

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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. NMNM98824
2. Name of Operator BURNETT OIL COMPANY INC		6. If Indian, Allottee or Tribe Name
Contact: MARY STARKEY E-Mail: mcstarkey@burnettoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 801 CHERRY STREET UNIT 9 FORT WORTH, TX 76102-6881	3b. Phone No. (include area code) Ph: 817-332-5108	8. Well Name and No. POWER 31 FEDERAL SWD 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T17S R31E SENE 1980FNL 660FEL		9. API Well No. 30-015-31806-00-S2
		10. Field and Pool, or Exploratory CEDAR LAKE
		11. County or Parish, and State EDDY COUNTY, NM

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

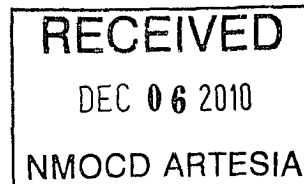
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" 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.)

PROCEDURE TO RE-ENTER P & A to RECOMPLETE as SWD
BURNETT OIL CO., INC. POWERS 31 FEDERAL #3 EDDY CO. NM
TD: 11875?

CASING: 13 3/8" 48#/ft, H40 CSA 520?
8 5/8" 32 #/ft, J55 CSA 3920?
5 ?? 17# P110 & N80 CSA 11875?
DV at 8718?, TOC at 2916? by CBL
See attached wellbore diagram.

Accepted for record
NMOCD RT
12/15/10



PROCEDURE to DRILL OUT P & A PLUGS & CONVERT TO SWD:
1) Dig out dry hole marker to cut off casing.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #96340 verified by the BLM Well Information System For BURNETT OIL COMPANY INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/02/2010 (11KMS0120SE)	
Name (Printed/Typed) MARY STARKEY	Title REGULATORY COORDINATOR
Signature (Electronic Submission)	Date 11/01/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	WESLEY INGRAM Title PETROLEUM ENGINEER	2010 Date 11/30/20
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.

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

Additional data for EC transaction #96340 that would not fit on the form

32. Additional remarks, continued

- 2) RUSU. Install wellhead. NUBOP.
- 3) Drill out cement plug at surface.
- 4) Drill out cement plug at 271? through cement squeeze holes at 570?. Circulate hole clean and pressure test casing to 500# and hold for 30 min. If test fails discuss with Ft. Worth further plans. If test is good, proceed to next step.
- 5) Drill out cement plugs as follows 3884? ? 3984?, 4925? ? 5063?, and cement at 8493? to CIBP at 8528?, drill out CIBP. NOTE: Wolfcamp perms are open below CIBP, perms are 8548? ? 8588?.
- 6) Run work string and bit to 9650? and circulate hole clean.
- 7) POOH with work string and bit.
- 8) RU wire line and set CIBP at 9620? and cap with cement. NOTE: See NMOCD order to plug back within 200? of bottom perf in injection interval.
- 9) Perforate Wolfcamp Reef with casing gun 2 spf as follows:
8808 ? 8875, 8882 ? 8890, 8910 - 20, 8940 ? 50, 8973 ? 9023,
9044 ? 74,
9122 ? 34, 9158 ? 82,
9230 ? 64, 9285 ? 86,
9310 ? 23, 9332 ? 40, 9350 ? 57, 9363 ? 64, 9369 ? 76, 9388 ? 9404,
9410 ? 20. Total 324 intervals at 2 SPF = 648 shots.
NOTE: Existing Wolfcamp perms 8548 ? 8588 are open and will be left open for SWD.
- 10) Run work string and packer and spot acid across perms 9420? ? 8548?.
- 11) Acidize perms 9420? ? 8548? with 30,000 gals 15% NEFE HCL in 5 equal stages with 1000# rock salt in saturated brine water for blocks to divert acid.
- 12) Flow back to clean up.
- 13) Run packer and work string past all perms to make sure all blocks are dissipated. Pump apx 200 BFW if necessary to dissolve all rock salt blocks.
- 14) Pull work string and packer laying down.
- 15) Pick up 3 ?? IPC tubing and Arrowset 1 Nickel coated with on-off tool and 1.75? profile. Run packer to within 100? of top perf (top perf at 8548?) at +/- 8460?.
- 16) Circulate packer fluid using corrosion inhibitor, set packer, and pressure test to 500#. NOTE: Should call OCD/BLM 24 hours prior to setting injection packer and testing to allow their witness.
- 17) Install pressure gauge on casing-tubing annulus to monitor casing pressure.
- 18) Begin water injection in well. NOTE: NMOCD order limits wellhead injection pressure to 1710 psi. (We do not expect this will be an issue, but it is per order.)