Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
BURNETT OIL CO. INC.	JACKSON "B"	35

Unit Letter	Section	Township	Range	County
A	25	17 SOUTH	30 EAST NMPM	EDDY

Actual Footage Location of Well:
100 feet from the NORTH line and 460 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3629.4'	GRAYBURG	GRAYBURG-JACKSON	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

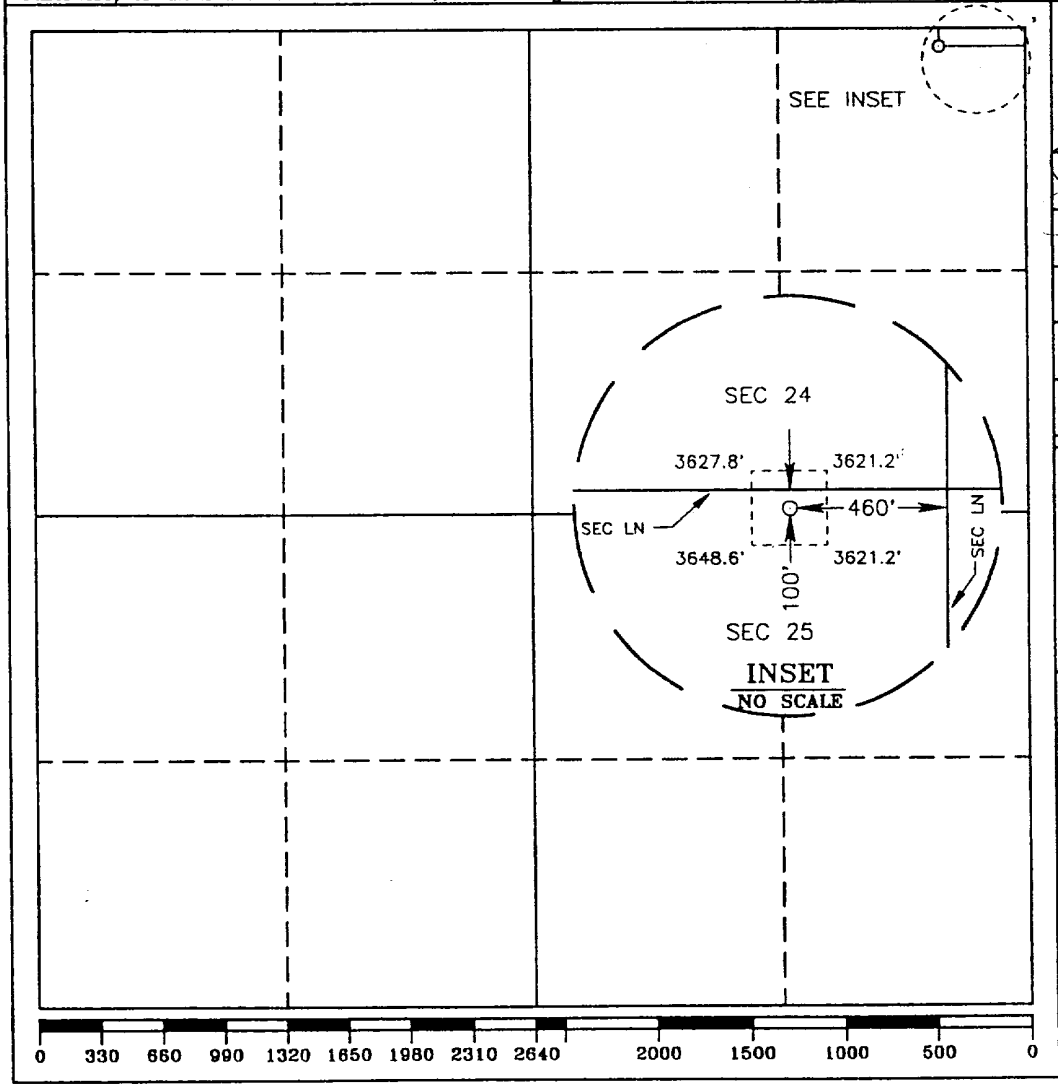
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name
John C. McPhaul

Position
Production Supt.

Company
Burnett Oil Co., Inc.

Date
September 17, 1993

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
SEPTEMBER 15, 1993

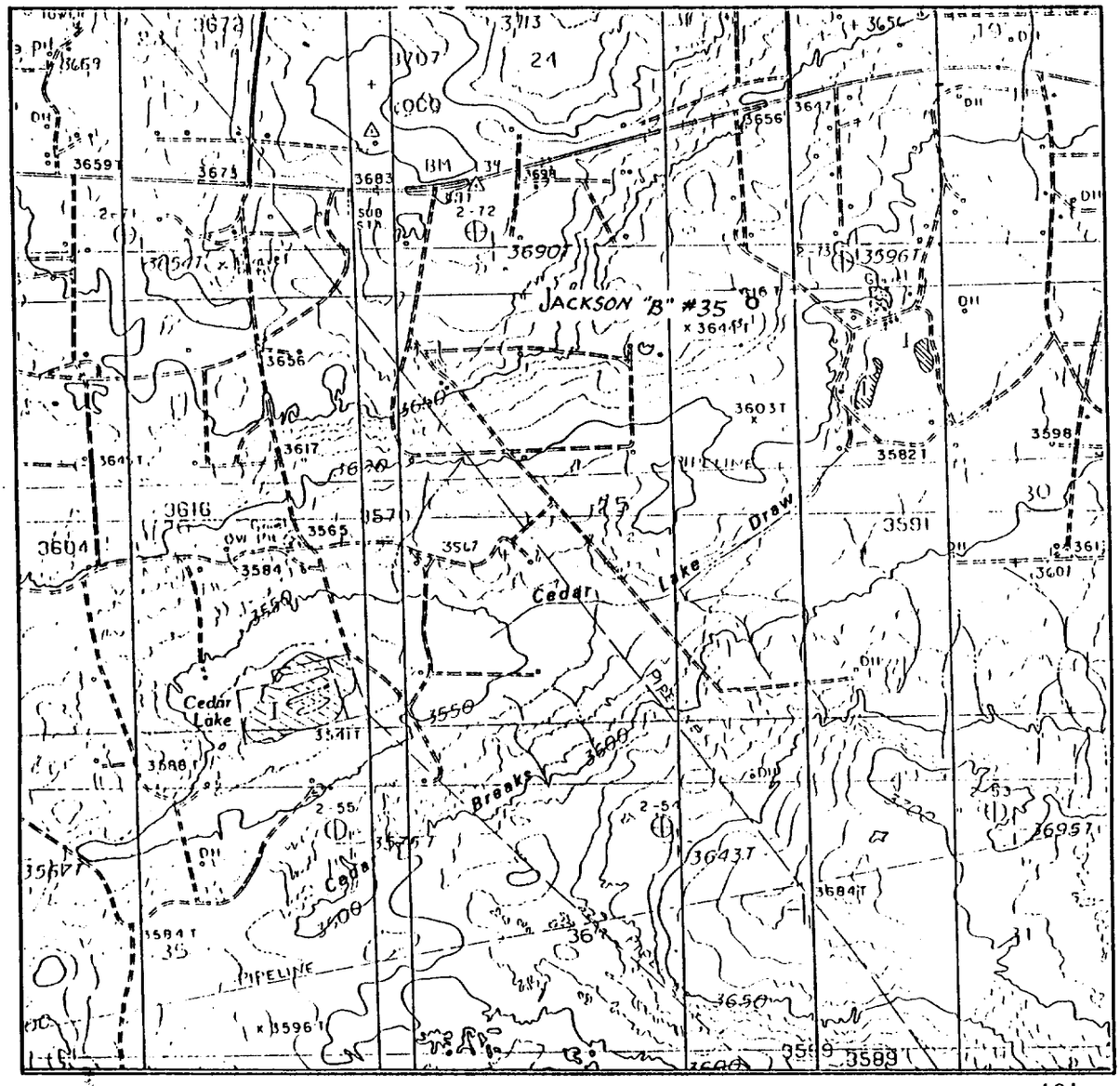
Signature & Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7977

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239
GARY L. JONES, 7977

95-11-1465

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 25 TWP. 17S RGE. 30E

SURVEY NMPM

COUNTY EDDY STATE NM

DESCRIPTION 100' FNL & 460' FEL

ELEVATION 3629.4'

OPERATOR BURNETT OIL CO.

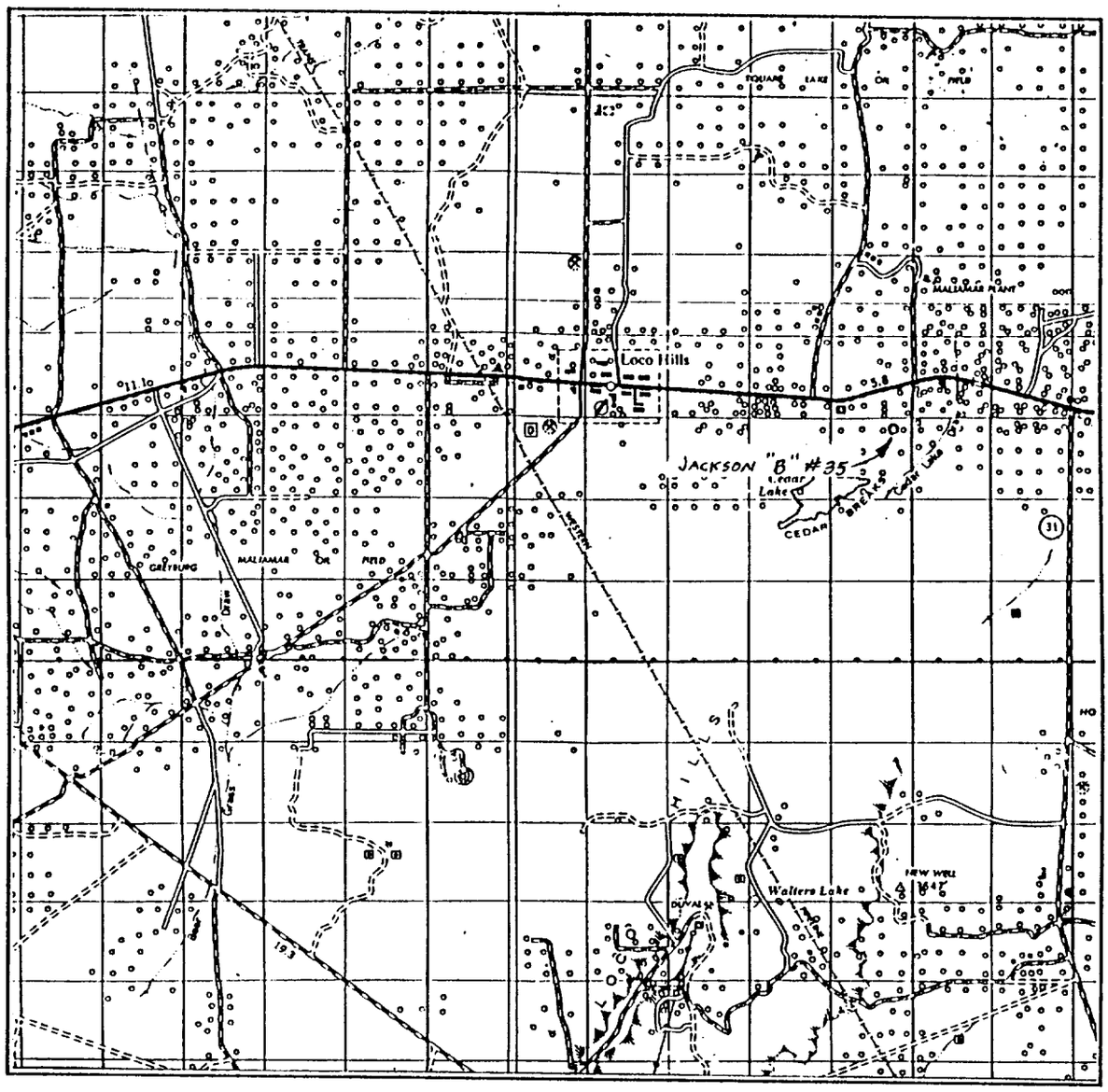
LEASE JACKSON "B" #35

U.S.G.S. TOPOGRAPHIC MAP

LOCO HILLS, NM

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 25 TWP. 17S RGE. 30E

SURVEY NMPM

COUNTY EDDY STATE NM

DESCRIPTION 100' FNL & 460' FEL

ELEVATION 3629.4'

OPERATOR BURNETT OIL CO.

LEASE JACKSON "B" #35

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

DRILLING PLAN
COVERING
BURNETT OIL CO., INC.
LEASE NO.NM 2747
JACKSON B LEASE, WELL NO.35
UNIT LETTER A
460' FEL, 100' FNL
SECTION 25, TOWNSHIP 17 SOUTH, RANGE 30 EAST
EDDY COUNTY, NEW MEXICO

(A) DRILLING PROGRAM

(1) Estimated tops of geologic markers:

Alluvium.....Surface
Anhydrite.....350'
Salt.....520'
Base Salt.....1250'
Red Sand.....2340'
Grayburg.....2800'
San Andres.....3249'

(2) Estimated depths of producing formations:

Fresh water.....None
Saltwater flows..(?)*
Oil and Gas.....2040'**,3200'**

* as waterflows, if any, are encountered, their depth will be recorded, and drilling will continue to total depth. Multiple stage cementers will be placed in the production casing string to enable us to confine the waterflows to their respective depths by cementing.

** oil and gas bearing zones, if any, will be determined by log analysis, and will be confined by cementing; subsequently perforated, stimulated and produced in a conventional manner.

(3) Blowout Preventer Specifications:
3000 psi Double Ram unit with hydraulic closing equipment. (See Exhibit E schematic).The preventer will be tested before drilling out below surface pipe setting depth. The exact description of the preventer and related equipment will depend on the successful contractor, who has not yet been selected. No high pressure hydrocarbon zones are anticipated.

(4) Supplementary drilling equipment information:
Not available at this time.

Supplementary casing program information:

a. Surface casing: Surface casing will consist of new 8-5/8" OD 24# K-55 ST&C R3 pipe and will be run into a 12-1/4" hole with notched Texas Pattern shoe on bottom, insert float valve in first collar, 4 centralizers around shoe joint and first 3 collars. Bottom 3 joints will be collar tacked and thread locked. Setting depth will be +/- 450' depending on where suitable casing seat can be found. Cement will be circulated back to the Surface. Initial cement volume will be calculated to be 50% excess of the calculated annular volume between the 8-5/8" casing and the hole. If circulation of cement is not achieved due to lost circulation zone(s), annular space will be cemented via 1" from the surface as per BLM specifications. 12 hours WOC will be allowed. Casing will be tested to 800 psi before drilling out.

b. Production casing: Production casing will consist of new 5-1/2" OD 17# 8rd. R3 inspected pipe being run to total depth with float shoe on bottom, float collar in first collar, centralizers throughout pay intervals and above and below any multiple stage cementers, and being cemented with sufficient volume to bring top of cement 600' above the top of the highest potential producing horizon. If water flow is encountered, we will cement from TD back to the stage cementer, open stage cementer, cement from stage center with sufficient volume of Class C or equivalent to bring cement up to at least 600' above the highest potential producing horizon, then balancing hydrostatic weight of the cement by adjusting the flow of water to surface through the 5-1/2" casing, enabling the 2nd stage of cement to set up. Casing will be shut in after 12 hours. If there is no flow of water to surface around the 5-1/2" casing, we will cement the water flow proper through the stage cementer with +/- 400 sacks. In case the 2nd stage is not successful in shutting off any annular flow, we will repeat the 2nd stage until successful. After drilling out and testing the casing to 2000 psi, a cement bond log will be run to evaluate the cement job.

(5) Mud program: Native mud (red beds and shale) will be used to total depth. After drilling surface hole with ~~brine~~ fresh water and lost circulation materials if necessary, hole will be mudded up for coring and logging. After coring, no control will be used other than necessary additives. If no waterflows are encountered, we may mud up lightly to drill the various pay sections. If water flow(s) are encountered, no control will be used until Total Depth is reached, at which time we will sweep the hole with 50 viscosity gelled water.

(6) Logging program: If no water flow(s) are encountered, we will run GR/CN-D-DLL logs. If water flow(s) are encountered, no open hole logging will be attempted, and after casing is set, cased hole GR/CN logs will be run. No other testing or coring is anticipated.

(7) Abnormal pressures or hazards: No abnormal pressures or potential hazards are anticipated.

(8) Other facets of the operation to be pointed out: None.

(B) SURFACE USE PROGRAM

(1) Existing roads: Exhibits A and B show maps of the general area. From Loco Hills, New Mexico, go east on U.S. Highway 82 approximately 3.9 miles. Turn south through cattle guard on caliche road and go approximately .4 miles to location. The proposed 700' of new access road will be constructed to match the established lease roads. All access roads will be maintained in the same or better condition than before drilling operations began, in accordance with SMA standards.

(2) Access roads to be constructed: Approximately 700' of new access road will be constructed (see Exhibit B and D). This road will be 12' wide surfaced with compacted caliche. Maximum grade should be +/- 1%. No major cuts or fills, turnouts, culverts, drainage problems, bridges, fences, or cattleguards are anticipated. Existing caliche access roads will be watered and bladed, with only minor repairs indicated. No other existing facilities will be modified.

(3) Location of existing wells: See Exhibit A.

(4) Location of existing or proposed production facilities: See Exhibit D for location of existing facilities. No new facilities are anticipated, with the exception of approximately 700' of flowline to be connected to an existing flowline. See Exhibit D.

(5) Location and type of water supply: All water to be used in drilling the well will be brine or fresh water trucked from Loco Hills, New Mexico or fresh or produced water furnished by our waterflood facilities.

(6) Construction materials: Construction material will be caliche which is expected to be available at the proposed location. If not available on location or road, caliche will be hauled from nearest approved caliche pit.

(7) Methods of handling waste disposal: Drill cuttings will be disposed of in the lined reserve drilling pit. Auxiliary emergency water containment pits may be necessitated by large volume water flows and these pits, which will hold only water, will not be lined. All drilling fluids will be allowed to evaporate after drilling is completed, at which time pits will be backfilled, leveled and reseeded. Trash, waste paper, garbage and junk will be placed in a portable screened trash container on location. All trash and debris will be transported to an authorized disposal station within 30 days following completion activities. Oil and/or water produced during testing operations will be stored in steel tanks until either sold or disposed of through one of our approved disposal methods.

(8) Ancillary Facilities: There are no planned ancillary facilities.

(9) Well site layout: Exhibit C shows the relative location and dimensions of the drilling pad and related components. Only minor differences, if any, in length and/or width of the drilling pad are anticipated, depending on which drilling contractor is selected to drill the well. Some cut and fill will be necessitated by the side of hill location.

(10) Plans for restoration of the surface:
(a) After drilling and successful completion operations are finished, all equipment and other materials not required for normal production operations will be removed. Pits will be backfilled, leveled and reseeded. Wellsite will be left in a neat condition.
(b) Any unguarded pits containing fluid will be fenced until backfilled.
(c) After abandonment of the well, surface restoration will be in accordance with regulations of the SMA. Pits will be backfilled and location will be cleaned. The pit area, well pad and all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.

(11) Surface ownership: All lands are Federal.

(12) Other information: The topography of the area is relatively flat, with small hills and sand dunes. This drilling site is slightly pitched downward to the north and east. The soil is fine, deep sand underlain by caliche. Vegetation cover is generally sparse and consists of mesquite, yucca, oak shinnery and sparse native grasses. Wildlife in the area is typical of that of semi-arid lands and includes coyotes, rabbits, rodents, reptiles, dove and quail. There are no ponds, streams or residences in the area. There is intermittent cattle grazing and hunting in the area; however, the principal land use is for oil and gas production. An archaeological clearance report will be sent to you by New Mexico Archaeological Service recommending archaeological clearance for the road, flowline and drilling pad. A barrier fence will be constructed along the entire south edge of the drilling pad to discourage vehicular traffic from proceeding onto an adjacent Archaeological Site.

(13) Operator's representative: Our field representative responsible for compliance with the approved surface use and operations plan is:

Mr. Rayford Starkey, District Supt.
P.O. Box 188
Loco Hills, New Mexico 88255
Office phone: 505-677-2313
Home phone: 505-746-4619

I hereby certify that I, or persons under my direct supervision have inspected the drill site and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Burnett Oil Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: Sept 17, 1993 By: John C. McPhaul, Prod. Supt.

(ATTACHMENT TO)

DRILLING PLAN
COVERING
BURNETT OIL CO., INC.
LEASE NO.NM 2747
JACKSON B LEASE, WELL NO.35
UNIT LETTER A
460' FEL, 100' FNL
SECTION 25, TOWNSHIP 17 SOUTH, RANGE 30 EAST
EDDY COUNTY, NEW MEXICO

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of Hydrogen Sulfide (H2S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well, blowout prevention and well control procedures.
3. The contents and requirements of the H2S Drilling Operations Plan and the Public Protection Plan (if applicable)

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan (if applicable). This plan shall be available at the wellsite. All personnel will be required to carry documentation that they have received the proper training.

II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: all H2S safety equipment and systems will be installed, tested and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:

   A. Choke manifold with a minimum of one remote-controlled choke.

   B. Blind rams and pipe rams to accommodate all pipe sizes with a properly sized closing unit.

2. Protective equipment for essential personnel:

   A. Mark II Surviveair (or equivalent) 30 minute units located in the dog house and at briefing areas, as indicated on the well site diagram (EXHIBIT C REVISED).

3. H2S detection and monitoring equipment:

   A. 3 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

   A. Wind direction indicators as shown on wellsite diagram.

   B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

5. Mud program:

   A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

   A. All drill strings, casings, tubing, wellheads, BOPS, drilling spools, kill lines, choke manifold, valves and lines will be suitable for H2S service.

   B. All elastomers used for packing and seals shall be H2S trim.

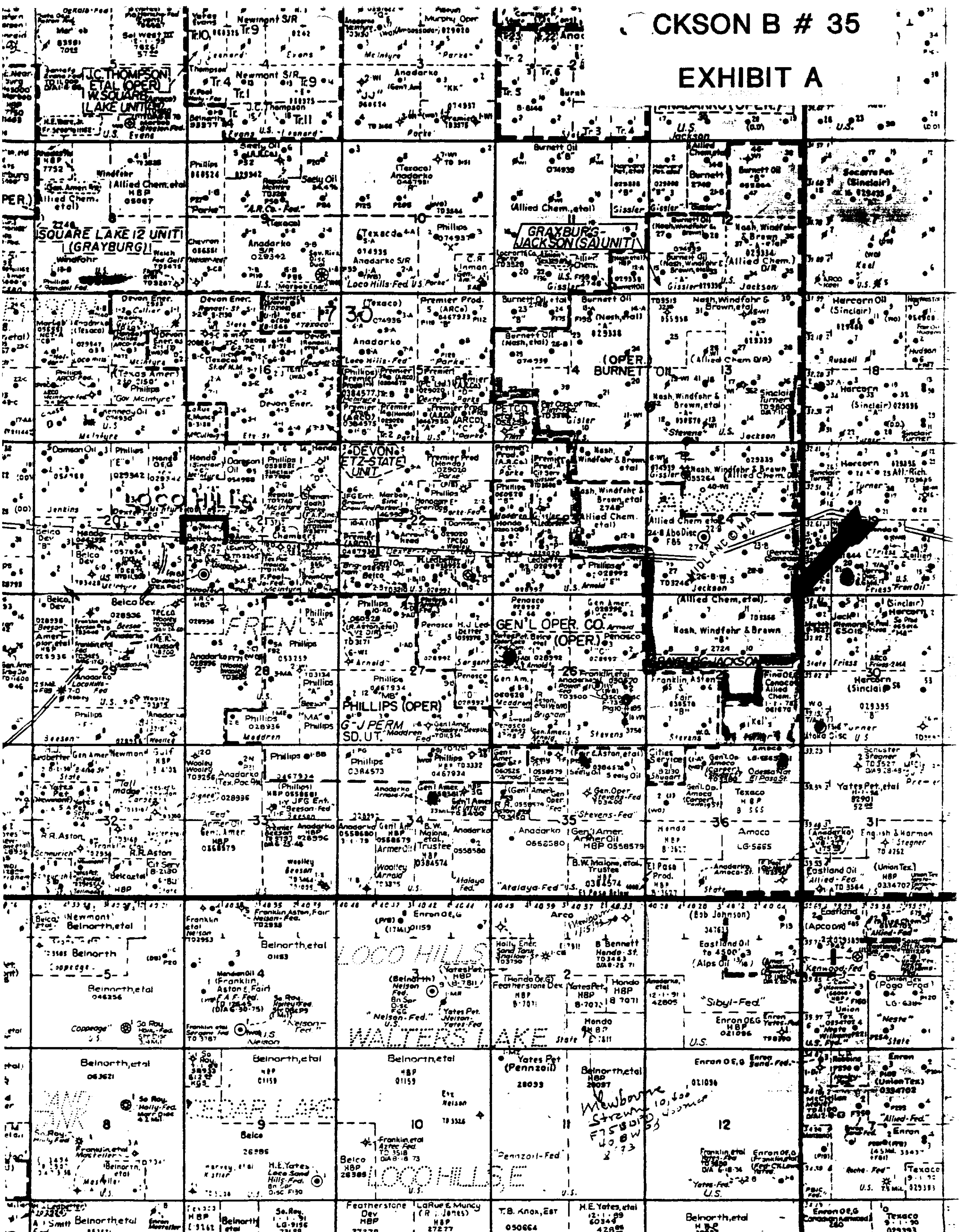
7. Communication:

   A. Telephone and/or 2-way radio will be provided at wellsite.

   B. Land line telephone is located in field office.

8. Well testing:

   A. No drill stem testing is anticipated. Completion testing, if required, will be conducted under the same applicable H2S guidelines that were used in drilling.


CKSON B # 35
EXHIBIT A
J.C. THOMPSON ETAL (OPER) W. SQUARE LAKE UNIT
SQUARE LAKE 12 UNIT (GRAYBURG)
GRAYBURG-JACKSON (SA) UNIT
(OPER.) BURNET OIL
DEVON ETZ-STATE UNIT
LOCO HILLS
GEN'L OPER. CO. (OPER.)
GRAYBURG-JACKSON
PHILLIPS (OPER)
G-J PERM SD. UT.
WALTERS LAKE
LOCO HILLS, E
Newbourne
Strawn
MIDLAND MAP

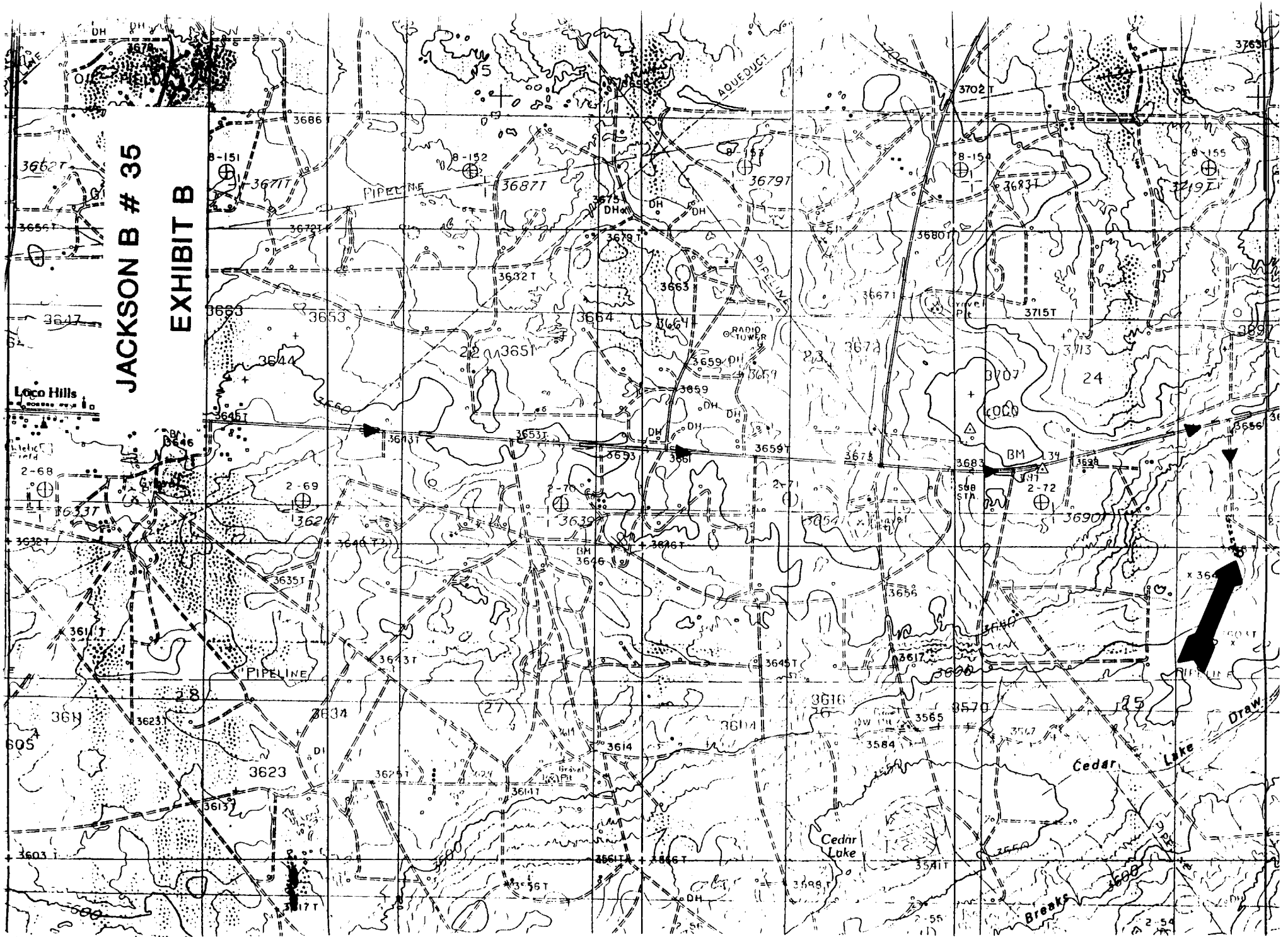

JACKSON B # 35
EXHIBIT B
Loco Hills
PIPELINE
AQUEDUCT
RADIO TOWER
Cedar Lake
Draw
Breaks

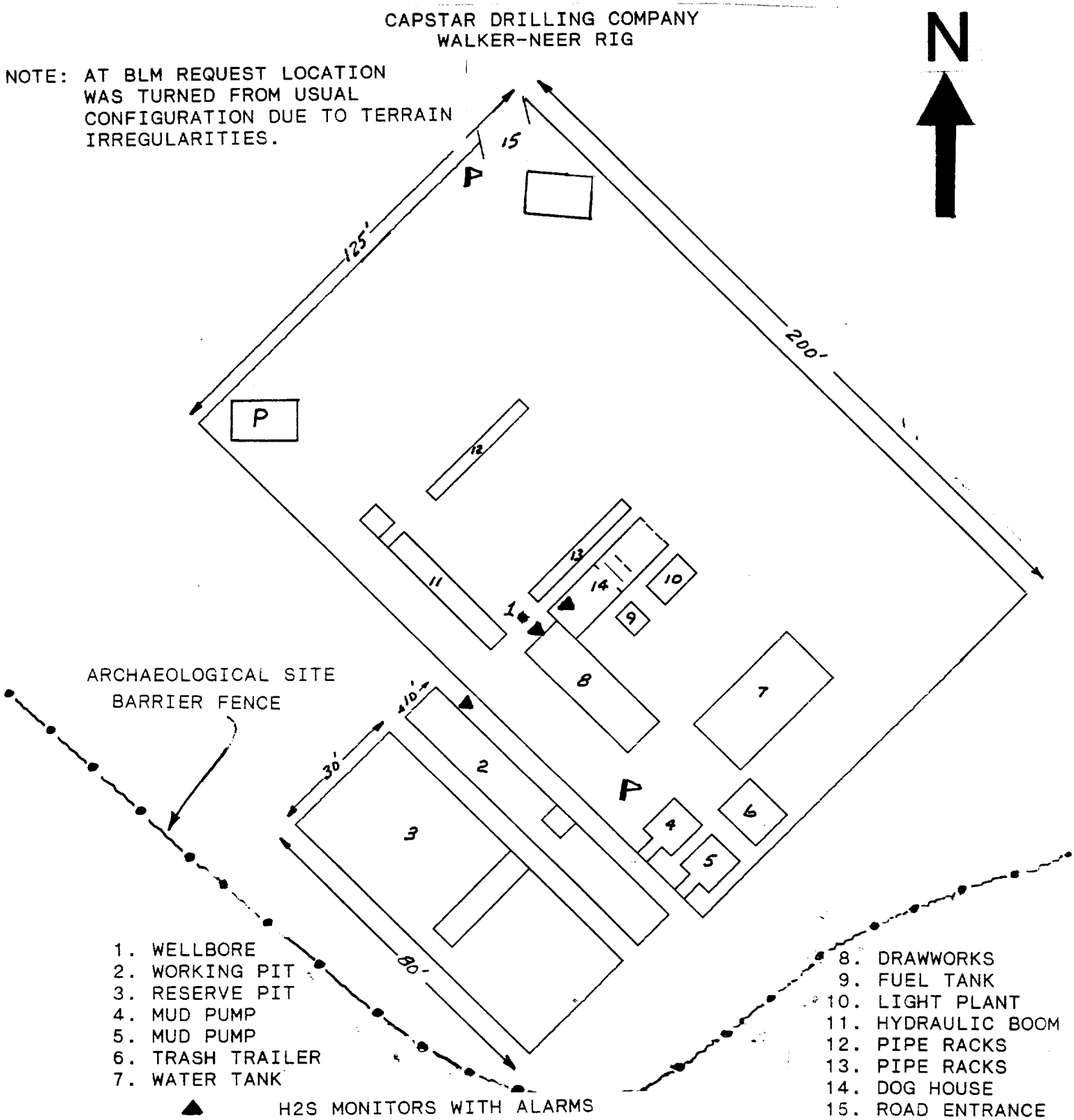
EXHIBIT C (REVISED

BURNETT OIL CO.,INC.

PROPOSED DRILL SITE LAYOUT

CAPSTAR DRILLING COMPANY
WALKER-NEER RIG

NOTE: AT BLM REQUEST LOCATION WAS TURNED FROM USUAL CONFIGURATION DUE TO TERRAIN IRREGULARITIES.

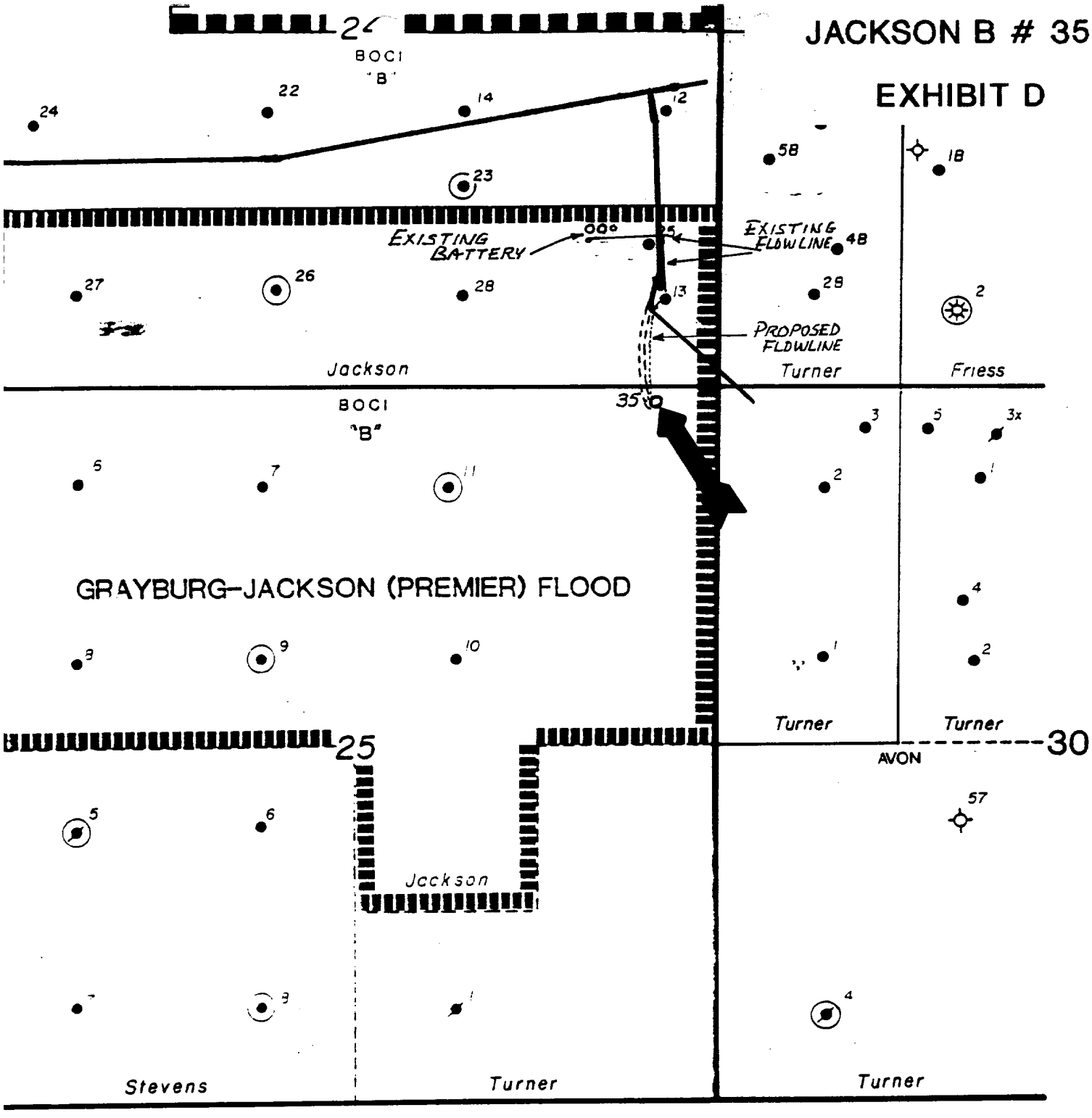


1. WELLBORE
2. WORKING PIT
3. RESERVE PIT
4. MUD PUMP
5. MUD PUMP
6. TRASH TRAILER
7. WATER TANK
8. DRAWWORKS
9. FUEL TANK
10. LIGHT PLANT
11. HYDRAULIC BOOM
12. PIPE RACKS
13. PIPE RACKS
14. DOG HOUSE
15. ROAD ENTRANCE

▲ H2S MONITORS WITH ALARMS

WIND SOCKS

P POSTED SAFE BRIEFING AREAS WITH BREATHING EQUIPMENT "P" DESIGNATES PRIMARY AREA.


JACKSON B # 35
EXHIBIT D
24
BOCI
"B"
22
14
12
58
18
23
EXISTING
BATTERY
00°
25
EXISTING
FLOWLINE
48
27
26
28
13
28
2
PROPOSED
FLOWLINE
Jackson
Turner
Friess
35
BOCI
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7
11
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1
GRAYBURG-JACKSON (PREMIER) FLOOD
4
8
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1
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Turner
Turner
25
30
AVON
57
5
6
Jackson
7
8
1
4
Stevens
Turner
Turner