Form 3160-3 (November 1983) (formerly 9-331C)

CONDITIONS OF APPROVAL, IF ANY :

UNITED STATES

SUBMIT IN (Other instructions on

reverse side)

Budget Bureau No. 1004-0136 Expires August 31, 1985

DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM 074939 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN 🗌 PLUG BACK b. TYPE OF WELL RECEIVED MULTIPLE ZONE WELL X WELL SINGLE 8. FARM OR LEASE NAME OTHER 2. NAME OF OPERATOR Gissler B 9. WELL NO. Burnett Oil Co., Inc. SFP 19'88 3. ADDRESS OF OPERATOR 801 Cherry St., Suite 1500, Fort Worth, TX 76102 OCD.

LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

ARTESIA. OFFICE 10. FIELD AND POOL, OR WILDCAT Grayburg-Jackson Co 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit Letter L, 1980' FSL, 660' FWL, Sec. 12-17S-30E (jt At proposed prod. zone Same 12-17S-30E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH | 13. STATE 3 miles NE of Loco Hills, NM Eddy 15. DISTANCE FROM PROPOSED* 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED LOCATION TO NEAREST TO THIS WELL PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660 80 (contiguous) 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 13201 3550' Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 2747.0 3750 GR Sept. 12, 1988 23 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 12½" 8-5/8" 24 425 ±300 sx Cl C (circulate) 7-7/8" 51/311 17 3550 ±500 sx (if water flows encountered, cementing program will vary) A $12\frac{1}{4}$ " surface hole will be drilled to the Rustler anhydrite. 8-5/8" casing will be run and cemented to surface. After testing casing, a 7-7/8" OD hole will be drilled through the Jackson zone at $\pm 3550'$. $5\frac{1}{2}$ OD casing will be run and cemented back to the base of the salt at ± 1250 '. BOP equipment will be double ram and tested to 3000 psi before drilling out below the surface pipe. POST ID#1 NL + API 9-23-88 IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any, 24. 8/15/88 Production Superintendent SIG NET DATE (This space for Federal or State office use) Orig. Signed by 10. - 123 CHARLES TO SEE THE BUILDINGS AND PARTY. 9-1686 APPROVED BY

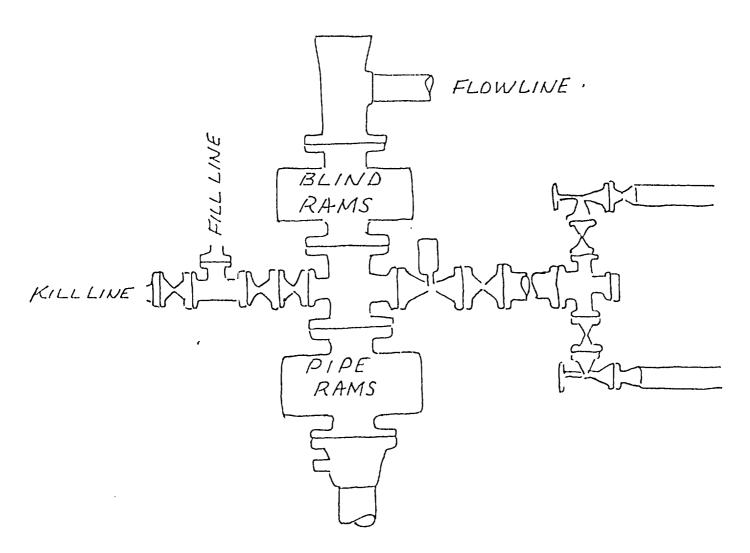
MEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section

| | | The second of th | | | |
|---|---|--|---|---|---|
| Sperator Burnett Oil Company, Inc. | | | Lease Gissler B | | Well No. 27 |
| Unit Letter | Section | Township | Range | County | |
| L Actual Footage Loc | 12 | 17 South | 30 East | Eddy Count | У |
| 1980 | | outh line and | hh() tee | t from the West | line |
| Ground I evel Elev. | 1 | | | انمسام مت | dinated Acreage; |
| 3749.8 | | -Jackson | Grayburg Jack | 1 7 *** | 40 Actes |
| 2. If more th | ~ | dedicated to the well, or | · | · | |
| 3. If more the dated by of Yes If answer this form in No allowar | an one lease of dicommunitization, u No If an is "no," list the clif necessary.) | fferent ownership is dedinitization, force-pooling. swer is "yes," type of commers and tract descripted to the well until all into | etc? onsolidation ions which have accepted have been continued. | ctually been consolidated | L (Use reverse side of citization, |
| sion. | oling, or otherwise) | or until a non-standard ur | itt, etiminating suc | | ERTIFICATION |
| | | | 10. 9. 4.74 | tained herein | fy that the information con- is true and complete to the owledge and belief |
| | + 1 1 | | | <u> </u> | on Superintendent |
| | 1 | | | Burnett | Oil Co., Inc. |
| | 1 | | 1 | Pate 8/1 | 1/88 |
| 660 | 3750.2 | | | shown on this notes of actu under my supe | ify that the well location plat was plotted from field al surveys made by me or ervision, and that the same correct to the best of my libelief. |
| _ 086I · | 1 1 1 1 | | † † † | | , 1988 esstand Engineer veyor |
| 0 330 660 | 190 1320 1850 1950 | 2310 2640 2000 | 1500 1000 86 | ' ' | JOHN W. WEST, 676 RONALD J. EIDSON, 3239 |

BURNETT DIL CO. INC. BLOWOUT PREVENTER SPECIFICATIONS GISSLER B 27



THE BOP AND RELATED EDUIPMENT WILL BE TESTED TO 3000 PSI BEFORE DRILLING OUT BELOW SURFACE PIPE.

DRILLING PLAN

covering

BURNETT OIL CO., INC. Lease #LC 029338A Gissler "B" #27 Unit Letter "L" 1980' FSL, 660' FWL Sec. 12, T17S, R30E Eddy Co., New Mexico

(A) DRILLING PROGRAM

| (1) | Estimated | tops | of geologic markers | |
|-----|-----------|------|---------------------|---------------|
| | | | Alluvium | Surface |
| | | | Anhydrite | 360' |
| | | | Salt | 450' |
| | | | Base Salt | 1300' |
| | | | Red Sand | 2270' |
| | | | Grayburg | 2670 ' |

San Andres

(2) Estimated depths of producing formations Fresh Water None Saltwater flows (?)* Oil & Gas 2920', 3070', 3350'**

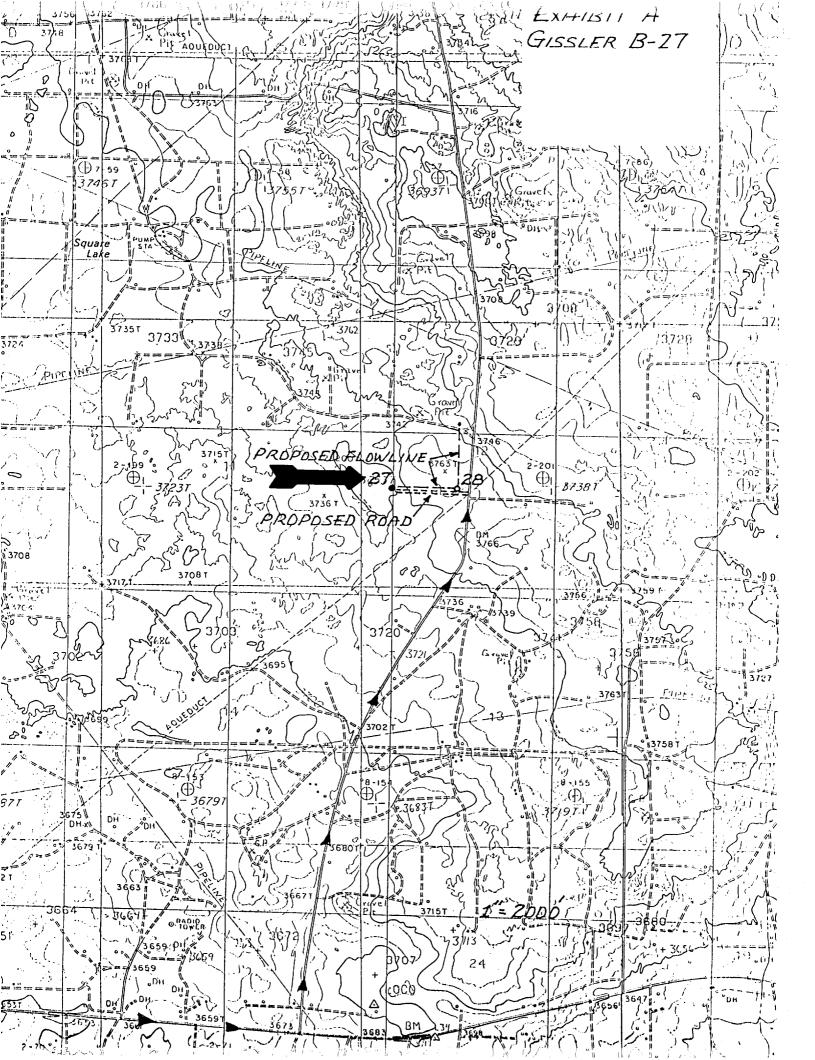
*If large waterflows are encountered, drilling will continue to TD. Stage cementers will be run just below flows, and casing will be cemented in multiple stages in order to confine water flows to original strata.

2965'

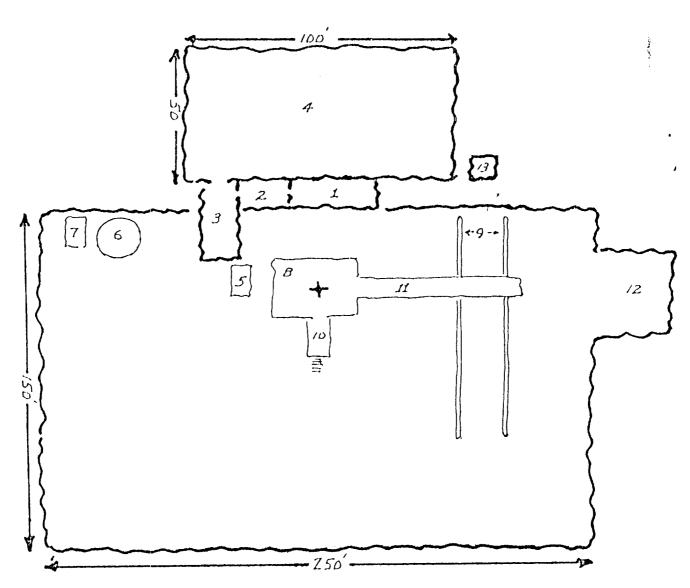
**Oil and gas bearing zones will be confined by cementing. Productive intervals will be perforated through casing and produced in a conventional manner.

(3) Blowout Preventer Specifications

3000 psi Double Ram Unit with hydraulic closing equipment. The preventer will be tested before drilling out below surface pipe setting depth. The exact description of the preventer and related equipment depends upon the successful drilling contractor, who has not yet been selected. (See schematic Exhibit "D"). No high pressure hydrocarbon zones are anticipated.



PROPOSED DRILL SITE LAYOUT GISSLER B 27



- 1 SHALE PIT 30'XB'
- 2 MUD PIT ZO'XB' 3 SUCTION PIT 30'XB'
- 4 RESERVE PIT 100'X50'
- 5 PUMIP
- WATER TANK

- T FUEL TANK
- B RIG
- 9 PIPERACKS
- 10 DOG HOUSE
- 11 CAT WALK
- 12 STINGER. 13 WASTE PIT