

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☒

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

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 drig. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

560

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

330'

19. PROPOSED DEPTH

5600'

20. ROTARY OR CABLE TOOLS

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 PROGRAM

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

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 RECOMMENDED

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

*Stirling Randolph*

TITLE

PETROLEUM ENGINEER

DATE

8/16/2000

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side



## 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 (H<sub>2</sub>S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S 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 P. Randolph  
Sterling P. Randolph  
Petroleum Engineer

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 86211-0719

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

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

## OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |                                      |                    |                                                              |
|----------------------------|--------------------------------------|--------------------|--------------------------------------------------------------|
| API Number<br>30-015-30523 |                                      | Pool Code<br>96718 | Pool Name<br><del>XXXXX HILLS PADDOCK</del> Cedar Lake, Yeso |
| Property Code<br>020767    | Property Name<br>JACKSON A           |                    | Well Number<br>17                                            |
| OGED No.<br>003030         | Operator Name<br>BURNETT OIL COMPANY |                    | Elevation<br>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   |

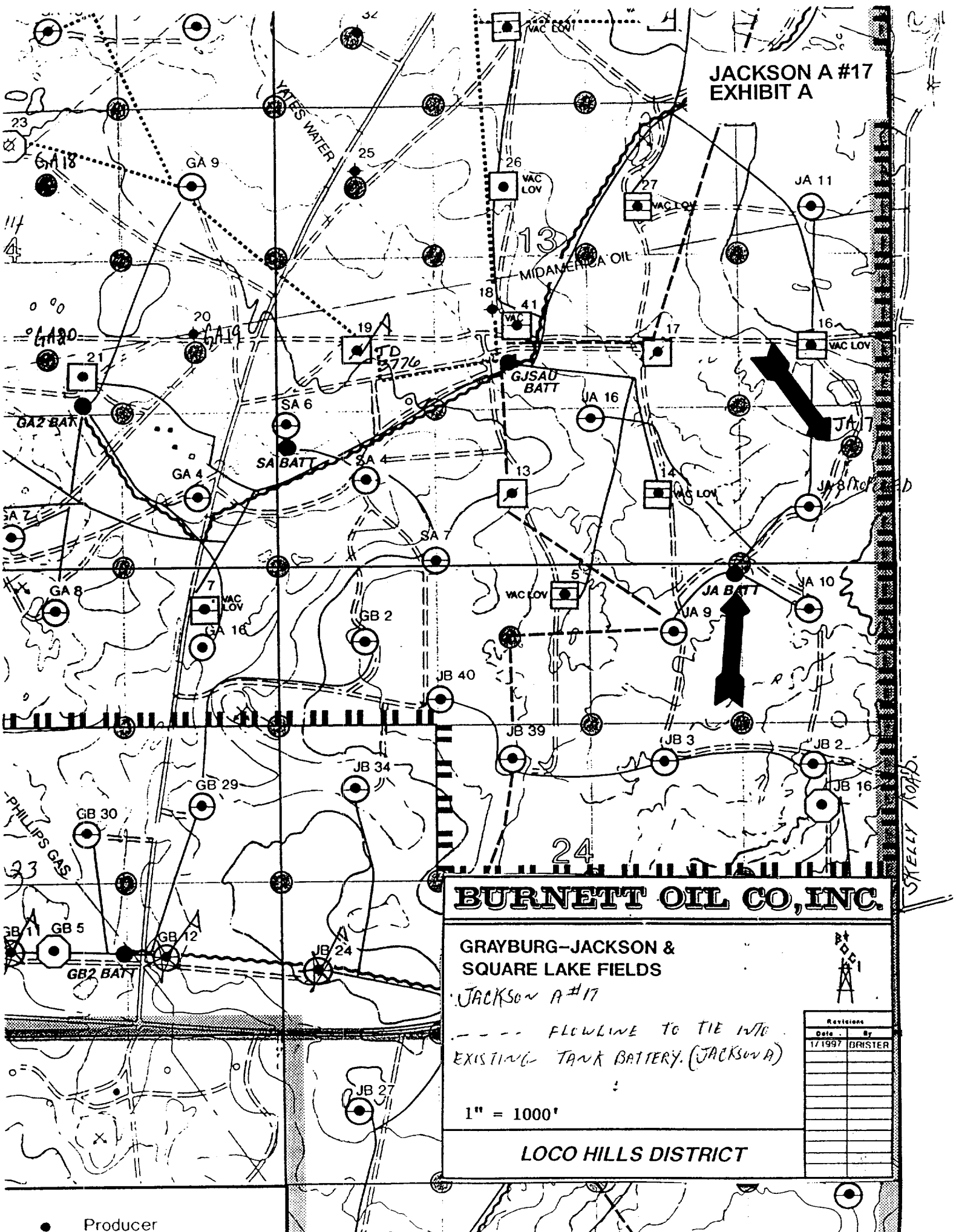
## Bottom Hole Location If Different From Surface

|                 |                 |                    |       |           |               |                  |               |                |        |
|-----------------|-----------------|--------------------|-------|-----------|---------------|------------------|---------------|----------------|--------|
| 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. |               |                  |               |                |        |

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

|                   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |  | <p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <hr/> <p align="right"><i>Sterling Randolph</i></p> <p align="right">Signature</p> <hr/> <p align="right">STERLING RANDOLPH</p> <p align="right">Printed Name</p> <hr/> <p align="right">PETROLEUM ENGINEER</p> <p align="right">Title</p> <hr/> <p align="right">10 / 21 / 98</p> <p align="right">Date</p>                                                                                                 |
| <p>SEE DETAIL</p> |  | <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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 supervision, and that the same is true and correct to the best of my belief.</i></p> <hr/> <p align="center">SEPTEMBER 18, 1998</p> <p>Date Surveyed _____ CDG</p> <hr/> <p>Signature &amp; Seal of Professional Surveyor:</p> <div style="text-align: right;"> <p><i>Ronald J. Elson</i> 9-23-98<br/>08-11-1266</p> </div> <hr/> <p>Certificate No. RONALD J. ELSON 3239<br/>GARY ELSON 12641</p> |

# JACKSON A #17 EXHIBIT A



## BURNETT OIL CO., INC.

GRAYBURG-JACKSON &  
SQUARE LAKE FIELDS

JACKSON A #17

--- FLOWLINE TO TIE INTO  
EXISTING TANK BATTERY. (JACKSON A)

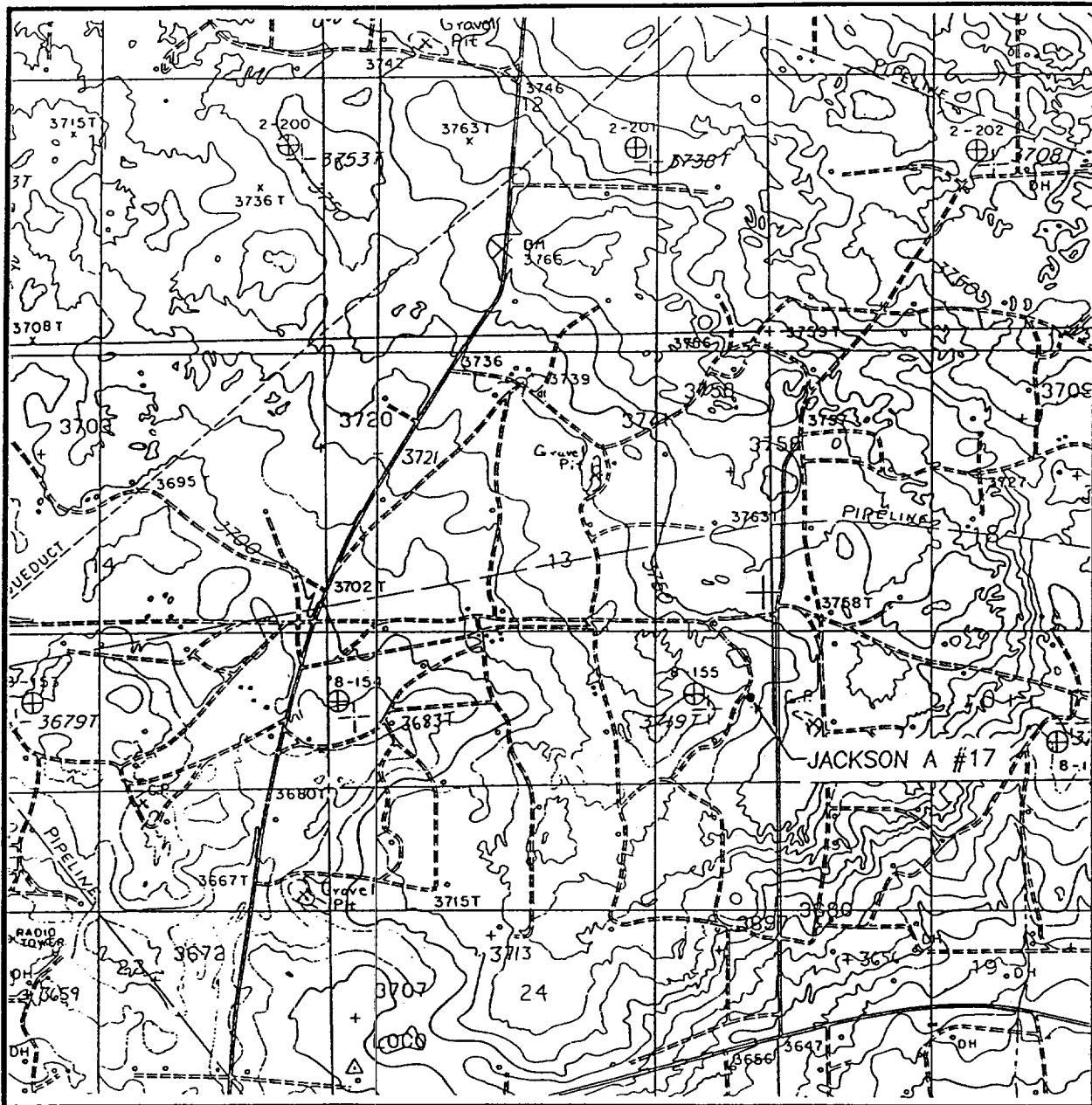
1" = 1000'

LOCO HILLS DISTRICT

| Revisions |         |  |
|-----------|---------|--|
| Date      | By      |  |
| 1/1/1997  | DRISTER |  |
|           |         |  |
|           |         |  |
|           |         |  |
|           |         |  |
|           |         |  |
|           |         |  |
|           |         |  |
|           |         |  |

SKELLY ROAD

**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

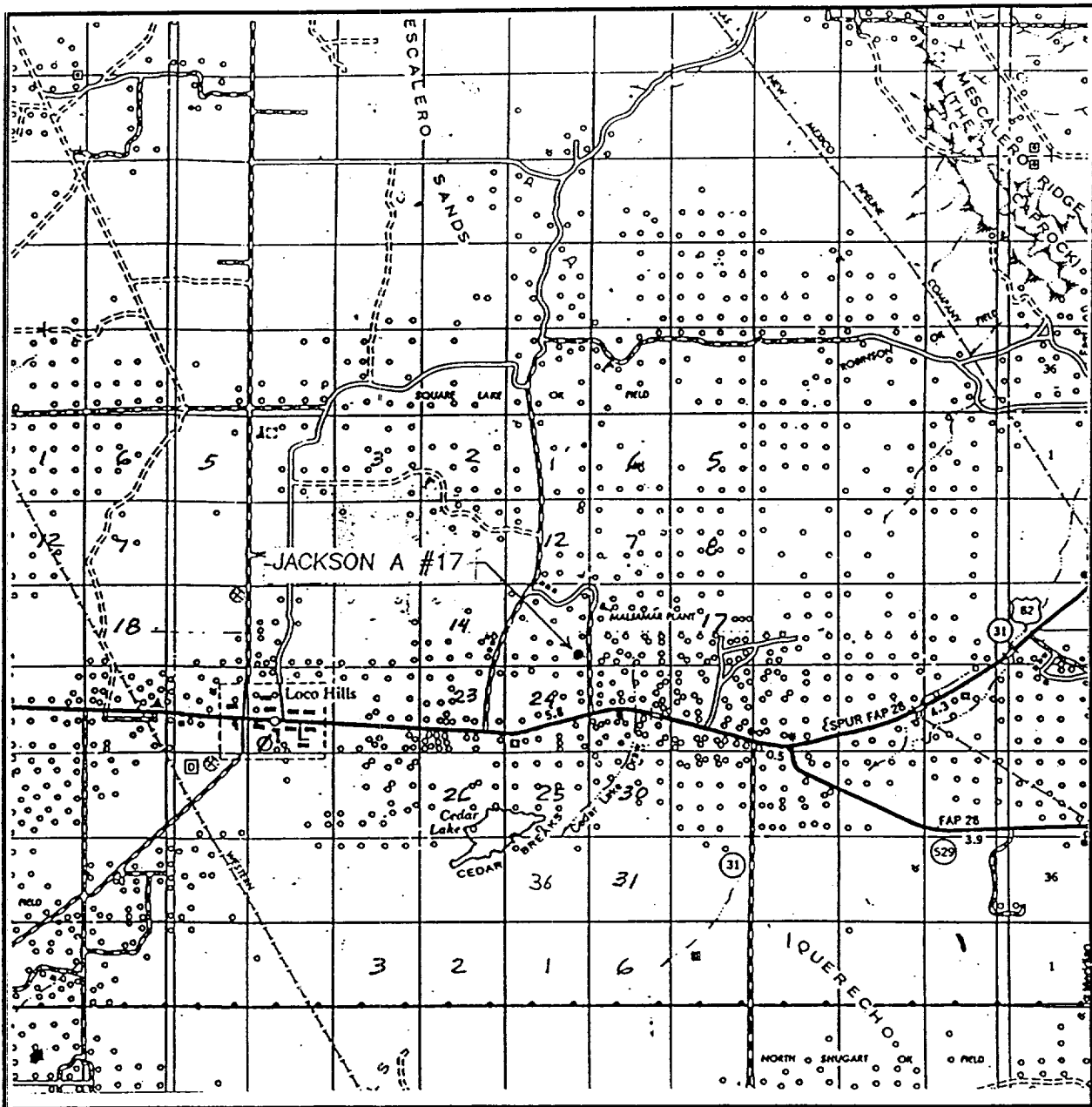
U.S.G.S. TOPOGRAPHIC MAP

1000 HILLS NM

**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'

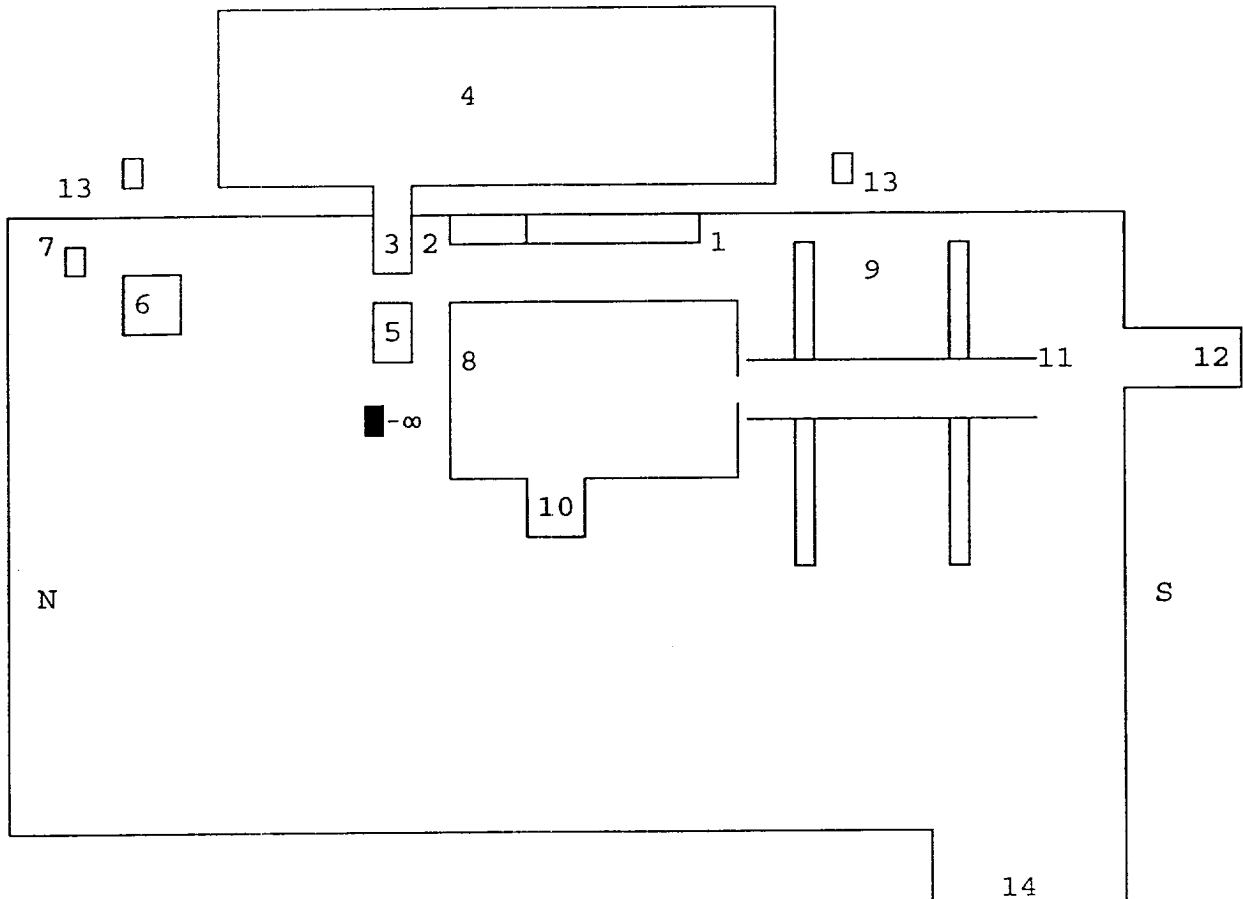
OPERATOR BURNETT OIL COMPANY

LEASE JACKSON A

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

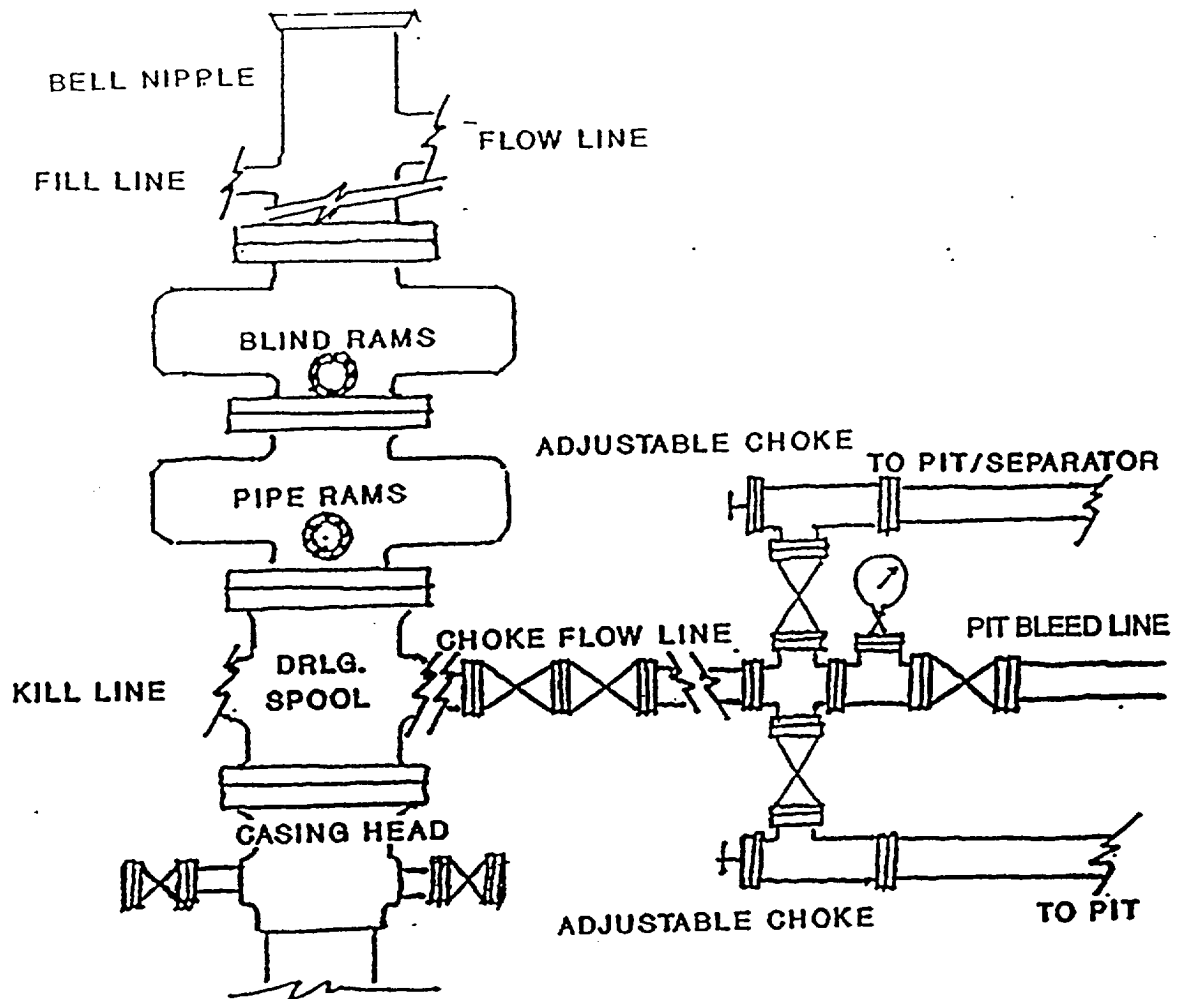
JACKSON A #17  
EXHIBIT D

"CONVENTIONAL" TYPE ROTARY RIG



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

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



**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.

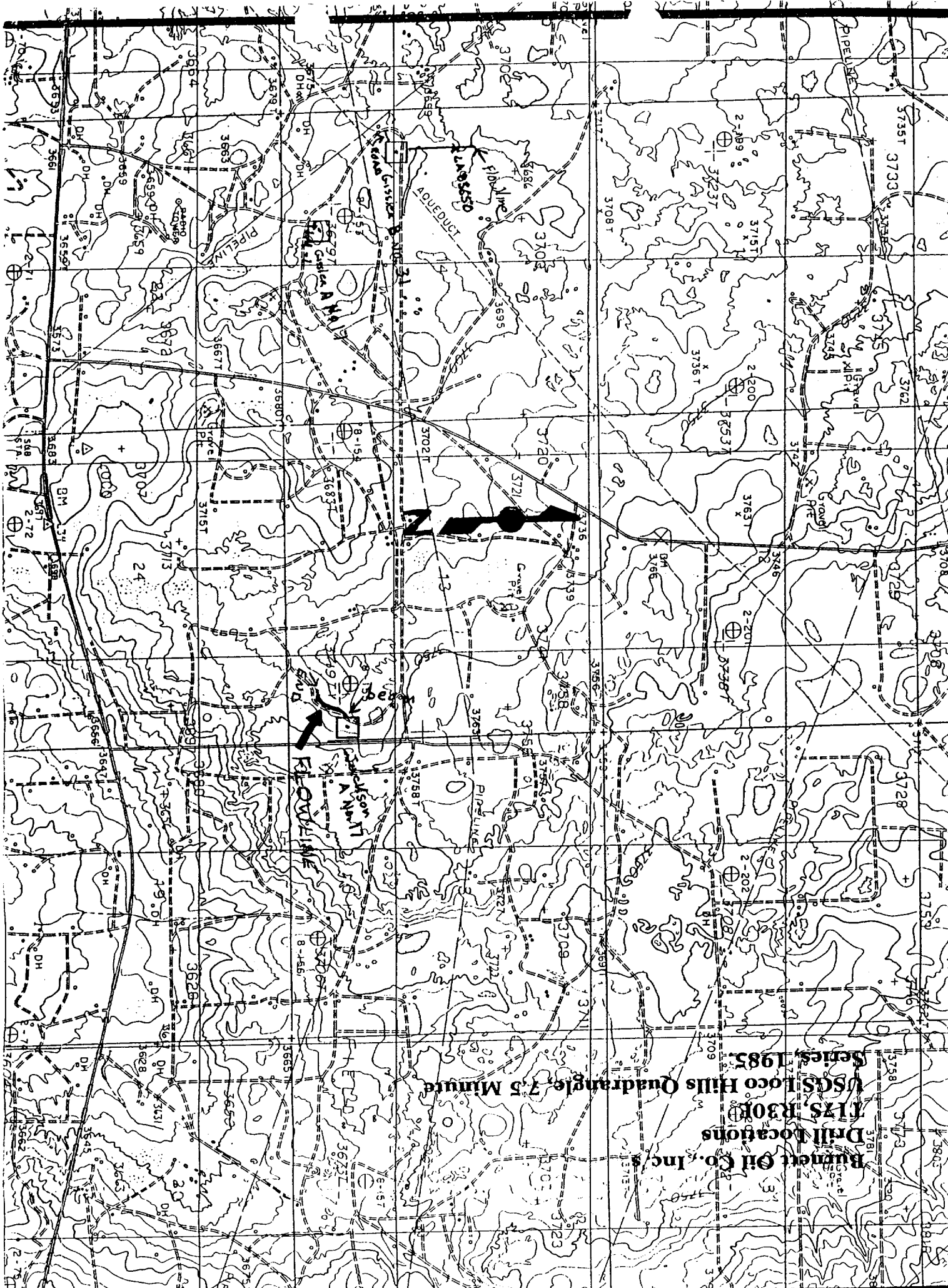
SUBJECT: ADDENDUM TO PAC REPORT NO. 98066--ARCHEOLOGICAL INVENTORY REPORT FOR BURNETT OIL CO., INC.'S PROPOSED GISSLER A NO. 17, GISSLER B NO. 31 AND JACKSON A NO. 17 DRILL LOCATIONS.

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.**  
**Drill Locations**  
**LTYS R30F**  
**USGS Loco Hills Quadrangle, 7.5 Minute**  
**Series, 1985.**