Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMLC029338A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
GISSLER A 50

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

9. API Well No.
30-015-43528-00-X1

3a. Address
801 CHERRY STREET UNIT 9
FORT WORTH, TX 76102-6881

3b. Phone No. (include area code)
Ph: 817.583.8730

10. Field and Pool or Exploratory Area
LOCO HILLS-QU-GB-SA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 14 T17S R30E NENE 1020FNL 990FEL

11. County or Parish, State
EDDY COUNTY, NM

Carlsbad Field Office
OCD Artesia

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 change the casing on the well:

From/To

1. 10-3/4" Surface Casing to 8-5/8" Surface Casing
2. 7" Production Casing to 5-1/2" Surface Casing

GC 11-7-18
Accepted for record - NMOCD

RECEIVED

NOV 06 2018

DISTRICT II-ARTESIA O.C.D.

See attached revised Drilling Plan.

All previous COAs shall apply.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #437239 verified by the BLM Well Information System
For BURNETT OIL COMPANY INC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 09/28/2018 (18PP2767SE)

Name *(Printed/Typed)* LESLIE GARVIS — Title REGULATORY MANAGER

Signature (Electronic Submission) — Date 09/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ZOTA STEVENS — Title PETROLEUM ENGINEER — Date 11/04/2018

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 Carlsbad

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

BURNETT OIL CO., INC.

DRILLING PLAN
Gissler A 50
SHL/BHL: 1020' FNL, 990' FEL, Unit A, Sec. 14, T17S, R30E
VERTICAL CEDAR LAKE GLORIETA YESO WELL

1. **Geological Name of Surface Formation with Estimated Depth:**

Geological Name	Estimate Top	Anticipated Fresh Water, Oil or Gas
a. Alluvium	Surface	Fresh Water, Sand
b. Anhydrite	284'	
c. Salt	541'	
d. Base Salt	1186'	
e. Yates	1352'	
f. Seven Rivers	1645'	Oil
g. Queen	2250'	Oil
h. Grayburg	2647'	Oil
i. San Andres	2973'	Oil
j. Glorieta	4430'	Oil
k. Yeso	4514'	Oil
l. Total Depth	Refer to Form 3160-3	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. We will set 8-5/8" casing @ approx. 520' in the Anhydrite, above the salt and circulate cement to surface.

The oil zones will be isolated by running 5-1/2" casing to total depth and circulating cement to surface.

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

(MW = 10.2 PPG IN DESIGN FACTOR CALCULATIONS.)

a. **Design Safety Factors**:

Type	Hole Size	Interval	OD Csg	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
Conductor		0'-90'	14"	Contractor Discretion			---	---	---
Surface	12-1/4"	0' - +/- 520'	8-5/8"	24.00#	ST & C	J55	1.125	1.00	1.80
Production	7-7/8"	0' - TD	5-1/2"	17.00#	LT & C	J55	1.125	1.00	1.80

b. Surface Casing Info

The proposed casing setting depth is +/- 520' based on cross sections which show the estimated top of the rustler and top of salt. Drilling times will be plotted to find the hard section just above the salt. A mud logger will be on location to evaluate drill and cutting samples as long as circulation is maintained. If salt is penetrated, it will be obvious by the sudden increase in water salinity and surface casing will then be set above the top of salt. Our highly experienced drilling personnel have drilled many wells in this area and are able to easily identify the hard streak on the top of the salt.

c. Production Casing Info

Production casing will be set to TD with float shoe on bottom, float collar in first collar, centralizers throughout intervals and above and below a DV Tool set at +/-2600'. After drilling out and testing the casing to 2000 PSI, a cement bond log will be run to evaluate the cement job.

3. Cementing Program (Note Yields and DV Tool Depth if Multiple Stage.)

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

a. 8-5/8" Surface Cement to surface

- 330 sx C +2% PF1 (Calcium Chloride) + PF424 (Water Gelling Agent), mixed at 14.8 ppg, Yield 1.34 with 6.3 gal water per sack.
- **Excess cement 100%.**

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

b. 5-1/2" Production Casing

Stage 1: **Lead:** 260 sx 35/65 P/C +5 %PF44 (BWOW)(Salt)+6% PF20 (Bentonite Gel) +0.2% PF153 (Anti Settling) +0.3% PF13 (Retarder) +0.1 25#/sx PF29 (Celloflake) +3#/sx PF42 (Kolseal) +0.4#/sx PF45 (Defaomer), mixed at 12.5 ppg, Yield 2.11 with 11.364 gal water per sack.

Tail: 330 sx C +0.3%PF13 (Retarder), mixed at 14.8 ppg, Yield 1.33 with 6.298 gal water per sack.

30% excess cement.

Stage 2: **Lead:** 340 sx 35/65 P/C + 5% PF44 (BWOW)(Salt) +6% PF20 (Bentonite Gel) +0.2% PF153 (Anti Settling) +0.125#/sx PF29Celloflake) +3#/sx PF42 (Kolseal) +0.4#/sx PF45 (Defaomer), mixed at 12.5 ppg, Yield 2.11 with 11.362 gal water per sack.

Tail: 200 sx C Neat, mixed at 14.8 ppg, Yield 1.32 with 6.3 gal water per sack.

140% excess cement.

The above cement volumes may be revised pending the caliper measurement from the open hole logs. **Casing/cementing design is to bring cement to the surface.**

4. Pressure Control Equipment:

The blowout prevention equipment (BOPE) shown in **Exhibit L** 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 8-5/8" 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 2000 PSI WP rating.

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

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 1800' (which is more than 500' above top of Grayburg) until 5-1/2" casing is cemented.

d. An H2S compliance package will be on all sites while drilling.

6. Proposed Mud Circulation System

Depth	Mud Wt	Visc	Fluid Loss	Type System	Max Volume
0' - +/-520'	8.6 - 9.5			Fresh Water	
+/- 520' - 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 1000': Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.
2. Total depth to Surface: Compensated Neutron with Spectral Gamma Ray.
3. Coring program will be planned and submitted on a well by well basis.
4. Additional testing will be done after setting the 5-1/2" production casing. The specific Intervals will be based on log evaluation, geological sample shows and/or drill stem tests.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. Lost circulation is expected in the surface hole and not expected in production Water flows can occur periodically at various depths in the production hole. 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 wells in this area.

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 specific 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 11 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.

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.