

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLCO55264

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
 Oil Well Gas Well Other

8. Well Name and No.
JACKSON B 45

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

9. API Well No.
30-015-35398

3a. Address
BURNETT PLAZA - SUITE 1500 801 CHERRY STREET
FORT WORTH, TX 76102

3b. Phone No. (include area code)
PH: 817-382-5081 FAX: 817-382-6102

10. Field and Pool, or Exploratory
CEDAR LAKE GLORIETA YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 24 T17S R30E 1750FNL 330FEL

11. County or Parish, and State.
EDDY COUNTY-COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Burnett is requesting permission to deepen the Jackson B 45 well in the Loco Hills Yeso field in Eddy County to the base of the Yeso near 6100? TVD using United Drilling Rig #5. The well is currently 5525? deep with 7? 23# casing and is producing from the Paddock and upper Blinebry. Prior to deepening the well, the 34 Paddock perms and 6 Blinebry perms will be cement squeezed with 600 sx cmt. Based on Burnett's Blinebry completions offset to this well, it is anticipated to be a very economic re-entry with 1-2 slick water frac stages in the new hole. A 6 1/8? bit will be used for the new hole and 5.5? 15.5# J-55 Flush Joint casing will be run to TD and cemented with 150 sx cmt. A cement bond log will be run in the 5.5? casing prior to any Blinebry completions. We are requesting a variance in order to run 5.5", 15.50#, J55 casing with a FJM collar inside a 6 1/8" hole. A tieback sleeve will be set at approximately 4100?, which is 626? above the top perf in the Paddock. After production data is gathered from the Blinebry, the Paddock will be re-stimulated with a slick water frac.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD ⁷⁰⁵ 4-2-2014

RECEIVED
APR 02 2014
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #238734 verified by the BLM Well Information System For BURNETT OIL CO., INC., sent to the Carlsbad Committed to AFMSS for processing by JERRY BLAKLEY on 03/25/2014 ()

Name (Printed/Typed) LESLIE M GARVIS Title REGULATORY COORDINATOR

Signature (Electronic Submission) Date: 03/13/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

MAR 28 2014
BUREAU OF LAND MANAGEMENT

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.

Additional data for EC transaction #238734 that would not fit on the form

32. Additional remarks, continued

Please also see the proposed drilling plan, well bore diagram and BOP for this well.



BURNETT OIL CO., INC.

**DRILLING PLAN
Jackson B 45 Deepening**

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

1. Geological Name of Surface Formation with Estimated Depth:

a. Formations behind casing:

<u>Geological Name</u>	<u>Estimate Top</u>	<u>Anticipated Fresh Water, Oil or Gas</u>
a. Alluvium	Surface	Fresh Water, Sand
b. Anhydrite	254'	
c. Salt	507'	
d. Base Salt/Tansill	1231'	
e. Yates	1422'	
f. Seven Rivers	1927'	Oil
g. Queen	2337'	Oil
h. Grayburg	2708'	Oil
i. San Andres	3035'	Oil
j. Glorieta	4370'	Oil
k. Yeso	4688'	Oil

b. Formations to be drilled: Basal Yeso (T/Tubb) . Current TD: 5528'. Proposed new TD: 6100'

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

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

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

a. Existing casing: 7" 23# J-55 from surface to 5528', cmt to surface.

b. Design Safety Factors:

<u>Type</u>	<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
Liner	6 1/8"	5528'- TD	5.5"	15.50#	FJM	J55	*1.125	1.00	1.80

tieback 4100'-TD

**DRILLING PLAN
VERTICAL CEDAR LAKE GLORIETA YESO WELL**

3. Cementing Program – 5.5” Production Liner

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

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

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

4. Pressure Control Equipment:

*Self
COA*

The blowout prevention equipment (BOPE) shown in **Exhibit H** will consist of a 2000 PSI Hydril Unit (annular) with hydraulic closing equipment. The equipment will comply with Onshore Order #2 and will be tested to 50% of rated working pressure (RWP), and maintained for at least ten (10) minutes. The 7” drilling head will be installed on the surface casing and in use continuously until total depth is reached. An independent testing company will be used for the testing. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 2000 PSI WP. rating.

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 on the rig floor at all times.
- c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation at drilling depth of 5528’ until 5.5” casing is cemented.
- d. An H2S compliance package will be on all sites while drilling.

6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>	<u>Max Volume</u>
5528’ - TD’ MD	10.0 max			Brine Water	

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

Pason equipment will be used to monitor the mud system.

7. Logging, Coring and Testing program:

- a. Any drill stem tests will be based on geological sample shows and planned before spudding.
- b. The open hole electrical logging program will be:
 1. Total depth to 5528’ (7” csg shoe): Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.

DRILLING PLAN
VERTICAL CEDAR LAKE GLORIETA YESO WELL

8. Potential Hazards:

No abnormal pressures or temperatures are expected. All personnel will be familiar with the safe operation of the equipment being used to drill this well. The maximum anticipated bottom hole pressure is 2715#. This is based upon the following formula of .445 x BH ft. estimate. The anticipated bottom hole temperature is 105°F. This is based upon logs of drilled wells surrounding this well.

There is known H2S in this area. In the event that it is necessary to follow the H2S plan, a remote choke will be installed as required in Onshore Order 6. Refer to the attached H2S plan for details.

9. Anticipated Start Date and Duration of Operation

Road and location construction will begin after BLM has approved the APD and has approved the start of the location work. Anticipated spud date will be as soon as the location building work has been completed and the drilling rig is available to move to the location. Move in and drilling is expected to take approximately 6 days. If production casing is run, an additional 60 days would be required to complete the well and install the necessary surface equipment (pumping unit, electricity, flowline and storage facility) to place the well on production.

Burnett Oil Company

Proposed in Red

FIELD: Loco Hills Yeso WELL NAME: Jackson B 45 FORMATION: Yeso
 Unit: H SEC: 24 GL: 3722' STATUS: Producing
 SURVEY: T17S R30E COUNTY: Eddy KB: 13' API NO: 30-015-35398
 LOCATION: 1750' FNL 330' FEL STATE: NM DF: _____ LAT: _____
 LONG: _____

Spud Date: 5/31/2007
 Completion: 7/28/2007

IP (Initial Completion) 08/09/2007
 79, 426, 79

Current Production See Well Test
 EUR 85,000
 CUM 32,000

Well Test Dated 1/8/2013
 11, 166, 12

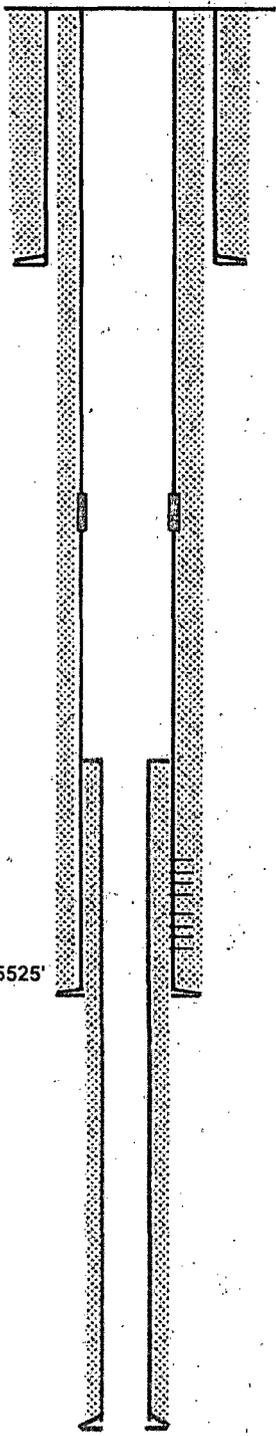
Liner Top/Tie Back Sleeve @ 4,100'

Squeeze perms with 300 sx before deepening

7" shoe at 5525'

Current TD: 5528'

TD @ 6100'



TOC at Surface
 9 5/8" 32.30# H-40 @ 415'
 in 12 1/4" hole
 Cemented w/ 850 sx

7" 23# K-55 CSG at 5525'
 in 8 3/4" hole
 Cemented w/ 2200 sx
 TOC at surface.

5.5" 15.5# J-55 FJM
 in 6 1/8" hole
 150 sx

DV Tool at 2611'

6/27/2007
 Perf'd 5356', 5358', 5360'
 3 Sections @ 2 SPF

6/28/2007
 Acidize w/2000 Gals 15% NEFE Acid
 12 Ball Sealers

7/9/2007
 Frac w/ 3365 Gals Water Frac G-R13
 6814 Gals Silverstim LT R13
 10,984 Gals Silverstim LT R13
 W/ 32500# Brown 20/40 Sand

7/19/2007
 CIBP @ 5300' w/ 10' cmt on top
 Perf'd 4726', 4758', 4762', 4818', 4823', 4880', 4883',
 4905', 4908', 4926', 4936', 4940', 4948', 4962', 4980',
 4990', 4996'
 17 intervals w/ 34 holes @2SPF

7/20/2007
 Acid Ballout 3000 gal 15% NEFE

7/21/2007
 Frac w/hot acid 37000 gal 15% HCL
 70000 gal water
 41 BPM

Updated: 2/12/2014
 By: BAS

Jackson B 45
30-015-35398
Burnet Oil Co.
March 28, 2014
Conditions of Approval

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

JAM 032814