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SBAD FIELD OFFICE

Form 3160-5 UNITED STATES FORM APPROVED (August 2007) OMB NO. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM074939 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name 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 reverse side. 8. Well Name and No. GISSLER B 111 I. Type of Well 🔯 Oil Well 🔲 Gas Well 📋 Other Name of Operator BURNETT OIL CO. INC. API Well No. LESLIE GARVIS Contact: 30-015-42312 E-Mail: lgarvis@burnettoil.com 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory BURNETT PLAZA - SUITE 1500 801 CHERRY STREETPHJN8TF-08XF-87/607TH, TX 76102 LOCO HILLS GLORIETÁ YESO FORT WORTH, TX 76102 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Sec 11 T17S R30E Mer NMP SWNE 2100FNL 1980FEL EDDY COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize Deepen □ Production (Start/Resume) ■ Water Shut-Off ☐ Fracture Treat ■ Well Integrity ☐ Alter Casing: ☐ Reclamation Subsequent Report Other Casing Repair ■ New Construction Recomplete Final Abandonment Notice ☐ 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 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 Oil would like to temporarily abandon the Gissler B 111 by setting a cast iron bridge plug NM OIL CONSERVATION. at 5,520? (top perf at 5,568?) with 35? (feet) of cement on top of the CIBP with a bailer. ARTESIA DISTRICT Burnett Oil believes the upper Blinebry and Paddock are capable of producing in economic quantities. We intend on completing the Upper Blinebry and Paddock in this well at a later date MAY 0 5 2016 once commodity prices are more favorable. SEE ATTACEDED/EOR peopled for record CONDITIONS OF APPROVAL I hereby certify that the foregoing is true and correct Electronic Submission #337047 verified by the BLM Well Information System For BURNETT OIL CO. INC., sent to the Carlsbad Name (Printed/Typed) LESLIE GARVIS REGULATORY COORDINATOR Title Signature (Electronic Submission) 04/20/201 THIS SPACE FOR FEDERAL OR STATE O≸FICE U 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.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and will fully to make it any

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

Conditions of Approval

Burnett Oil Co., Inc. Gissler B - 111, API 3001542312 T17S-R30E, Sec 11, 2100FNL & 1980FEL April 20, 2016

Operator is to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.

A temporarily abandoned well is defined as a completion that is presently 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) BLM Status Approval Requires:

- 1. A Notice of Intent (NOI) Sundry (Form 3160-5) requesting approval to prepare the wellbore for a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A procedure that describes compliance with:
 - a. All downhole production artificial lift equipment (tubing, rods, etc.) removed from the casing. A wellbore with a packer set just above producing or injection perforations with annulus integrity above the packer, and loaded with corrosion inhibiting fluid may be considered for TA status by passing a Mechanical Integrity Test.
 - b. 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. A CIBP may be capped with a minimum of 25 sacks of cement if placed with tubing, or 35 feet of cement if placed with bailer.
 - c. The wellbore filled with corrosion inhibited fluid.
 - d. At least 24 hours prior to conducting the Mechanical Integrity Test, contact the appropriate BLM office. Eddy County call Carlsbad 575-361-2822. Lea County call Hobbs 575-393 3612.
 - e. Documentation of a BLM witnessed Mechanical Integrity Test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff will be evaluated site specifically and affect approvals.
- 3. Justification describing a substantial reason for the request, the expected wellbore use, and the estimated date the well will be returned to beneficial use.
- 4. A Subsequent Sundry Notice (Form 3160-5) requesting TA approval with a description of the preparation for temporary abandonment approval, a clear copy or the original Mechanical Integrity Test chart, and a current wellbore diagram.

- 5. This BLM TA NOI Approval is for <u>WELLBORE PREPARATION ONLY</u>. BLM IS NOT APPROVING TA Status FOR THIS WELL. If warranted, TA approval status for a specified time limit will be noted with BLM acceptance of the subsequent report of preparations.
- 6. Should the Mechanical Integrity Test fail or <u>not be conducted</u> submit a procedure to plug and abandon the well for BLM approval on or before 07/20/2016.

References: 43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, 43 CFR 3162.5, Onshore Oil and Gas Order #1.X., & Onshore Oil and Gas Order #2.III.G.