0.00
1,000.0	22.42	184.73	973.5	-148.0	-12.2	36.8	0.00	0.00	0.00
1,100.0	22.42	184.73	1,065.9	-186.0	-15.4	46.2	0.00	0.00	0.00
1,200.0	22.42	184.73	1,158.4	-224.0	-18.5	55.7	0.00	0.00	0.00
1,300.0	22.42	184.73	1,250.8	-262.0	-21.7	65.1	0.00	0.00	0.00
1,400.0	22.42	184.73	1,343.3	-300.0	-24.8	74.6	0.00	0.00	0.00
1,500.0	22.42	184.73	1,435.7	-338.0	-28.0	84.0	0.00	0.00	0.00
1,600.0	22.42	184.73	1,528.2	-376.0	-31.1	93.4	0.00	0.00	0.00
1,700.0	22.42	184.73	1,620.6	-414.0	-34.3	102.9	0.00	0.00	0.00
1,800.0	22.42	184.73	1,713.0	-452.0	-37.4	112.3	0.00	0.00	0.00
1,900.0	22.42	184.73	1,805.5	-490.0	-40.6	121.8	0.00	0.00	0.00
2,000.0	22.42	184.73	1,897.9	-528.0	-43.7	131.2	0.00	0.00	0.00
2,100.0	22.42	184.73	1,990.4	-566.0	-46.8	140.7	0.00	0.00	0.00
2,200.0	22.42	184.73	2,082.8	-604.0	-50.0	150.1	0.00	0.00	0.00
2,300.0	22.42	184.73	2,175.3	-642.0	-53.1	159.6	0.00	0.00	0.00
2,400.0	22.42	184.73	2,267.7	-680.0	-56.3	169.0	0.00	0.00	0.00
2,473.0	22.42	184.73	2,335.2	-707.7	-58.6	175.9	0.00	0.00	0.00
CONT BLD & TRN 10°/100'									
2,500.0	22.80	191.68	2,360.1	-718.0	-60.1	179.1	10.00	1.44	25.76
2,550.0	24.27	203.68	2,406.0	-736.9	-66.2	188.2	10.00	2.93	23.99
2,600.0	26.56	214.06	2,451.2	-755.6	-76.6	201.6	10.00	4.58	20.76
2,650.0	29.48	222.71	2,495.3	-773.9	-91.2	219.1	10.00	5.85	17.30
2,700.0	32.87	229.83	2,538.1	-791.7	-109.9	240.5	10.00	6.77	14.24
2,750.0	36.59	235.70	2,579.2	-808.9	-132.6	265.7	10.00	7.44	11.75
2,800.0	40.55	240.60	2,618.3	-825.3	-159.1	294.6	10.00	7.92	9.80
2,850.0	44.69	244.75	2,655.1	-840.7	-189.1	326.8	10.00	8.27	8.31
2,900.0	48.95	248.33	2,689.3	-855.2	-222.6	362.2	10.00	8.53	7.16
2,950.0	53.32	251.47	2,720.7	-868.5	-259.1	400.5	10.00	8.73	6.28
3,000.0	57.75	254.27	2,749.0	-880.7	-298.5	441.3	10.00	8.87	5.60
3,050.0	62.25	256.80	2,774.0	-891.4	-340.5	484.5	10.00	8.99	5.07
3,100.0	66.78	259.14	2,795.5	-900.8	-384.6	529.6	10.00	9.07	4.67
3,150.0	71.35	261.32	2,813.3	-908.7	-430.6	576.2	10.00	9.13	4.36
3,200.0	75.94	263.38	2,827.4	-915.1	-478.1	624.2	10.00	9.18	4.13
3,250.0	80.55	265.36	2,837.6	-919.9	-526.8	673.0	10.00	9.22	3.97
3,300.0	85.17	267.29	2,843.8	-923.1	-576.3	722.3	10.00	9.24	3.86
3,350.0	89.79	269.20	2,846.0	-924.6	-626.2	771.8	10.00	9.25	3.81
3,357.7	90.50	269.49	2,846.0	-924.7	-633.9	779.4	10.00	9.25	3.80
EOB&T HLD 90.5° Inc.									
3,400.0	90.50	269.49	2,845.6	-925.1	-676.2	821.2	0.00	0.00	0.00

Microsoft
Planning Report

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Company:	Burnett Oil Company, Inc.	TVD Reference:	3371+17 @ 3388.0usft
Project:	Eddy County, NM (NAD 83)	MD Reference:	3371+17 @ 3388.0usft
Site:	Sec 8-T19S-R26E	North Reference:	Grid
Well:	Four Mile Draw PM 2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1 NAD 83		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
3,500.0	90.50	269.49	2,844.8	-926.0	-776.2	919.9	0.00	0.00	0.00	
3,600.0	90.50	269.49	2,843.9	-926.9	-876.2	1,018.6	0.00	0.00	0.00	
3,700.0	90.50	269.49	2,843.0	-927.8	-976.2	1,117.4	0.00	0.00	0.00	
3,800.0	90.50	269.49	2,842.1	-928.6	-1,076.2	1,216.1	0.00	0.00	0.00	
3,900.0	90.50	269.49	2,841.3	-929.5	-1,176.2	1,314.8	0.00	0.00	0.00	
4,000.0	90.50	269.49	2,840.4	-930.4	-1,276.2	1,413.6	0.00	0.00	0.00	
4,100.0	90.50	269.49	2,839.5	-931.3	-1,376.2	1,512.3	0.00	0.00	0.00	
4,200.0	90.50	269.49	2,838.6	-932.2	-1,476.2	1,611.1	0.00	0.00	0.00	
4,300.0	90.50	269.49	2,837.8	-933.1	-1,576.2	1,709.8	0.00	0.00	0.00	
4,400.0	90.50	269.49	2,836.9	-934.0	-1,676.2	1,808.5	0.00	0.00	0.00	
4,500.0	90.50	269.49	2,836.0	-934.9	-1,776.1	1,907.3	0.00	0.00	0.00	
4,600.0	90.50	269.49	2,835.2	-935.8	-1,876.1	2,006.0	0.00	0.00	0.00	
4,700.0	90.50	269.49	2,834.3	-936.7	-1,976.1	2,104.8	0.00	0.00	0.00	
4,800.0	90.50	269.49	2,833.4	-937.6	-2,076.1	2,203.5	0.00	0.00	0.00	
4,900.0	90.50	269.49	2,832.5	-938.5	-2,176.1	2,302.2	0.00	0.00	0.00	
5,000.0	90.50	269.49	2,831.7	-939.4	-2,276.1	2,401.0	0.00	0.00	0.00	
5,100.0	90.50	269.49	2,830.8	-940.3	-2,376.1	2,499.7	0.00	0.00	0.00	
5,200.0	90.50	269.49	2,829.9	-941.1	-2,476.1	2,598.4	0.00	0.00	0.00	
5,300.0	90.50	269.49	2,829.0	-942.0	-2,576.1	2,697.2	0.00	0.00	0.00	
5,400.0	90.50	269.49	2,828.2	-942.9	-2,676.1	2,795.9	0.00	0.00	0.00	
5,500.0	90.50	269.49	2,827.3	-943.8	-2,776.1	2,894.7	0.00	0.00	0.00	
5,600.0	90.50	269.49	2,826.4	-944.7	-2,876.1	2,993.4	0.00	0.00	0.00	
5,700.0	90.50	269.49	2,825.6	-945.6	-2,976.0	3,092.1	0.00	0.00	0.00	
5,800.0	90.50	269.49	2,824.7	-946.5	-3,076.0	3,190.9	0.00	0.00	0.00	
5,900.0	90.50	269.49	2,823.8	-947.4	-3,176.0	3,289.6	0.00	0.00	0.00	
6,000.0	90.50	269.49	2,822.9	-948.3	-3,276.0	3,388.4	0.00	0.00	0.00	
6,100.0	90.50	269.49	2,822.1	-949.2	-3,376.0	3,487.1	0.00	0.00	0.00	
6,200.0	90.50	269.49	2,821.2	-950.1	-3,476.0	3,585.8	0.00	0.00	0.00	
6,300.0	90.50	269.49	2,820.3	-951.0	-3,576.0	3,684.6	0.00	0.00	0.00	
6,400.0	90.50	269.49	2,819.4	-951.9	-3,676.0	3,783.3	0.00	0.00	0.00	
6,500.0	90.50	269.49	2,818.6	-952.7	-3,776.0	3,882.0	0.00	0.00	0.00	
6,600.0	90.50	269.49	2,817.7	-953.6	-3,876.0	3,980.8	0.00	0.00	0.00	
6,700.0	90.50	269.49	2,816.8	-954.5	-3,976.0	4,079.5	0.00	0.00	0.00	
6,800.0	90.50	269.49	2,815.9	-955.4	-4,076.0	4,178.3	0.00	0.00	0.00	
6,900.0	90.50	269.49	2,815.1	-956.3	-4,176.0	4,277.0	0.00	0.00	0.00	
7,000.0	90.50	269.49	2,814.2	-957.2	-4,275.9	4,375.7	0.00	0.00	0.00	
7,100.0	90.50	269.49	2,813.3	-958.1	-4,375.9	4,474.5	0.00	0.00	0.00	
7,200.0	90.50	269.49	2,812.5	-959.0	-4,475.9	4,573.2	0.00	0.00	0.00	
7,300.0	90.50	269.49	2,811.6	-959.9	-4,575.9	4,672.0	0.00	0.00	0.00	
7,400.0	90.50	269.49	2,810.7	-960.8	-4,675.9	4,770.7	0.00	0.00	0.00	
7,500.0	90.50	269.49	2,809.8	-961.7	-4,775.9	4,869.4	0.00	0.00	0.00	
7,600.0	90.50	269.49	2,809.0	-962.6	-4,875.9	4,968.2	0.00	0.00	0.00	
7,700.0	90.50	269.49	2,808.1	-963.5	-4,975.9	5,066.9	0.00	0.00	0.00	
7,800.0	90.50	269.49	2,807.2	-964.4	-5,075.9	5,165.6	0.00	0.00	0.00	
7,900.0	90.50	269.49	2,806.3	-965.2	-5,175.9	5,264.4	0.00	0.00	0.00	
8,000.0	90.50	269.49	2,805.5	-966.1	-5,275.9	5,363.1	0.00	0.00	0.00	
8,100.0	90.50	269.49	2,804.6	-967.0	-5,375.9	5,461.9	0.00	0.00	0.00	
8,200.0	90.50	269.49	2,803.7	-967.9	-5,475.9	5,560.6	0.00	0.00	0.00	
8,300.0	90.50	269.49	2,802.9	-968.8	-5,575.8	5,659.3	0.00	0.00	0.00	
8,400.0	90.50	269.49	2,802.0	-969.7	-5,675.8	5,758.1	0.00	0.00	0.00	
8,455.0	90.50	269.49	2,801.5	-970.2	-5,730.8	5,812.3	0.00	0.00	0.00	
TD at 8455.0										

Microsoft
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Design:	Plan #1 NAD 83		

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
BHL Four Mile Draw PM	0.00	360.00	2,801.5	-970.2	-5,730.8	607,030.70	511,796.30	32° 40' 7.451 N	104° 25' 45.604 W
- plan hits target center									
- Point									
FTP Four Mile Draw PM	0.00	0.00	2,846.0	-924.7	-633.9	607,076.20	516,893.20	32° 40' 7.943 N	104° 24' 45.976 W
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/-S (usft)	+E/-W (usft)	
500.0	500.0	0.0	0.0	KOP BLD 10°/100'
724.2	718.5	-43.1	-3.6	EOB HLD 22.42° Inc.
2,473.0	2,335.2	-707.7	-58.6	CONT BLD & TRN 10°/100'
3,357.7	2,846.0	-924.7	-633.9	EOB&T HLD 90.5° Inc.
8,455.0	2,801.5	-970.2	-5,730.8	TD at 8455.0

Intent ☒ As Drilled ☐API #
30-015-

Operator Name: Burnett Oil Co., Inc.	Property Name: FOUR MILE DRAW PM	Well Number 2H
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Kick Off Point (KOP)

UL M	Section 8	Township 19S	Range 26E	Lot	Feet 1300	From N/S SOUTH	Feet 620	From E/W WEST	County EDDY
Latitude 32.671416					Longitude - 104.410713			NAD NAD83	

First Take Point (FTP)

UL P	Section 7	Township 19S	Range 26E	Lot	Feet 350	From N/S SOUTH	Feet 101	From E/W EAST	County EDDY
Latitude 32.668873					Longitude - 104.412771			NAD NAD83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude			NAD	

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Burnett Oil Co., Inc. **OGRID:** 03080 **Date:** 7 / 24 / 2023

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
FOUR MILE DRAW PM 1H	TBD	M-8-19S-26E	1320 FSL 620 FWL	500 BBL/D	550 MCF/D	2500 BBL/D
FOUR MILE DRAW PM 2H	TBD	M-8-19S-26E	1300 FSL 620 FWL	500 BBL/D	550 MCF/D	2500 BBL/D

IV. Central Delivery Point Name: FOUR MILE DRAW BATTERY [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
FOUR MILE DRAW PM 1H	TBD	10/30/2023	11/14/2023	1/15/2024	2/1/2024	2/17/2024
FOUR MILE DRAW PM 2H	TBD	11/15/2023	11/30/2023	1/15/2024	2/1/2024	2/17/2024

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices


1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	
Printed Name:	TYLER DEANS
Title:	VP ENGINEERING
E-mail Address:	TDEANS@BURNETTOIL.COM
Date:	7/28/2023
Phone:	(432) 553-4699
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

NATURAL GAS MANAGEMENT PLAN

Section 1 – Attachments

Company: Burnett Oil Co., Inc. Well Name: FOUR MILE DRAW PM 2H API#: TBD

Type text here

- VI. Separation Equipment:** Description of how Operator will size separation equipment to optimize gas capture.
- A. This well will be added to an existing tank battery.
 - B. The engineered system is designed to handle 11,500 MCF/D. It will produce through the following vessels:
 - 1. 2-phase separator,
 - 2. free-water knockout,
 - 3. heater treater, and then finally a
 - 4. 2-phase gas scrubber.
 - C. Current battery throughput is 1100 MCF/D.
 - D. The referenced well is anticipated to produce a maximum of 550 MCF/D for a total throughput of 1650 MCF/D.

- VII. Operational Practices:** Description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.
- A. In all circumstances, the operator shall flare rather than vent natural gas except when flaring is technically infeasible or would pose a risk to safe operations or personnel safety, and venting is a safer alternative than flaring.
 - B. During drilling operations a mud/gas separator will be on location. If needed, it will be utilized to capture natural gas for purposes of flaring. If flaring is required, a properly-sized flare stack will be at a minimum of 100' from the nearest surface hole location unless otherwise approved by the division.
 - C. Venting and flaring during completion or recompletion operations
 - 1. During completion or recompletion, gas is trapped/retained in the wellbore through use of properly weighted "kill" fluids.
 - 2. During the completion phase, the well will be routed directly into an existing battery. With this initial flowback already being connected to the existing battery, all flowback gasses will be routed, if applicable, only to flare. No venting will occur during this initial flowback period. As soon as it is feasible, the existing separation will be utilized.
 - D. Equipment redundancies within the system, along with the overall battery design, enables us to service equipment without interruption to gas flow in most scenarios. With the existing battery compression at this facility, in most cases we can avoid flaring during times of elevated transmission line pressures caused by mid-stream maintenance. Additionally, we have gas takeaway with two (2) midstream companies to try and keep gas going to sales in case one of them has a problem.

E. Performance Standards

1. The existing facility is designed for maximum anticipated throughput and pressure to minimize waste.
2. The existing storage tanks are routed to a combustor.
3. The existing flare stack is properly sized and designed to ensure proper combustion efficiency.
4. The existing flare stack is securely anchored and located at least 100 feet from the storage tanks.
5. AVO inspections are conducted weekly.
6. NA
7. NA
8. We strive to minimize waste and shall resolve emergencies as quickly and safely as possible.

F. Measurement or estimation of vented and flared natural gas

1. We shall measure or estimate the volume of natural gas that is vented, flared, or beneficially used during drilling, completion and production operations regardless of the reason or authorization for such venting or flaring.
2. The existing flare has a meter to measure the gas going to it.
3. The measurement equipment conforms to an industry standard such as American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14.10 Measurement of Flow to Flares
4. The measuring equipment is not equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.
5. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, the operator will estimate the volume of vented or flared natural gas using a methodology that can be independently verified.
6. NA
7. The operator shall install measuring equipment whenever the division determines that metering is practicable or the existing measuring equipment or GOR test is not sufficient to measure the volume of vented and flared natural gas.

VIII. Best Management Practices: Operator's best management practices to minimize venting during active and planned maintenance.

- A. The existing facility is designed for maximum anticipated throughput and pressure to minimize waste.
- B. Equipment redundancies within the system, along with the overall battery design, enables us to service equipment without interruption to gas flow in most scenarios. With the existing battery compression at this facility, in most cases we can avoid flaring during times of elevated transmission line pressures caused by mid-stream maintenance.
- C. During well maintenance, gas is trapped/retained in the wellbore through use of properly weighted "kill" fluids.
- D. Additionally, we have gas takeaway with two (2) midstream companies to try and keep gas going to sales in case one of them has a problem.