811 S. 1ST ST.
ARTESIA, NM 88210-2834

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

SUBMIT IN TR. ICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC029339A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: JACKSON A

9. WELL NO.: #17 (API# 30-015-31358)

10. FIELD AND POOL, OR WILDCAT: JUDES CEDAR LAKE, YESO

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC 13, T17S, R30E

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: BURNETT OIL CO., INC. (817/332-5108)

3. ADDRESS OF OPERATOR: 801 CHERRY STREET, SUITE 1500, FORT WORTH, TX 76102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: UNIT P 990' FSL, 330' FEL
At proposed prod. zone: SAME AS SUFRACE

RECEIVED
OCD - ARTESIA
SEP 2000

12. COUNTY OR PARISH: EDDY
13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: APPROX. 6 MILES EAST AND NORTH OF LOCO HILLS, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'	560	40
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**
330'	5600'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3727 GR

22. APPROX. DATE WORK WILL START*: SEPTEMBER 15, 2000

23. PROPOSED CASING AND CEMENTING PROG

ROSWELL CONTROLLED WATER BASIN

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	475'	+/- 400 SKS (CIRCULATE TO SURFACE)
7-7/8"	5-1/2"	15.50#	5600'	+/- 1500 SKS IN 2 STAGES (IF WATER FLOWS ARE ENCOUNTERED CEMENTING PROGRAM MAY VARY.)

WITNESS

A 12-1/4" HOLE WILL BE DRILLED TO RUSTLER ANHYDRITE. 8-5/8" CASING WILL BE SET @ THIS DEPTH & CEMENTED BACK TO SURFACE. AFTER 12 HR WAIT, CASING AND BOP WILL BE TESTED BEFORE DRILL OUT OF SHOE. A 7-7/8" HOLE WILL BE DRILLED TO APPROX. 5600' TO EFFECTIVELY TEST THE CEDAR LAKE YESO INTERVAL. 5-1/2" CASING WILL BE RUN & SET @ TD AND CEMENT TO 600' ABOVE HIGHEST PONTENTIAL PRODUCING HORIZON(APPROX. 2100'.) WE WILL PERFORATE AND TREAT THE PRODUCTIVE INTERVALS AS RECOMMMENDED

APPROVAL SUBJECT TO GENERAL REQUIREMENTS & SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new 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.

SIGNED Sterling Randolph TITLE PETROLEUM ENGINEER DATE 8/16/2000

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE Assistant Field Manager, Lands And Minerals DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED FOR 1 YEAR

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

DRILLING PLAN

BURNETT OIL CO., INC.
LEASE NO.LC 029339A
JACKSON A LEASE, WELL NO.17
UNIT LETTER P
990' FSL, 330' FEL
SECTION 13, TOWNSHIP 17 SOUTH, RANGE 30 EAST
EDDY COUNTY, New Mexico

(A) DRILLING PROGRAM

(1) Estimated tops of geologic markers:

Alluvium	Surface
Anhydrite	260'
Salt	490'
Base Salt	1280'
Yates	1372'
Seven Rivers	1708'
Grayburg	2693'
San Andres	3015'
Glorieta	4315'

(2) Estimated depths of producing formations:

Fresh water	None
Saltwater flows	(?)*
Oil and Gas	1372'**,2693'**

* 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:
A 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.

(5) 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, Two(2) centralizers around shoe joint and first collar. Bottom 3 joints will be thread locked. Setting depth will be +/- 475'in the Rustler Anhydrite, depending on where a suitable casing seat can be found. Cement will be circulated back to the surface. Initial cement volume will be calculated to be 100% 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, annular space will be cemented via 1" from the surface as per BLM specifications. Twelve(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 15.50# J55 R3 8rd LT&C pipe being run to total depth with float shoe on bottom, float collar in first collar, centralizers throughout 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 enter 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 twelve(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 +/- 900 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.

(6) Mud program: Native mud (red beds and shale) will be used to total depth. The surface hole will be drilled with fresh water and lost circulation materials as needed. The remaining hole will be drilled with brine water with necessary additives.

(7) Logging program: If no water flow(s) are encountered, we will run Neutron Litho density-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.

(8) Abnormal pressures or hazards: No abnormal pressures or potential hazards are anticipated. The maximum anticipated bottom hole pressure is 1000#. The maximum anticipated bottom hole temperature is 91°F.

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

(B) HYDROGEN SULFIDE DRILLING PROGRAM

(1) 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:

a. The hazards and characteristics of Hydrogen Sulfide (H2S).

b. The proper use and maintenance of personal protective equipment and life support systems.

c. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing wind.

d. The proper techniques for first aid and rescue procedures.

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

a. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

b. Corrective action and shut-in procedures when drilling or reworking a well, blowout prevention and well control procedures.

c. 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.

(2) 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.

a. Well Control Equipment:

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

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

b. Protective equipment for essential personnel:

1. Mark II Surviveair (or equivalent) 30 minute units located in the dog house and at the primary briefing area(to be determined.)

c. H2S detection and monitoring equipment:

1. Three(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.

d. Visual warning systems:

1. Wind direction indicators will be positioned for maximum visibility.

2. 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 reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

e. Mud program:

1. 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.

f. Metallurgy:

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

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

g. Communication:

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

2. Landline telephone is located in field office.

h. Well testing:

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

(C) SURFACE USE PROGRAM

(1) Existing roads: Exhibits A, B and C show maps of the general area. From Loco Hills, New Mexico, go east on U.S. Highway 82 approximately 4.9 miles. Turn north on Skelly road and go approximately 1 mile. Turn west onto lease road and follow to the location.

(2) Access roads to be constructed: No additional roadway will need to be constructed for this well. Entrance will be off the Skelly road along existing lease road to the well pad.

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

(4) Location of existing or proposed production facilities: See Exhibit A for location of existing Jackson A production facility on the lease. We propose to above ground commingle this Cedar Lake, Yeso production with the existing Grayburg production by laying approximately 1150'of new flowline from this well along existing roadway to the existing Jackson A8 well. This well is produced to the existing Jackson A Tank Battery.

(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 may 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 back filled, 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 D 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. Only minor leveling of the drilling site is anticipated.

(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 re-seeded. Well site will be left in a neat condition.

(b) Any unguarded pits containing fluid will be fence 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. 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 a BLM approved archaeological service.

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

Mr. Bobby Claborn, District Supt.
P.O. Box 188
Loco Hills, New Mexico 88255
Office phone: 505-677-2313
Home phone: 505-677-2382

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: August 16, 2000

By: Sterling Randolph

Sterling P. Randolph
Petroleum Engineer

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-30523	96718	~~LOCO HILLS PADDOCK~~ Cedar Lake, Yeso

Property Code	Property Name	Well Number
020767	JACKSON A	17

OGRID No.	Operator Name	Elevation
003080	BURNETT OIL COMPANY	3727'

Surface Location

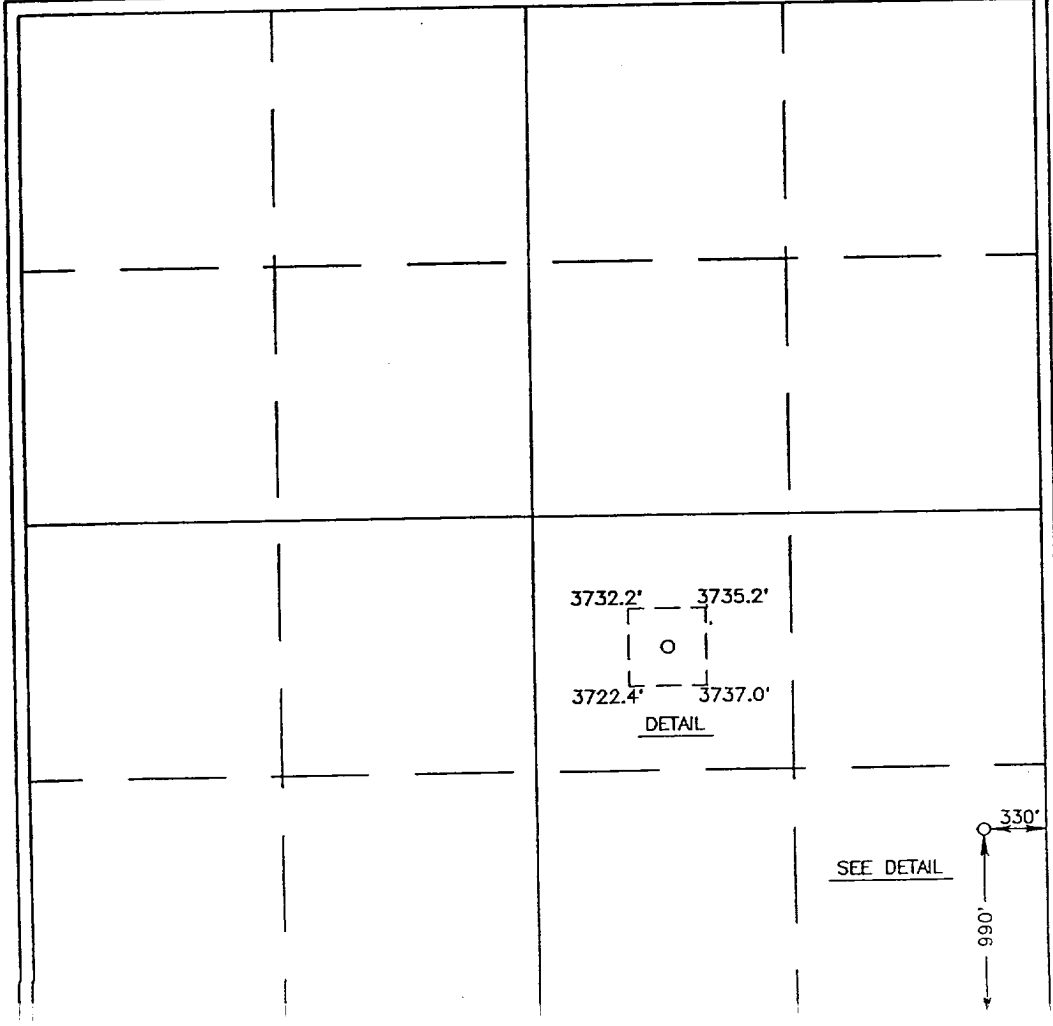
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	17 S	30 E		990	SOUTH	330	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT 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

STERLING RANDOLPH
Printed Name

PETROLEUM ENGINEER
Title

10/21/98
Date

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 belief.

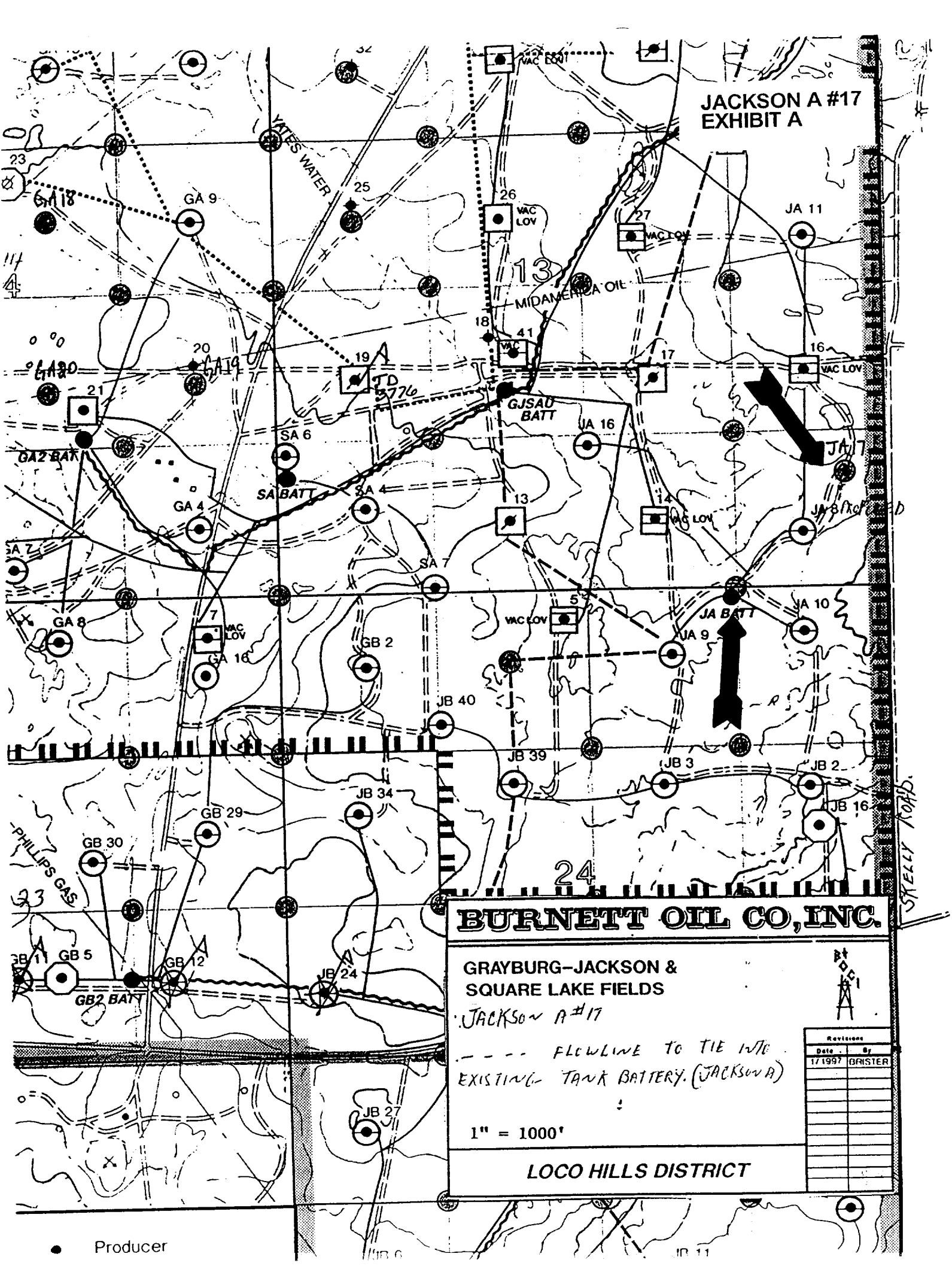
SEPTEMBER 18, 1998
Date Surveyed CDG

Signature & Seal of Professional Surveyor

9-23-98

98-11-1266

Certificate No. RONALD J. EIDSON 3239
GARY L. EIDSON 12641


JACKSON A #17
EXHIBIT A
YATES WATER
MIDAMERICA OIL
GJSAU BATT
SA BATT
JA BATT
GA2 BAT
GB2 BATT
PHILLIPS GAS
STELLY ROAD
VAC LOV
TD 3776
BURNETT OIL CO, INC.
GRAYBURG-JACKSON &
SQUARE LAKE FIELDS
JACKSON A #17
FLOWLINE TO TIE INTO EXISTING TANK BATTERY. (JACKSON A)
1" = 1000'
LOCO HILLS DISTRICT
Revisions
Date
By
1/1997
BRISTER
Producer

LOCATION VERIFICATION MAP

JACKSON A #17
EXHIBIT B

SCALE: 1" = 2000'

CONTOUR INTERVAL – 10'

SEC. 13 TWP. 17–S RGE. 30–E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 330' FEL

ELEVATION 3727'

OPERATOR BURNETT OIL COMPANY

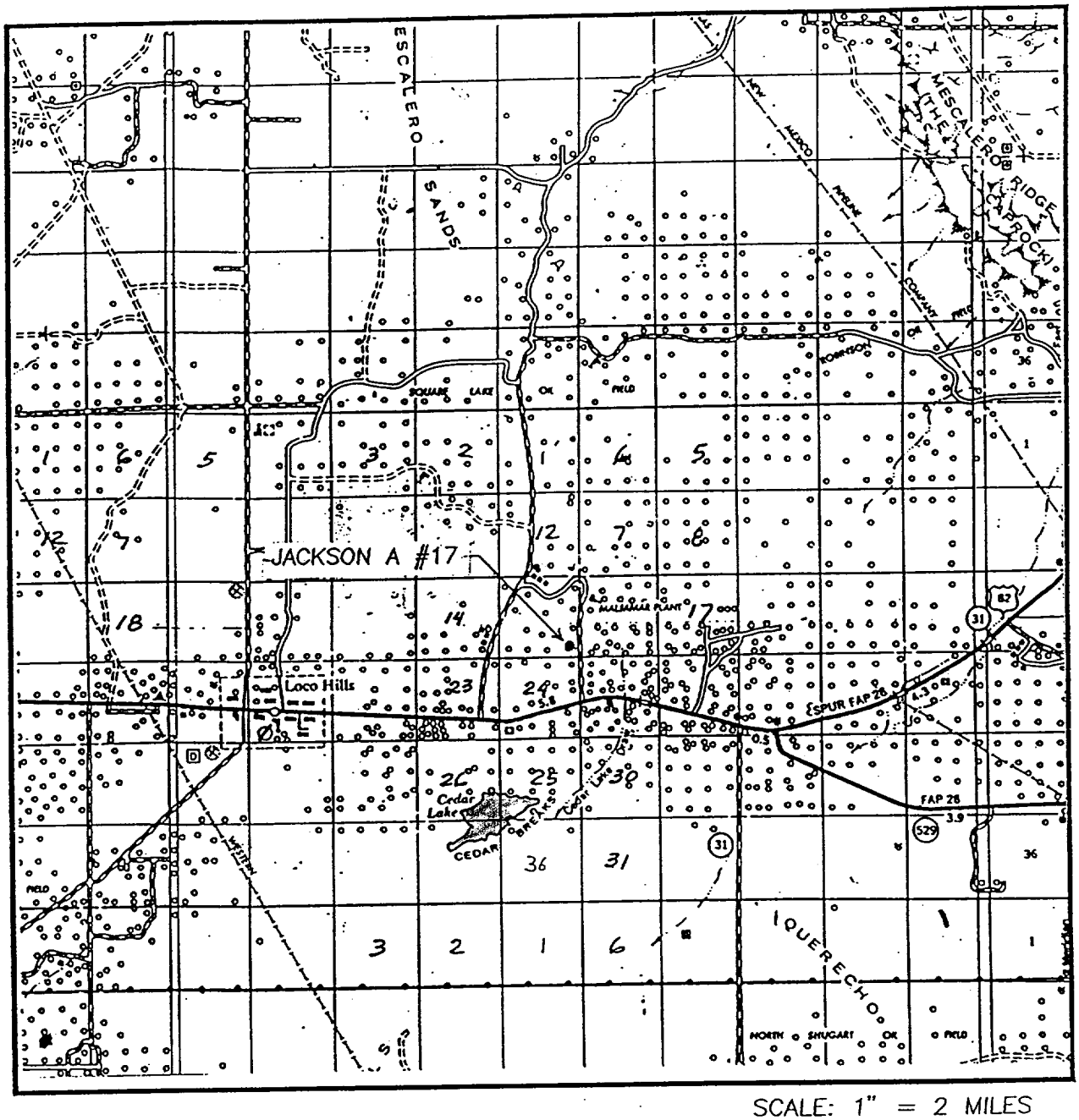
LEASE JACKSON A

U.S.G.S. TOPOGRAPHIC MAP

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

VICINITY MAP

JACKSON A #17
EXHIBIT C



SCALE: 1" = 2 MILES

SEC. 13 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 330' FEL

ELEVATION 3727'

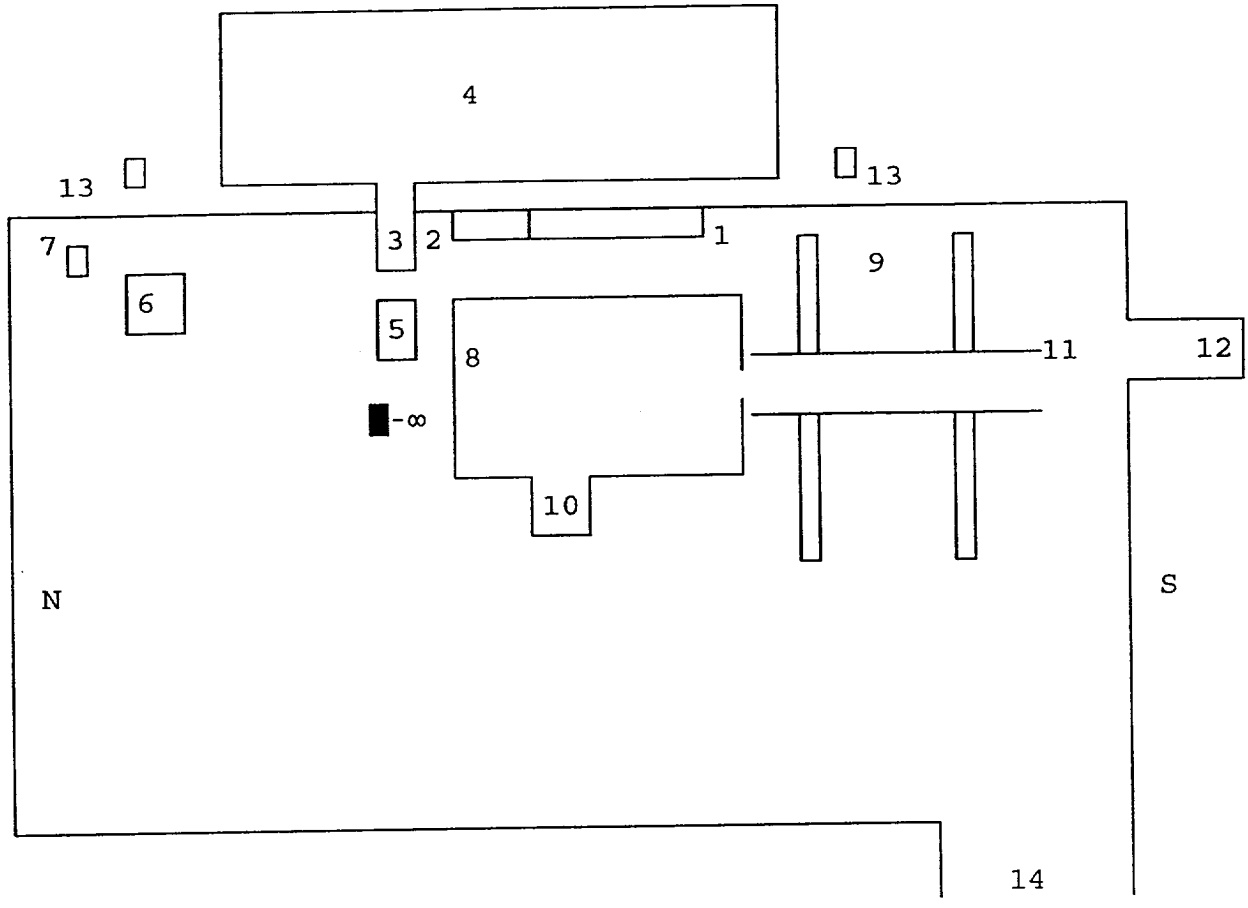
OPERATOR BURNETT OIL COMPANY

LEASE JACKSON A

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

JACKSON A #17
EXHIBIT D

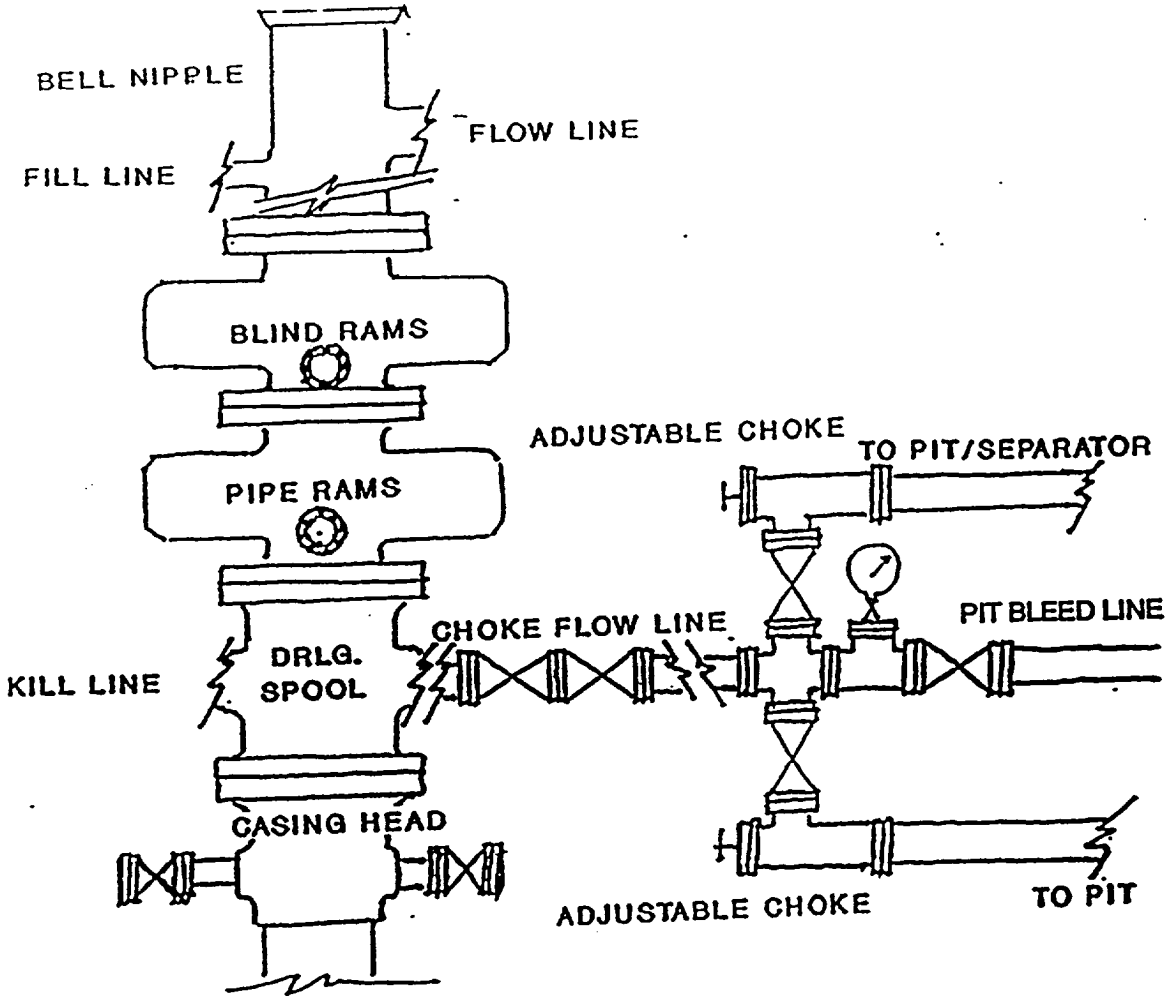
"CONVENTIONAL" TYPE ROTARY RIG



1. SHALE PIT (30'X 8')
2. MUD PIT (20' X 8')
3. SUCTION PIT (30'X 8')
4. RESERVE PIT (100' X 50')
5. PUMPS
6. WATER TANK
7. FUEL TANK
8. RIG
9. PIPERACKS
10. DOG HOUSE
11. CAT WALK
12. STINGER
13. TRASH TRAILER
14. ROAD INLET

H2S MONITORS WITH ALARMS WILL BE ON THE LOCATION.
WIND SOCKS WILL BE PLACED ON LOCATION FOR MAXIMUM VISIBILITY

JACKSON A #17
EXHIBIT E



BURNETT OIL CO., INC.

BLOWOUT PREVENTER &
CHOKE MANIFOLD DIAGRAM
3000 PSI WORKING PRESSURE
SERIES 900 FLANGES

PECOS ARCHEOLOGICAL CONSULTANTS

P.O. Box 1771 • Carlsbad, New Mexico 88221-1771 • (505) 887-7029

Established 1983

December 1, 1998

Rose Marie Havel, Area Archeologist
Bureau of Land Management
Carlsbad Resource Area
Carlsbad, N.M.

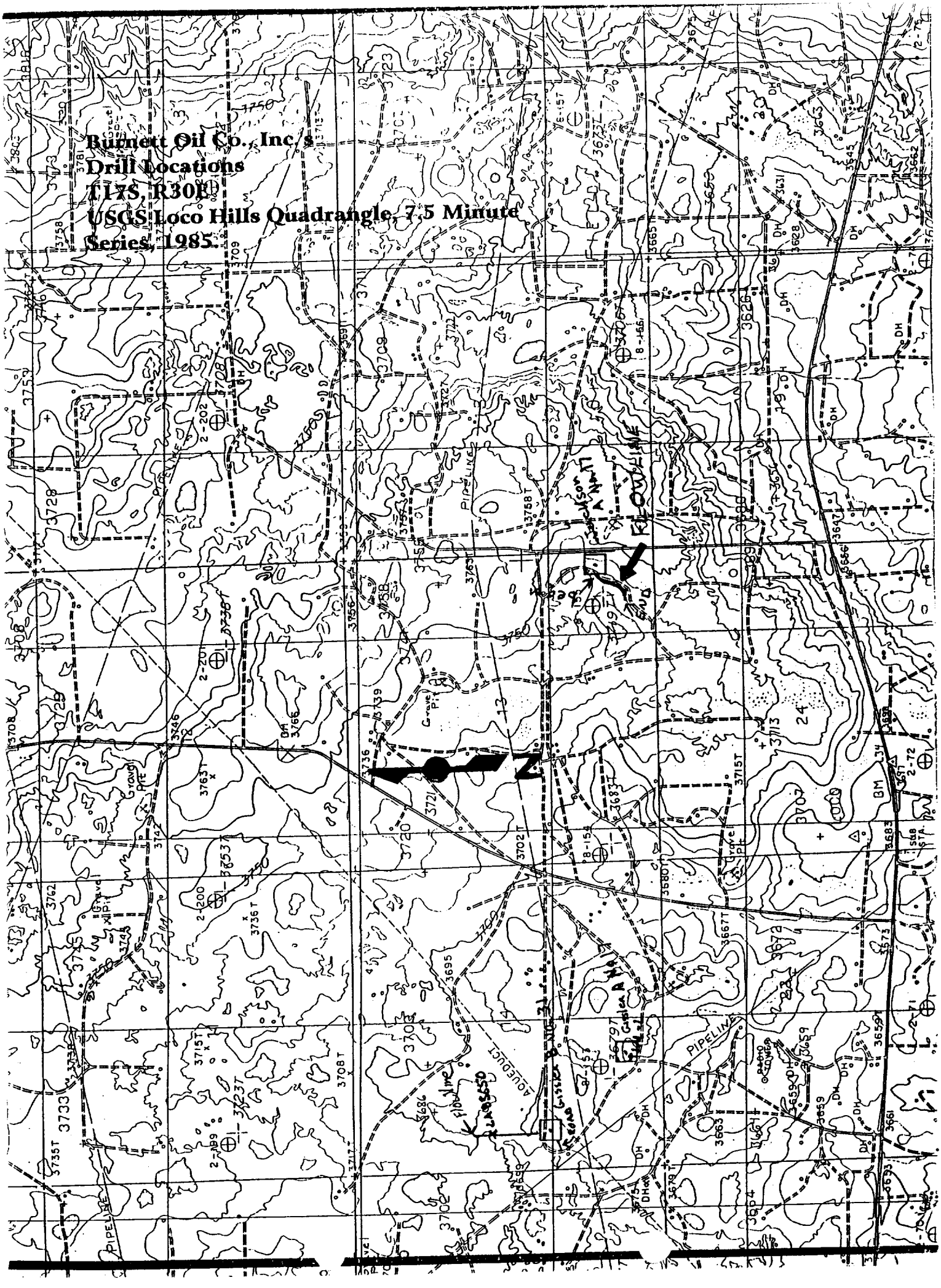
SUBJECT: ADDENDUM TO PAC REPORT NO. 98066--ARCHEOLOGICAL INVNETORY REPORT FOR BURNETT OIL CO., INC.'S PROPOSED GISSLER A NO. 17, GISSLER B NO. 31 AND JACKSON A NO. 17 DRILL LOCATIONS.

Rose Marie:

On October 27, 1998, Pecos Archeological Consultants submitted an archeological inventory report for Burnett Oil Co., Inc.'s Jackson A No. 17 drill location. Subsequently, a flowline was staked to this well which was not included in the original survey. On November 24, 1998, PAC performed cultural inventory for this flowline. The easement will measure 100 ft X 600 ft or 1.37 acres. It will be situated on federal land in the: SE1/4 SW1/4, section 12, T17S, R30E, NMPM, Eddy Co., N.M. No cultural resources were encountered during the inventory of these road easements, and PAC is recommending clearance for these easements as planned.

Sincerely,

James E. Hunt
Pecos Archeological Consultants


Burnett Oil Co., Inc.'s
Drill Locations
T17S, R30E
USGS Loco Hills Quadrangle, 7.5 Minute
Series, 1985.