Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM2748

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☑ Multiple Zone

7. If Unit or CA Agreement, Name and No.:

8. Lease Name and Well No.: GISSLER B 8 IL 2H

2. Name of Operator: BURNETT OIL COMPANY INCORPORATED

9. API Well No.: 30-015-54916

3a. Address: 801 CHERRY STREET, UNIT #9, FORT WORTH, TX 761

3b. Phone No. *(include area code)*: (817) 332-5108

10. Field and Pool, or Exploratory: LOCO HILLS/GLORIETA YESO

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: TR L / 1930 FSL / 390 FWL / LAT 32.8471 / LONG -103.984294

At proposed prod. zone: TR L / 1670 FSL / 101 FWL / LAT 32.846389 / LONG -104.002432

11. Sec., T. R. M. or Blk. and Survey or Area: SEC 9/T17S/R30E/NMP

14. Distance in miles and direction from nearest town or post office*: 3 miles

12. County or Parish: EDDY

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 390 feet

16. No of acres in lease:

17. Spacing Unit dedicated to this well: 160.0

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 20 feet

19. Proposed Depth: 5100 feet / 10000 feet

20. BLM/BIA Bond No. in file: FED: NMB000197

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 3685 feet

22. Approximate date work will start*: 01/02/2023

23. Estimated duration: 14 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature: (Electronic Submission)

Name *(Printed/Typed)*: CALVIN BANKES / Ph: (817) 583-8730

Date: 08/18/2022

Title: Regulatory Coordinator

Approved by *(Signature)*: (Electronic Submission)

Name *(Printed/Typed)*: CODY LAYTON / Ph: (575) 234-5959

Date: 10/06/2023

Title: Assistant Field Manager Lands & Minerals

Office: Carlsbad Field Office

Application approval 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.
Conditions of approval, if any, are attached.

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 10/06/2023

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

Additional Operator Remarks

Location of Well

0. SHL: TR L / 1930 FSL / 390 FWL / TWSP: 17S / RANGE: 30E / SECTION: 9 / LAT: 32.8471 / LONG: -103.984294 (TVD: 0 feet, MD: 0 feet)

PPP: TR I / 1670 FSL / 101 FEL / TWSP: 17S / RANGE: 30E / SECTION: 8 / LAT: 32.846387 / LONG: -103.985893 (TVD: 5100 feet, MD: 10000 feet)

BHL: TR L / 1670 FSL / 101 FWL / TWSP: 17S / RANGE: 30E / SECTION: 8 / LAT: 32.846389 / LONG: -104.002432 (TVD: 5100 feet, MD: 10000 feet)

BLM Point of Contact

Name: TANJA BACA
Title: Land Law Examiner
Phone: (575) 234-5940
Email: tabaca@blm.gov

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 13, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-54916	96718 ~~96317~~	Loco Hills Glorieta Yeso

Property Code	Property Name	Well Number
~~2389~~ 331834	GISSLER B 8 IL	2H

OGRID No.	Operator Name	Elevation
03080	BURNETT OIL COMPANY, INC.	3685'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
L	9	17 S	30 E		1930	SOUTH	390	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
L	8	17 S	30 E		1670	SOUTH	101	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

LAST TAKE POINT/ BOTTOM HOLE LOCATION
Lat – N 32.846389°
Long – W 104.002432°
NMSPCE– N 671808.8
E 642959.7
(NAD-83)

Lat – N 32.846274°
Long – W 104.001924°
NMSPCE– N 671745.2
E 601780.7
(NAD-27)

FIRST TAKE POINT 1670' FSL & 101' FEL
Lat – N 32.846387°
Long – W 103.985893°
NMSPCE– N 671824.4
E 648039.2
(NAD-83)

Lat – N 32.846271°
Long – W 103.985387°
NMSPCE– N 671760.8
E 606860.3
(NAD-27)

SURFACE LOCATION
Lat – N 32.847100°
Long – W 103.984294°
NMSPCE– N 672085.3
E 648529.3
(NAD-83)

Lat – N 32.846984°
Long – W 103.983786°
NMSPCE– N 672021.6
E 607350.4
(NAD-27)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Calvin Bankes 08/10/2022
Signature Date

Calvin Bankes
Printed Name

cbankes@burnettoil.com
Email Address

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.

AUGUST 2, 2022
Date Surveyed

Signature & Seal of Professional Surveyor

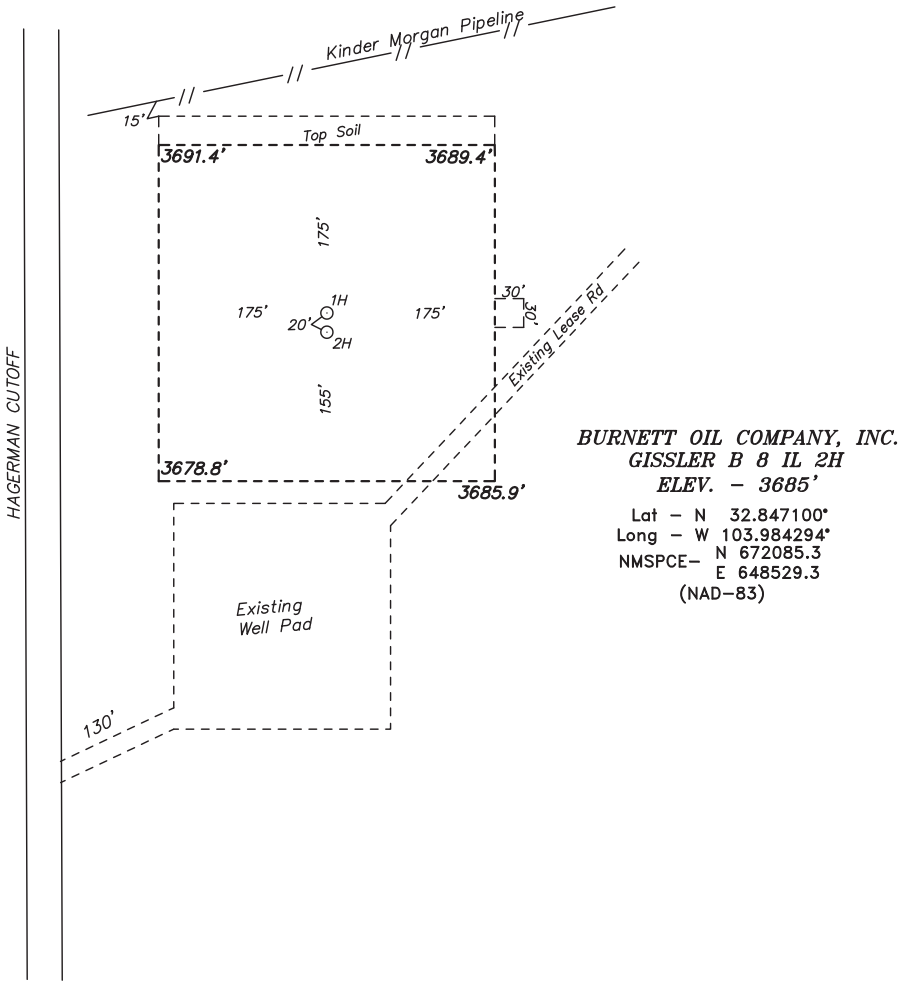
GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number Gary L. Jones 7977
BASIN SURVEYS

0' 500' 1000' 1500' 2000' N
SCALE: 1" = 1000'
WO Num.: 35822

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,

EDDY COUNTY, **NEW MEXICO.**



BURNETT OIL COMPANY, INC.
GISSLER B 8 IL 2H
ELEV. – 3685'

Lat – N 32.847100°
Long – W 103.984294°
NMSPCE– N 672085.3
E 648529.3
(NAD–83)

LOCO HILLS, NM IS ±3 MILES TO THE SOUTHWEST OF LOCATION.

200 0 200 400 FEET

SCALE: 1" = 200'

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

basin surveys
focused on excellence in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393–7316 – Office
(575) 392–2206 – Fax
basinsurveys.com

BURNETT OIL CO.

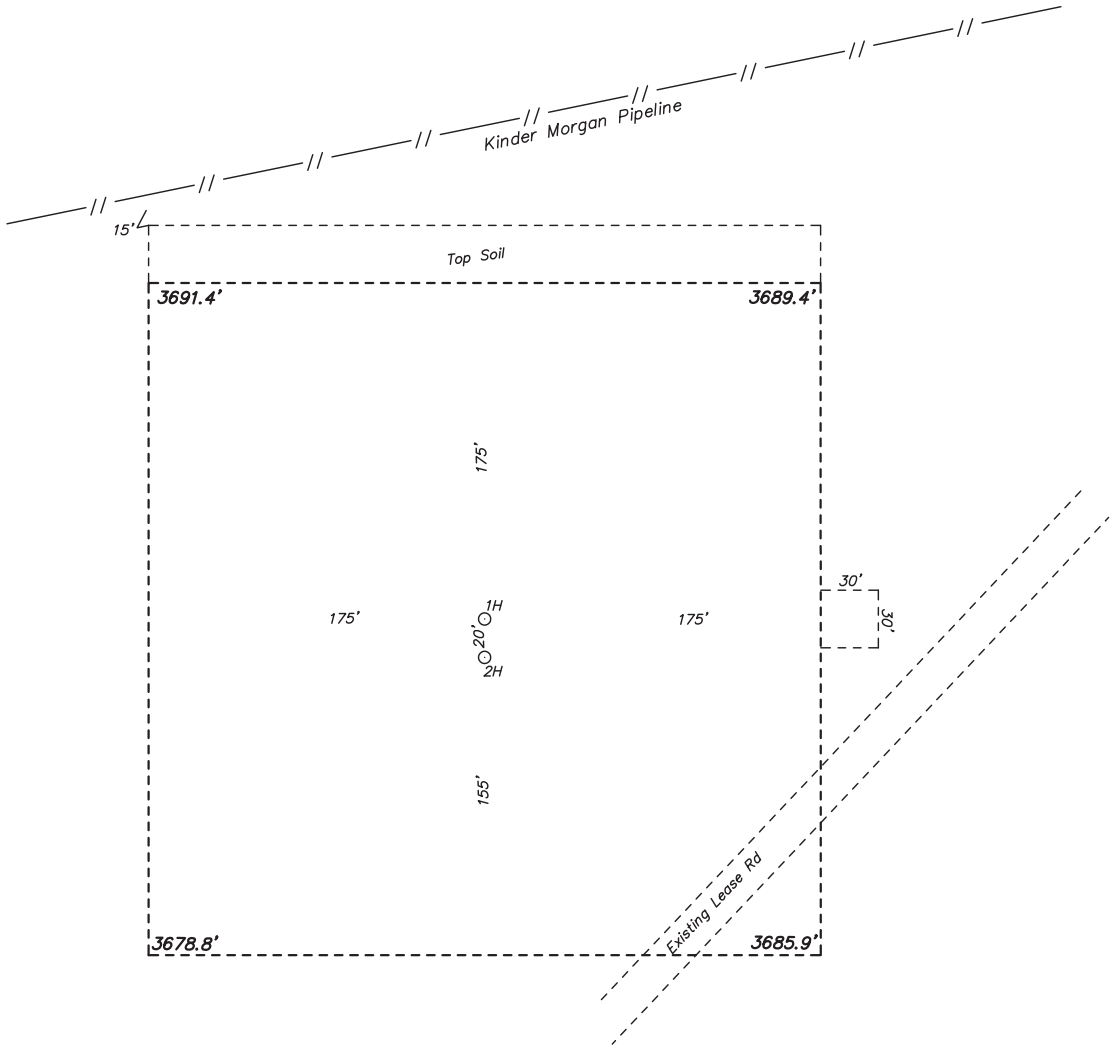
REF: GISSLER B 8 IL 2H / WELL PAD TOPO

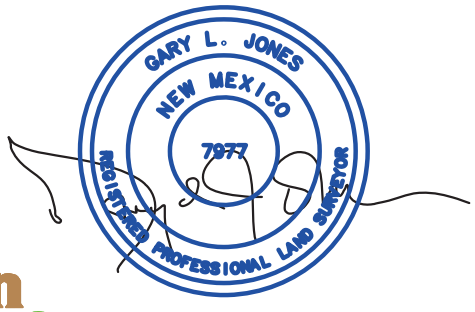
THE GISSLER B 8 IL 2H LOCATED 1930' FROM THE SOUTH LINE AND 390' FROM THE WEST LINE OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 35822	Drawn By: K. GOAD	Date: 08–03–2022	Survey Date: 08–02–2022	Sheet 1 of 1 Sheets

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,

EDDY COUNTY, **NEW MEXICO.**





100 100 200 FEET

SCALE: 1" = 100'

BURNETT OIL CO.

REF: GISSLER B 8 IL 2H / WELL PAD TOPO

THE GISSLER B 8 IL 2H LOCATED 1930' FROM THE SOUTH LINE AND 390' FROM THE WEST LINE OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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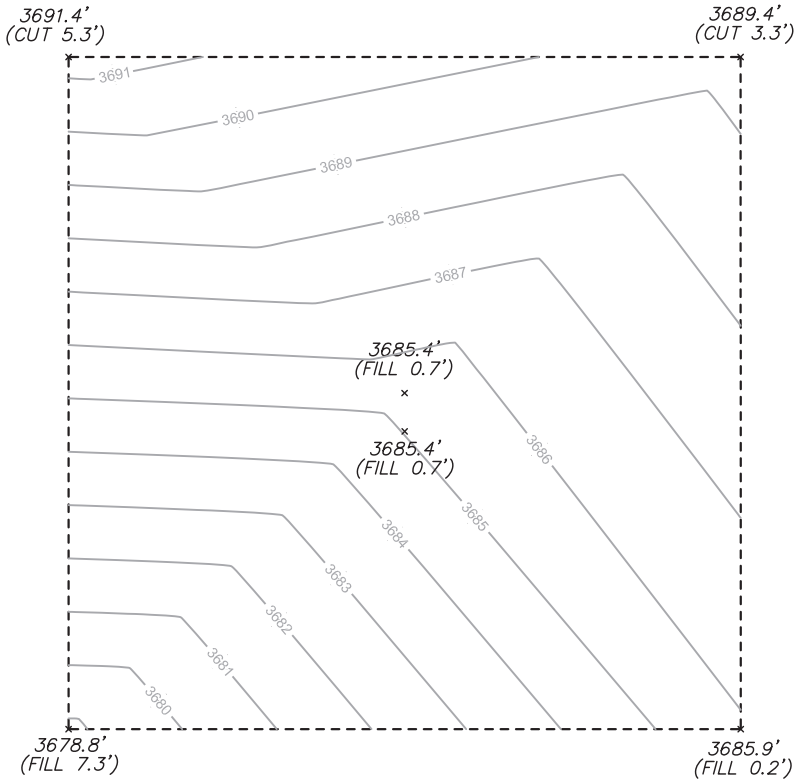
SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

100 100 200 FEET
SCALE: 1" = 100'

BURNETT OIL CO.

REF: GISSLER B 8 IL 2H / CUT & FILL

THE GISSLER B 8 IL 2H LOCATED 1930' FROM THE SOUTH LINE AND 390' FROM THE WEST LINE OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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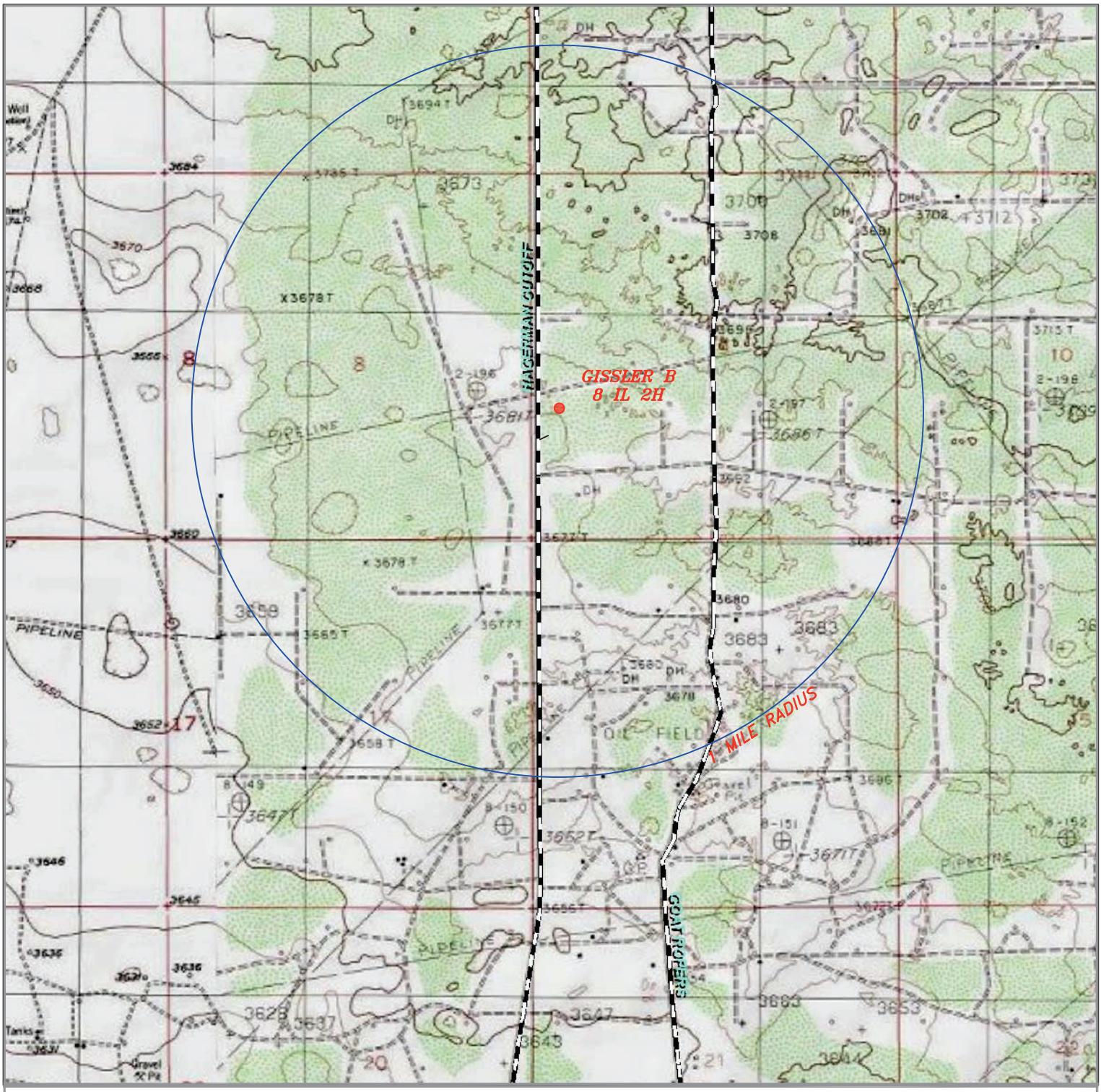
W.O. Number: 35822	Drawn By: K. GOAD	Date: 08-03-2022	Survey Date: 08-02-2022	Sheet 1 of 1 Sheets



GISSLER B 8 IL 2H

Located 1930' FSL and 390' FWL
Section 9, Township 17 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 – Office
(575) 392-2206 – Fax
basinsurveys.com

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

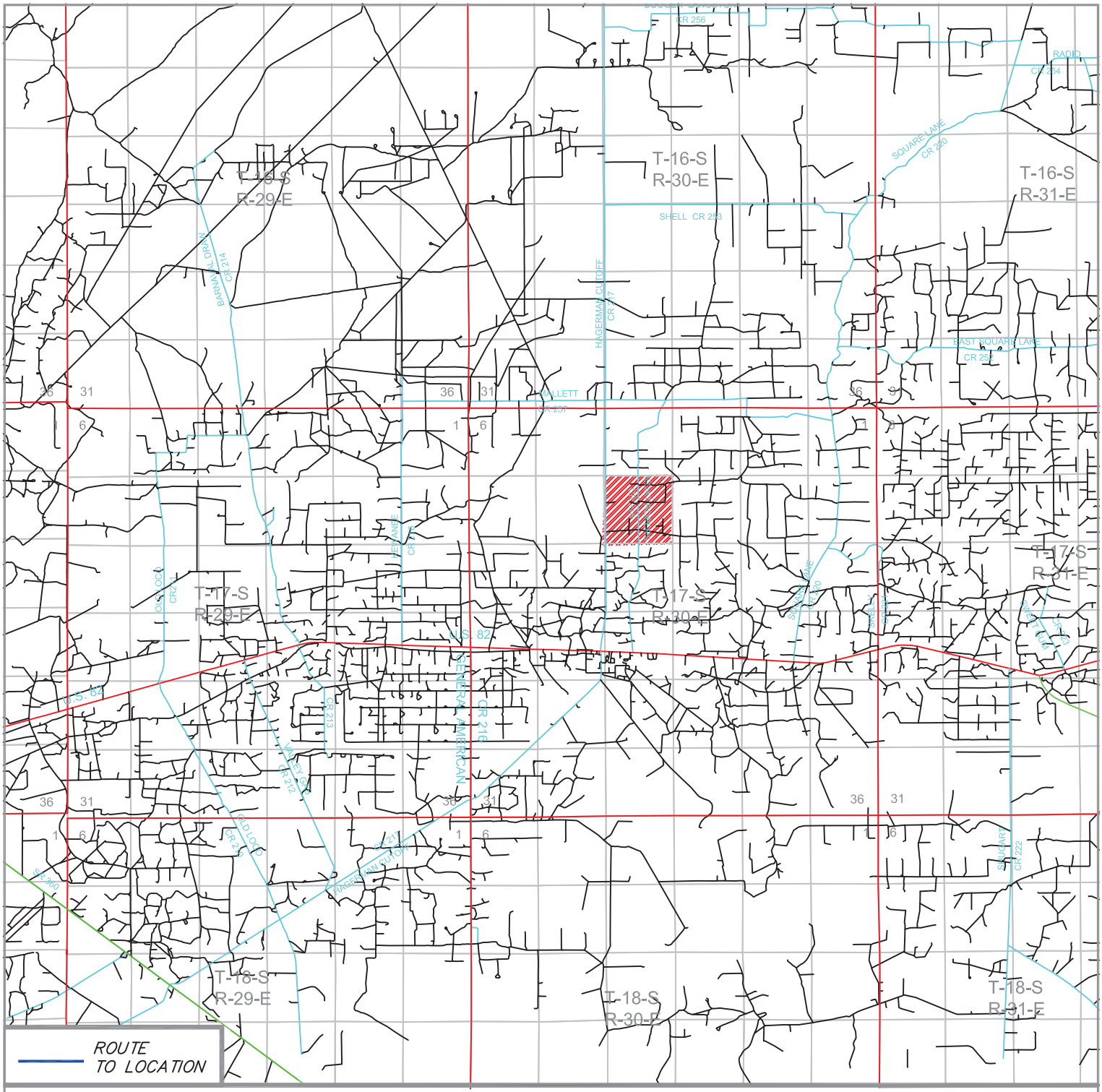
W.O. Number: KJG 35822

Survey Date: 08-02-2022

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

N

BURNETT OIL CO.



GISSLER B 8 IL 2H

Located 1930' FSL and 390' FWL
Section 9, Township 17 South, Range 30 East,
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0 1 MI 2 MI 3 MI 4 MI
SCALE: 1" = 2 MILES

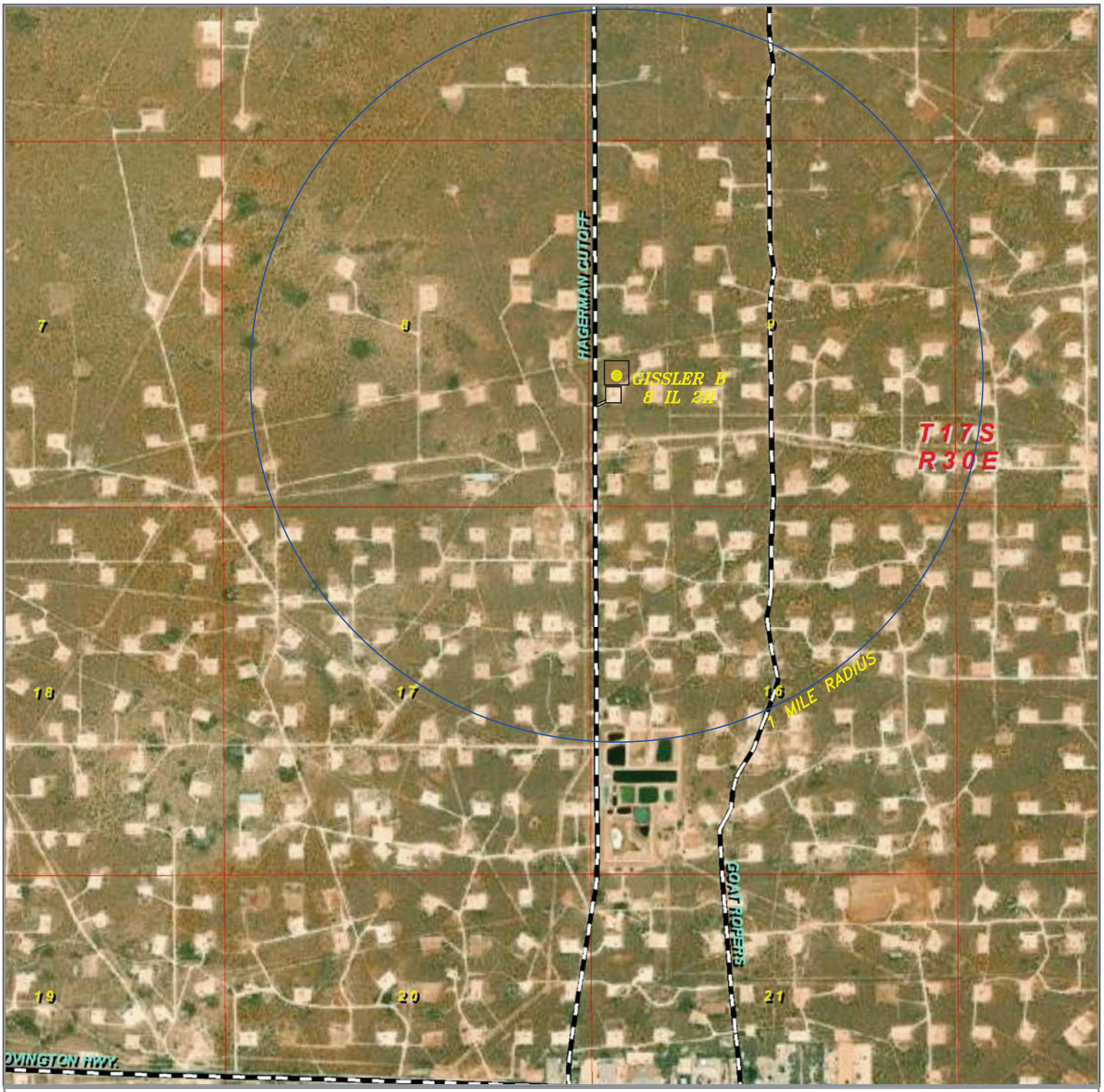
W.O. Number: KJG 35822

Survey Date: 08-02-2022

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

N

BURNETT OIL CO.



GISSLER B 8 IL 2H

Located 1930' FSL and 390' FWL
Section 9, Township 17 South, Range 30 East,
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(575) 392-2206 – Fax
basinsurveys.com

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

W.O. Number: KJG 35822

Survey Date: 08-02-2022

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

N

BURNETT OIL CO.

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Burnett Oil Co., Inc. **OGRID:** 03080 **Date:** 2/19/2024

II. Type: ☑ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Gissler B 8 IL 2H	TBD	L-9-17S-30E	1930 FSL 390 FWL	242	412	1,500

IV. Central Delivery Point Name: Gissler B 5 Tank Battery [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Gissler B 8 IL 2H	TBD	9/1/2024	9/30/2024	10/1/2024	11/20/2024	11/20/2024

VI. Separation Equipment: ☑ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☑ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☑ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☑ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☑ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	
Printed Name:	TYLER DEANS
Title:	VP ENGINEERING
E-mail Address:	TDEANS@BURNETTOIL.COM
Date:	2/19/2024
Phone:	432-553-4699

OIL CONSERVATION DIVISION

(Only applicable when submitted as a standalone form)

Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

NATURAL GAS MANAGEMENT PLAN

Section 1 – Attachments

Company: Burnett Oil Co. Inc Well Name: Gissler B 8 IL 2 H API#: TBD

VI. Separation Equipment: Description of how Operator will size separation equipment to optimize gas capture.

A. This well will be added to an existing tank battery.

B. The engineered system is designed to handle 4,000 MCF/D. It will produce through the following vessels:

1. 2-phase separator,
2. free-water knockout,
3. heater treater, and then finally a
4. 2-phase gas scrubber.

C. Current battery throughput is 3234 MCF/D.

D. The referenced well is anticipated to produce a maximum of 412 MCF/D for a total throughput of 3646 MCF/D.

VII. Operational Practices: Description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

A. In all circumstances, the operator shall flare rather than vent natural gas except when flaring is technically infeasible or would pose a risk to safe operations or personnel safety, and venting is a safer alternative than flaring.

B. During drilling operations a mud/gas separator will be on location. If needed, it will be utilized to capture natural gas for purposes of flaring. If flaring is required, a properly-sized flare stack will be at a minimum of 100' from the nearest surface hole location unless otherwise approved by the division.

C. Venting and flaring during completion or recompletion operations

1. During completion or recompletion, gas is trapped/retained in the wellbore through use of properly weighted "kill" fluids.
2. During the completion phase, the well will be routed directly into an existing battery. With this initial flowback already being connected to the existing battery, all flowback gasses will be routed, if applicable, only to flare. No venting will occur during this initial flowback period. As soon as it is feasible, the existing separation will be utilized.

D. Equipment redundancies within the system, along with the overall battery design, enables us to service equipment without interruption to gas flow in most scenarios. With the existing battery compression at this facility, in most cases we can avoid flaring during times of elevated transmission line pressures caused by mid-stream maintenance. Additionally, we have gas takeaway with two (2) midstream companies to try and keep gas going to sales in case one of them has a problem.

E. Performance Standards

1. The existing facility is designed for maximum anticipated throughput and pressure to minimize waste.
2. The existing storage tanks are routed to a combustor.
3. The existing flare stack is properly sized and designed to ensure proper combustion efficiency.
4. The existing flare stack is securely anchored and located at least 100 feet from the storage tanks.
5. AVO inspections are conducted weekly.
6. NA
7. NA
8. We strive to minimize waste and shall resolve emergencies as quickly and safely as possible.

F. Measurement or estimation of vented and flared natural gas

1. We shall measure or estimate the volume of natural gas that is vented, flared, or beneficially used during drilling, completion and production operations regardless of the reason or authorization for such venting or flaring.
2. The existing flare has a meter to measure the gas going to it.
3. The measurement equipment conforms to an industry standard such as American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14.10 Measurement of Flow to Flares
4. The measuring equipment is not equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.
5. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, the operator will estimate the volume of vented or flared natural gas using a methodology that can be independently verified.
6. NA
7. The operator shall install measuring equipment whenever the division determines that metering is practicable or the existing measuring equipment or GOR test is not sufficient to measure the volume of vented and flared natural gas.

VIII. Best Management Practices: Operator's best management practices to minimize venting during active and planned maintenance.

A. The existing facility is designed for maximum anticipated throughput and pressure to minimize waste.

B. Equipment redundancies within the system, along with the overall battery design, enables us to service equipment without interruption to gas flow in most scenarios. With the existing battery compression at this facility, in most cases we can avoid flaring during times of elevated transmission line pressures caused by mid-stream maintenance.

C. During well maintenance, gas is trapped/retained in the wellbore through use of properly weighted "kill" fluids.

D. Additionally, we have gas takeaway with two (2) midstream companies to try and keep gas going to sales in case one of them has a problem.

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report
11/21/2023

APD ID: 10400086848 **Submission Date:** 08/18/2022

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
12365115	RUSTLER	0	304	304	ANHYDRITE, SHALE	NONE	N
12365116	SALADO	-549	549	549	SALT	NONE	N
12365117	BASE OF SALT	-1318	1318	1318	ANHYDRITE	NONE	N
12365118	YATES	-1506	1506	1506	ANHYDRITE, SHALE	NONE	N
12365119	SEVEN RIVERS	-1778	1778	1778	ANHYDRITE, DOLOMITE	NATURAL GAS, OIL	N
12365120	QUEEN	-2387	2387	2387	ANHYDRITE, DOLOMITE	NATURAL GAS, OIL	N
12365121	GRAYBURG	-2791	2791	2791	DOLOMITE	NATURAL GAS, OIL	N
12365122	SAN ANDRES	-2791	2791	2791	DOLOMITE	NATURAL GAS, OIL	N
12365123	GLORIETA	-4586	4586	4586	SANDSTONE, SHALE	NATURAL GAS, OIL	Y
12365124	YESO	-4664	4664	4664	DOLOMITE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M **Rating Depth:** 8000

Equipment: The blowout prevention equipment (BOPE) shown in the attached diagram will consist of a 3000 PSI Hydril Unit (annular) with hydraulic closing equipment. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 3000 PSI WP rating.
Requesting Variance? NO

Variance request:

Testing Procedure: The equipment will comply with Onshore Order #2. BOPE will be tested to 3,000 psi and the Annular tested to 1,500 psi and maintained for at least ten (10) minutes. The 13 3/8 x 13 5/8 drilling head will be installed on the surface casing and in use continuously until total depth is reached. An independent testing company will be used for the testing.
Choke Diagram Attachment:

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

3M_BOP_r_20220818135935.pdf

BOP Diagram Attachment:

3M_BOP_r_20220818135947.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	CONDUCTOR	24	20.0	NEW	API	N	0	90	0	90	3685	3595	90	OTHER	0	OTHER - Contractor Discretion						
2	SURFACE	17.5	13.375	NEW	API	N	0	720	0	720	3685	2965	720	J-55	48	ST&C	1.125	1	DRY	1.8	DRY	1.8
3	INTERMEDIATE	12.25	9.625	NEW	API	N	0	2000	0	2000	0	1685	2000	J-55	36	ST&C	1.125	1	DRY	1.8	DRY	1.8
4	PRODUCTION	8.5	7.0	NEW	API	N	0	4800	0	4800	0	-1115	4800	L-80	26	LT&C	1.125	1	DRY	1.8	DRY	1.8
5	PRODUCTION	8.5	5.5	NEW	API	N	4800	10049	4800	10049	-4800	-6364	5249	L-80	17	LT&C	1.125	1	DRY	1.8	DRY	1.8

Casing Attachments

Casing ID: 1 **String** CONDUCTOR

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

Casing Attachments

Casing ID: 2 **String** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Safety_Factors_HZ_20220802125417.pdf

Casing ID: 3 **String** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Safety_Factors_HZ_20220802125654.pdf

Casing ID: 4 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Safety_Factors_HZ_20220802125915.pdf

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

Casing Attachments

Casing ID: 5 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Safety_Factors_HZ_20220802130113.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
CONDUCTOR	Lead		0	0	0	0	0	0		Contractor Discretion	N/A
SURFACE	Lead		0	720	330	1.75	13.5	577.5		ExtendaCem	CZ 0.1250 lbm Poly-EFlake
SURFACE	Tail		0	720	340	1.35	14.8	457.98	100	HalCem	2% Calcium Chloride –flake
INTERMEDIATE	Lead		0	2000	475	1.75	13.5	831.25		ExtendaCem	CZ 0.1250 lbm Poly-EFlake
INTERMEDIATE	Tail		0	2000	205	1.33	14.8	274.83	50	HalCem	N/A
PRODUCTION	Lead	4700	0	4800	1135	1.48	13	1679.8	20	PVL	+ 1.3% (BWOW) PF44 Salt + 5% PF174 Expanding Cement + 0.5% PF606 Fluidloss + 0.2% PF13 Retarder + 0.1%PF153 Antisettling + 0.4 pps PF45 Defoamer
PRODUCTION	Lead		4800	10049	150	1.48	13	222	35	35/65 PerLite/C	+ 5% (BWOW) PF44 Salt + 6% PF20 Bentonite + 0.2%

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
											PF13

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: The necessary mud products for weight addition and fluid loss control will be on location at all times.

Describe the mud monitoring system utilized: Pason equipment will be used to monitor the mud system

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	720	OTHER : Fresh Water	8.4	9.5							
720	2000	OTHER : Brine Water	10	10.2							
2000	10049	OTHER : Brine Water	10	10.2							

Operator Name: BURNETT OIL COMPANY INCORPORATED

Well Name: GISSLER B 8 IL **Well Number:** 2H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

A mud logger will be on the well from 200 to TD. No open hole logs will be run.

List of open and cased hole logs run in the well:

MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

No cores or DSTs are planned at this time

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 2397 **Anticipated Surface Pressure:** 1274

Anticipated Bottom Hole Temperature(F): 105

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

H2S_Plan_20220802133730.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Gissler_8_B_IL__2H_Directional_20220812081807.pdf

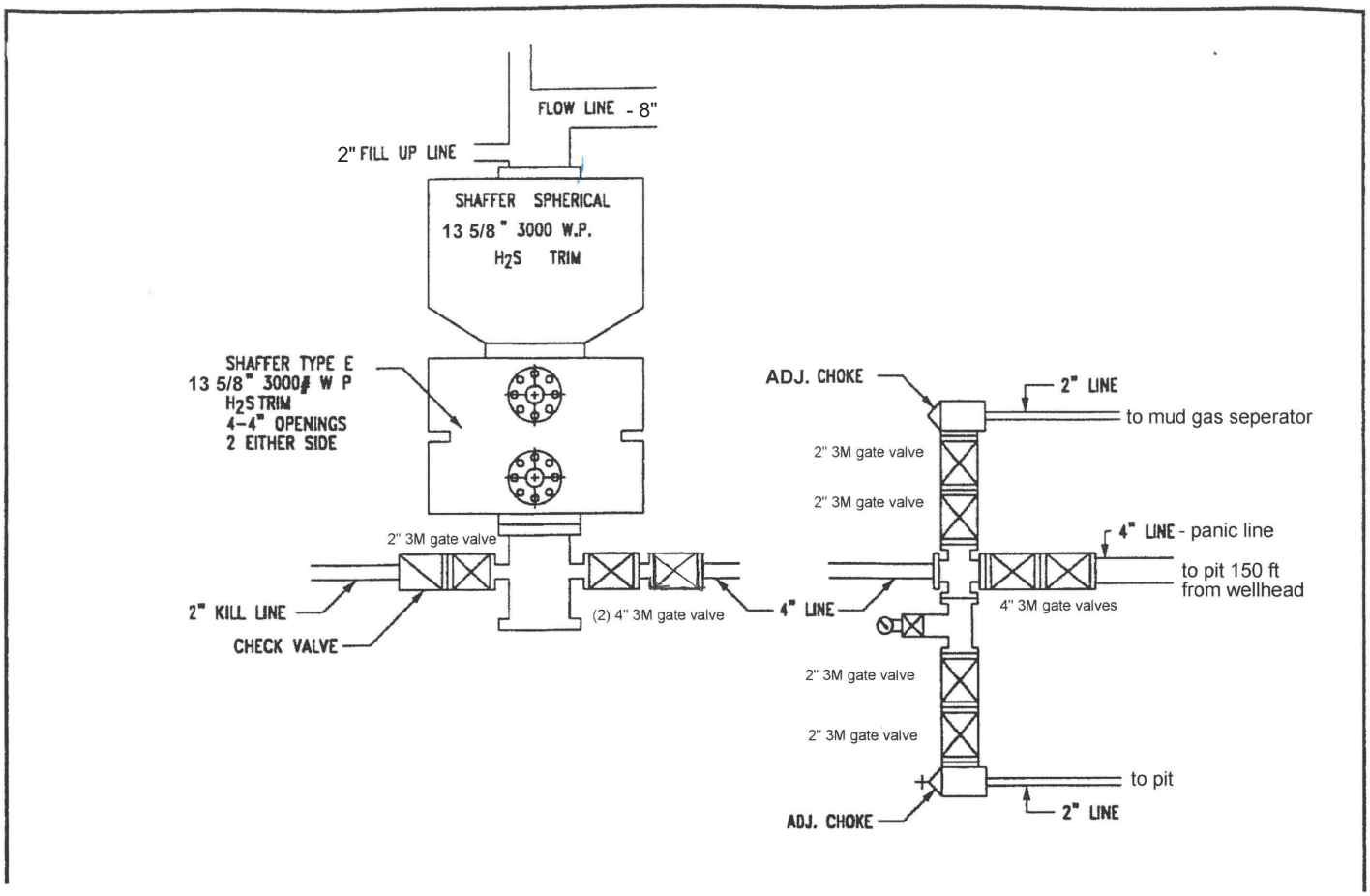
Other proposed operations facets description:

Other proposed operations facets attachment:

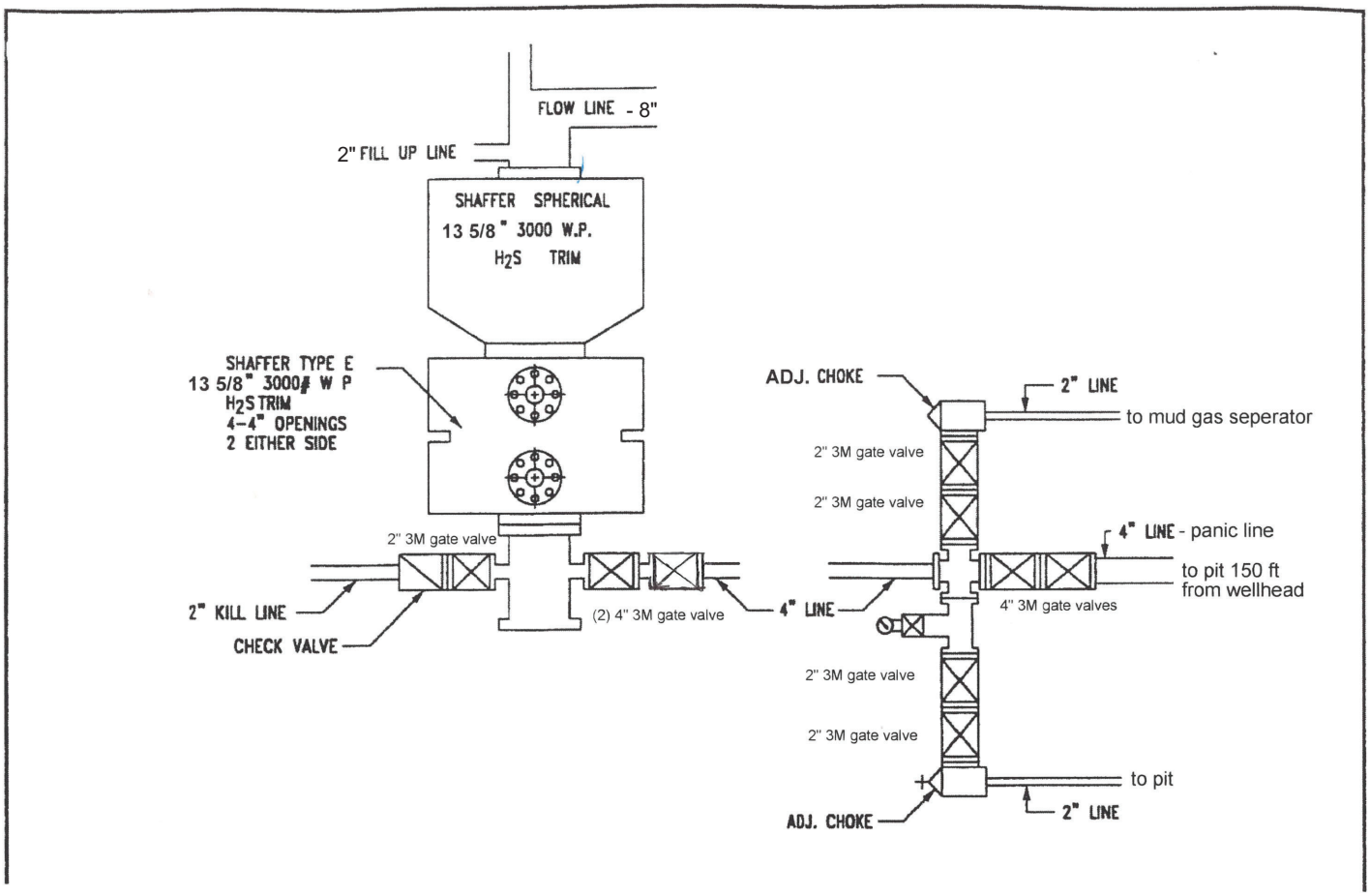
GISSLER_B_8_IL_2H_Plat_Pkg_20220812082002.pdf
Drilling_Plan___BOP_20220812082427.pdf
Gissler_B_5_Battery_20220812082844.pdf
Gissler_8_B_IL__2H_Plan__1_AC_Report_NAD_83_20220812083235.pdf

Other Variance attachment:

13 5/8 " 3M BOP Stack



13 5/8 " 3M BOP Stack



Burnett Oil Co., Inc.
801 Cherry Street- Unit #9 Fort Worth, Texas
76102-6881
Phone: 817-332-5108 Fax: 817-332-2438

Collapse Pressure	Safety Factor	Min		Burst Pressure	Safety Factor	Min		Tension	Safety Factor	Min		
			13-3/8" 48# J-55									
			ST&C									
			770				1,730,000				322,000	
351	1.125	395		351	1.0	351		36,000	1.8	64,800		
			9-5/8" 36# J-55									
			ST&C									
			2,000				3,520				453,000	
1220	1.125	1,372		1,220	1.0	1,220		82,800	1.8	149,040		
			7" 26# L-80									
			LT&C									
			5,410				7,240				511,000	
								186,114	1.8	335,005		
			7" 23# L-80									
			LT&C									
			3,830				6,340				435,000	
								186,114	1.8	335,005		
			7" 26# J-55									
			LT&C									
			4,320				4,980				367,000	
								202,314	1.8	364,165		
			5-1/2" 17# L-80									
			LT&C									
			6,290				7,740				338,000	
-	1.125	-		-	1.0	-		153,714	1.8	276,685		

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351	1.125	395		351	1.0	351		36,000	1.8	64,800		
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1220	1.125	1,372		1,220	1.0	1,220		82,800	1.8	149,040		
			7" 26# L-80									
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			4,320				4,980				367,000	
								202,314	1.8	364,165		
			5-1/2" 17# L-80									
			LT&C									
			6,290				7,740				338,000	
-	1.125	-		-	1.0	-		153,714	1.8	276,685		

Burnett Oil Company, Inc.

Eddy County, NM NAD 83
Sec 9-T17S-R30E
Gissler B 8 IL 2H NAD 83

Wellbore #1

Plan: Plan #2

Standard Planning Report

22 July, 2022

Microsoft

Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Gissler B 8 IL 2H NAD 83
Company:	Burnett Oil Company, Inc.	**TVD Reference:**	3685+16.7 @ 3701.7usft
Project:	Eddy County, NM NAD 83	**MD Reference:**	3685+16.7 @ 3701.7usft
Site:	Sec 9-T17S-R30E	**North Reference:**	Grid
Well:	Gissler B 8 IL 2H NAD 83	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #2		

Project Eddy County, NM NAD 83

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Sec 9-T17S-R30E

Site Position:		**Northing:**	673,622.00 usft	**Latitude:**	32° 51' 4.767 N
From:	Map	**Easting:**	648,505.00 usft	**Longitude:**	103° 59' 3.683 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.19 °

Well Gissler B 8 IL 2H NAD 83

Well Position	**+N/-S**	-1,533.3 usft	**Northing:**	672,088.70 usft	**Latitude:**	32° 50' 49.594 N
	+E/-W	21.0 usft	**Easting:**	648,526.00 usft	**Longitude:**	103° 59' 3.496 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,685.0 usft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	07/20/22	6.64	60.50	47,734.64694166

Design Plan #2

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	267.10

Plan Survey Tool Program **Date** 07/22/22

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	10,268.8	Plan #2 (Wellbore #1)	MWD	
				OWSG MWD - Standard	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
887.3	0.00	0.00	887.3	0.0	0.0	0.00	0.00	0.00	0.00	
1,182.3	5.90	212.00	1,181.8	-12.9	-8.0	2.00	2.00	0.00	212.00	
3,947.8	5.90	212.00	3,932.6	-253.9	-158.7	0.00	0.00	0.00	0.00	
4,242.8	0.00	0.00	4,227.1	-266.8	-166.7	2.00	-2.00	0.00	180.00	
4,542.8	0.00	0.00	4,527.1	-266.8	-166.7	0.00	0.00	0.00	0.00	
5,447.8	90.50	269.83	5,100.0	-268.5	-744.7	10.00	10.00	-9.96	269.83	
10,269.0	90.50	269.83	5,057.7	-282.4	-5,565.7	0.00	0.00	0.00	0.00	BHL Gissler B 8 IL 2H

Microsoft

Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Gissler B 8 IL 2H NAD 83
Company:	Burnett Oil Company, Inc.	**TVD Reference:**	3685+16.7 @ 3701.7usft
Project:	Eddy County, NM NAD 83	**MD Reference:**	3685+16.7 @ 3701.7usft
Site:	Sec 9-T17S-R30E	**North Reference:**	Grid
Well:	Gissler B 8 IL 2H NAD 83	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
887.3	0.00	0.00	887.3	0.0	0.0	0.0	0.00	0.00	0.00
Nudge 2°/100'									
900.0	0.25	212.00	900.0	0.0	0.0	0.0	2.00	2.00	0.00
1,000.0	2.25	212.00	1,000.0	-1.9	-1.2	1.3	2.00	2.00	0.00
1,100.0	4.25	212.00	1,099.8	-6.7	-4.2	4.5	2.00	2.00	0.00
1,182.3	5.90	212.00	1,181.8	-12.9	-8.0	8.7	2.00	2.00	0.00
EON HLD 5.9° Inc.									
1,200.0	5.90	212.00	1,199.4	-14.4	-9.0	9.7	0.00	0.00	0.00
1,300.0	5.90	212.00	1,298.9	-23.1	-14.5	15.6	0.00	0.00	0.00
1,400.0	5.90	212.00	1,398.3	-31.8	-19.9	21.5	0.00	0.00	0.00
1,500.0	5.90	212.00	1,497.8	-40.6	-25.3	27.4	0.00	0.00	0.00
1,600.0	5.90	212.00	1,597.3	-49.3	-30.8	33.3	0.00	0.00	0.00
1,700.0	5.90	212.00	1,696.7	-58.0	-36.2	39.1	0.00	0.00	0.00
1,800.0	5.90	212.00	1,796.2	-66.7	-41.7	45.0	0.00	0.00	0.00
1,900.0	5.90	212.00	1,895.7	-75.4	-47.1	50.9	0.00	0.00	0.00
2,000.0	5.90	212.00	1,995.1	-84.2	-52.6	56.8	0.00	0.00	0.00
2,100.0	5.90	212.00	2,094.6	-92.9	-58.0	62.7	0.00	0.00	0.00
2,200.0	5.90	212.00	2,194.1	-101.6	-63.5	68.5	0.00	0.00	0.00
2,300.0	5.90	212.00	2,293.6	-110.3	-68.9	74.4	0.00	0.00	0.00
2,400.0	5.90	212.00	2,393.0	-119.0	-74.4	80.3	0.00	0.00	0.00
2,500.0	5.90	212.00	2,492.5	-127.7	-79.8	86.2	0.00	0.00	0.00
2,600.0	5.90	212.00	2,592.0	-136.5	-85.3	92.1	0.00	0.00	0.00
2,700.0	5.90	212.00	2,691.4	-145.2	-90.7	98.0	0.00	0.00	0.00
2,800.0	5.90	212.00	2,790.9	-153.9	-96.2	103.8	0.00	0.00	0.00
2,900.0	5.90	212.00	2,890.4	-162.6	-101.6	109.7	0.00	0.00	0.00
3,000.0	5.90	212.00	2,989.9	-171.3	-107.1	115.6	0.00	0.00	0.00
3,100.0	5.90	212.00	3,089.3	-180.0	-112.5	121.5	0.00	0.00	0.00
3,200.0	5.90	212.00	3,188.8	-188.8	-117.9	127.4	0.00	0.00	0.00
3,300.0	5.90	212.00	3,288.3	-197.5	-123.4	133.2	0.00	0.00	0.00
3,400.0	5.90	212.00	3,387.7	-206.2	-128.8	139.1	0.00	0.00	0.00
3,500.0	5.90	212.00	3,487.2	-214.9	-134.3	145.0	0.00	0.00	0.00
3,600.0	5.90	212.00	3,586.7	-223.6	-139.7	150.9	0.00	0.00	0.00
3,700.0	5.90	212.00	3,686.1	-232.3	-145.2	156.8	0.00	0.00	0.00
3,800.0	5.90	212.00	3,785.6	-241.1	-150.6	162.7	0.00	0.00	0.00
3,900.0	5.90	212.00	3,885.1	-249.8	-156.1	168.5	0.00	0.00	0.00
3,947.8	5.90	212.00	3,932.6	-253.9	-158.7	171.3	0.00	0.00	0.00
DROP 2°/100'									
4,000.0	4.86	212.00	3,984.6	-258.1	-161.3	174.1	2.00	-2.00	0.00
4,100.0	2.86	212.00	4,084.4	-263.8	-164.8	178.0	2.00	-2.00	0.00
4,200.0	0.86	212.00	4,184.3	-266.5	-166.6	179.8	2.00	-2.00	0.00
4,242.8	0.00	0.00	4,227.1	-266.8	-166.7	180.0	2.00	-2.00	0.00
EOD HLD 0° Inc.									
4,300.0	0.00	0.00	4,284.3	-266.8	-166.7	180.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,384.3	-266.8	-166.7	180.0	0.00	0.00	0.00

Microsoft

Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Gissler B 8 IL 2H NAD 83
Company:	Burnett Oil Company, Inc.	**TVD Reference:**	3685+16.7 @ 3701.7usft
Project:	Eddy County, NM NAD 83	**MD Reference:**	3685+16.7 @ 3701.7usft
Site:	Sec 9-T17S-R30E	**North Reference:**	Grid
Well:	Gissler B 8 IL 2H NAD 83	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,500.0	0.00	0.00	4,484.3	-266.8	-166.7	180.0	0.00	0.00	0.00
4,542.8	0.00	0.00	4,527.1	-266.8	-166.7	180.0	0.00	0.00	0.00
KOP BLD 10°/100'									
4,550.0	0.72	269.83	4,534.3	-266.8	-166.8	180.1	10.00	10.00	0.00
4,600.0	5.72	269.83	4,584.2	-266.8	-169.6	182.9	10.00	10.00	0.00
4,650.0	10.72	269.83	4,633.7	-266.8	-176.7	190.0	10.00	10.00	0.00
4,700.0	15.72	269.83	4,682.3	-266.9	-188.2	201.4	10.00	10.00	0.00
4,750.0	20.72	269.83	4,729.8	-266.9	-203.8	217.0	10.00	10.00	0.00
4,800.0	25.72	269.83	4,775.8	-267.0	-223.5	236.7	10.00	10.00	0.00
4,850.0	30.72	269.83	4,819.8	-267.0	-247.1	260.3	10.00	10.00	0.00
4,900.0	35.72	269.83	4,861.6	-267.1	-274.5	287.7	10.00	10.00	0.00
4,950.0	40.72	269.83	4,900.9	-267.2	-305.4	318.6	10.00	10.00	0.00
5,000.0	45.72	269.83	4,937.3	-267.3	-339.7	352.8	10.00	10.00	0.00
5,050.0	50.72	269.83	4,970.6	-267.4	-376.9	390.0	10.00	10.00	0.00
5,100.0	55.72	269.83	5,000.5	-267.5	-417.0	430.0	10.00	10.00	0.00
5,150.0	60.72	269.83	5,026.9	-267.7	-459.5	472.4	10.00	10.00	0.00
5,200.0	65.72	269.83	5,049.4	-267.8	-504.1	517.0	10.00	10.00	0.00
5,250.0	70.72	269.83	5,067.9	-267.9	-550.5	563.4	10.00	10.00	0.00
5,300.0	75.72	269.83	5,082.4	-268.1	-598.4	611.2	10.00	10.00	0.00
5,350.0	80.72	269.83	5,092.6	-268.2	-647.3	660.0	10.00	10.00	0.00
5,400.0	85.72	269.83	5,098.5	-268.3	-696.9	709.6	10.00	10.00	0.00
5,447.8	90.50	269.83	5,100.0	-268.5	-744.7	757.4	10.00	10.00	0.00
EOB HLD 90.5° Inc.									
5,500.0	90.50	269.83	5,099.6	-268.6	-796.9	809.5	0.00	0.00	0.00
5,600.0	90.50	269.83	5,098.7	-268.9	-896.9	909.3	0.00	0.00	0.00
5,700.0	90.50	269.83	5,097.8	-269.2	-996.9	1,009.2	0.00	0.00	0.00
5,800.0	90.50	269.83	5,097.0	-269.5	-1,096.9	1,109.1	0.00	0.00	0.00
5,900.0	90.50	269.83	5,096.1	-269.8	-1,196.9	1,209.0	0.00	0.00	0.00
6,000.0	90.50	269.83	5,095.2	-270.1	-1,296.9	1,308.9	0.00	0.00	0.00
6,100.0	90.50	269.83	5,094.3	-270.4	-1,396.9	1,408.8	0.00	0.00	0.00
6,200.0	90.50	269.83	5,093.4	-270.7	-1,496.8	1,508.6	0.00	0.00	0.00
6,300.0	90.50	269.83	5,092.6	-270.9	-1,596.8	1,608.5	0.00	0.00	0.00
6,400.0	90.50	269.83	5,091.7	-271.2	-1,696.8	1,708.4	0.00	0.00	0.00
6,500.0	90.50	269.83	5,090.8	-271.5	-1,796.8	1,808.3	0.00	0.00	0.00
6,600.0	90.50	269.83	5,089.9	-271.8	-1,896.8	1,908.2	0.00	0.00	0.00
6,700.0	90.50	269.83	5,089.0	-272.1	-1,996.8	2,008.0	0.00	0.00	0.00
6,800.0	90.50	269.83	5,088.2	-272.4	-2,096.8	2,107.9	0.00	0.00	0.00
6,900.0	90.50	269.83	5,087.3	-272.7	-2,196.8	2,207.8	0.00	0.00	0.00
7,000.0	90.50	269.83	5,086.4	-273.0	-2,296.8	2,307.7	0.00	0.00	0.00
7,100.0	90.50	269.83	5,085.5	-273.3	-2,396.8	2,407.6	0.00	0.00	0.00
7,200.0	90.50	269.83	5,084.7	-273.5	-2,496.8	2,507.5	0.00	0.00	0.00
7,300.0	90.50	269.83	5,083.8	-273.8	-2,596.8	2,607.3	0.00	0.00	0.00
7,400.0	90.50	269.83	5,082.9	-274.1	-2,696.8	2,707.2	0.00	0.00	0.00
7,500.0	90.50	269.83	5,082.0	-274.4	-2,796.8	2,807.1	0.00	0.00	0.00
7,600.0	90.50	269.83	5,081.1	-274.7	-2,896.8	2,907.0	0.00	0.00	0.00
7,700.0	90.50	269.83	5,080.3	-275.0	-2,996.8	3,006.9	0.00	0.00	0.00
7,800.0	90.50	269.83	5,079.4	-275.3	-3,096.8	3,106.8	0.00	0.00	0.00
7,900.0	90.50	269.83	5,078.5	-275.6	-3,196.8	3,206.6	0.00	0.00	0.00
8,000.0	90.50	269.83	5,077.6	-275.9	-3,296.8	3,306.5	0.00	0.00	0.00
8,100.0	90.50	269.83	5,076.8	-276.1	-3,396.8	3,406.4	0.00	0.00	0.00
8,200.0	90.50	269.83	5,075.9	-276.4	-3,496.8	3,506.3	0.00	0.00	0.00
8,300.0	90.50	269.83	5,075.0	-276.7	-3,596.8	3,606.2	0.00	0.00	0.00
8,400.0	90.50	269.83	5,074.1	-277.0	-3,696.8	3,706.0	0.00	0.00	0.00

Microsoft
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Gissler B 8 IL 2H NAD 83
Company:	Burnett Oil Company, Inc.	**TVD Reference:**	3685+16.7 @ 3701.7usft
Project:	Eddy County, NM NAD 83	**MD Reference:**	3685+16.7 @ 3701.7usft
Site:	Sec 9-T17S-R30E	**North Reference:**	Grid
Well:	Gissler B 8 IL 2H NAD 83	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,500.0	90.50	269.83	5,073.2	-277.3	-3,796.7	3,805.9	0.00	0.00	0.00
8,600.0	90.50	269.83	5,072.4	-277.6	-3,896.7	3,905.8	0.00	0.00	0.00
8,700.0	90.50	269.83	5,071.5	-277.9	-3,996.7	4,005.7	0.00	0.00	0.00
8,800.0	90.50	269.83	5,070.6	-278.2	-4,096.7	4,105.6	0.00	0.00	0.00
8,900.0	90.50	269.83	5,069.7	-278.4	-4,196.7	4,205.5	0.00	0.00	0.00
9,000.0	90.50	269.83	5,068.8	-278.7	-4,296.7	4,305.3	0.00	0.00	0.00
9,100.0	90.50	269.83	5,068.0	-279.0	-4,396.7	4,405.2	0.00	0.00	0.00
9,200.0	90.50	269.83	5,067.1	-279.3	-4,496.7	4,505.1	0.00	0.00	0.00
9,300.0	90.50	269.83	5,066.2	-279.6	-4,596.7	4,605.0	0.00	0.00	0.00
9,400.0	90.50	269.83	5,065.3	-279.9	-4,696.7	4,704.9	0.00	0.00	0.00
9,500.0	90.50	269.83	5,064.5	-280.2	-4,796.7	4,804.7	0.00	0.00	0.00
9,600.0	90.50	269.83	5,063.6	-280.5	-4,896.7	4,904.6	0.00	0.00	0.00
9,700.0	90.50	269.83	5,062.7	-280.8	-4,996.7	5,004.5	0.00	0.00	0.00
9,800.0	90.50	269.83	5,061.8	-281.0	-5,096.7	5,104.4	0.00	0.00	0.00
9,900.0	90.50	269.83	5,060.9	-281.3	-5,196.7	5,204.3	0.00	0.00	0.00
10,000.0	90.50	269.83	5,060.1	-281.6	-5,296.7	5,304.2	0.00	0.00	0.00
10,100.0	90.50	269.83	5,059.2	-281.9	-5,396.7	5,404.0	0.00	0.00	0.00
10,200.0	90.50	269.83	5,058.3	-282.2	-5,496.7	5,503.9	0.00	0.00	0.00
10,269.0	90.50	269.83	5,057.7	-282.4	-5,565.7	5,572.9	0.00	0.00	0.00
TD at 10269.0									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BHL Gissler B 8 IL 2H - plan hits target center - Point	0.00	0.00	5,057.7	-282.4	-5,565.7	671,806.30	642,960.30	32° 50' 46.977 N	104° 0' 8.749 W
FTP Gissler B 8 IL 2H - plan misses target center by 54.0usft at 5201.0usft MD (5049.8 TVD, -267.8 N, -505.0 E) - Point	0.00	0.01	5,099.9	-265.0	-485.0	671,823.70	648,041.00	32° 50' 46.988 N	103° 59' 9.192 W

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
887.3	887.3	0.0	0.0	Nudge 2°/100'
1,182.3	1,181.8	-12.9	-8.0	EON HLD 5.9° Inc.
3,947.8	3,932.6	-253.9	-158.7	DROP 2°/100'
4,242.8	4,227.1	-266.8	-166.7	EOD HLD 0° Inc.
4,542.8	4,527.1	-266.8	-166.7	KOP BLD 10°/100'
5,447.8	5,100.0	-268.5	-744.7	EOB HLD 90.5° Inc.
10,269.0	5,057.7	-282.4	-5,565.7	TD at 10269.0

Burnett Oil Company, Inc.
Project: Eddy County, NM NAD 83
Site: Sec 9-T17S-R30E
Well: Gissler B 8 IL 2H NAD 83
Wellbore: Wellbore #1
Plan: Plan #2 (Gissler B 8 IL 2H NAD 83/Wellbore #1)

PANTHER

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
FTP Gissler B 8 IL 2H	5040.4	-265.0	-485.0	671823.70	648041.00	32° 50' 46.988 N	103° 59' 9.192 W
- plan misses target center by 2.7usft at 5178.9usft MD (5040.4 TVD, -267.7 N, -485.0 E)							
BHL Gissler B 8 IL 2H	5057.7	-282.4	-5565.7	671806.30	642960.30	32° 50' 46.977 N	104° 0' 8.749 W
- plan hits target center							

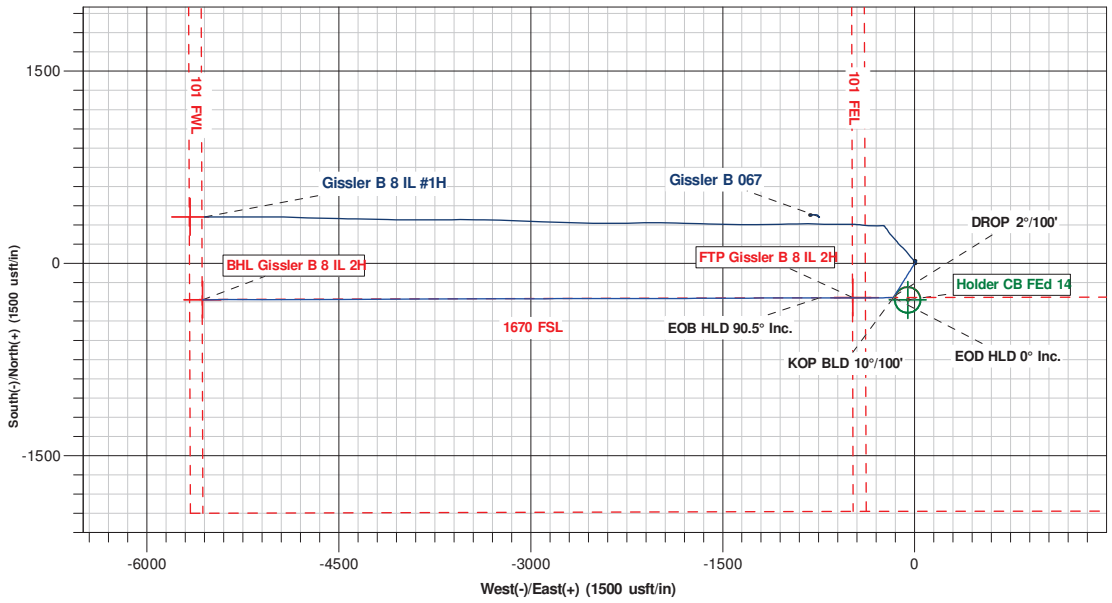
WELL DETAILS: Gissler B 8 IL 2H NAD 83

Ground Elevation:: 3685.0
RKB Elevation: 3685+16.7 @ 3701.7usft
Rig Name:

Northing	Easting	Latitude	Longitude
672088.70	648526.00	32° 50' 49.5[illegible]	103° 59' 3.496 W

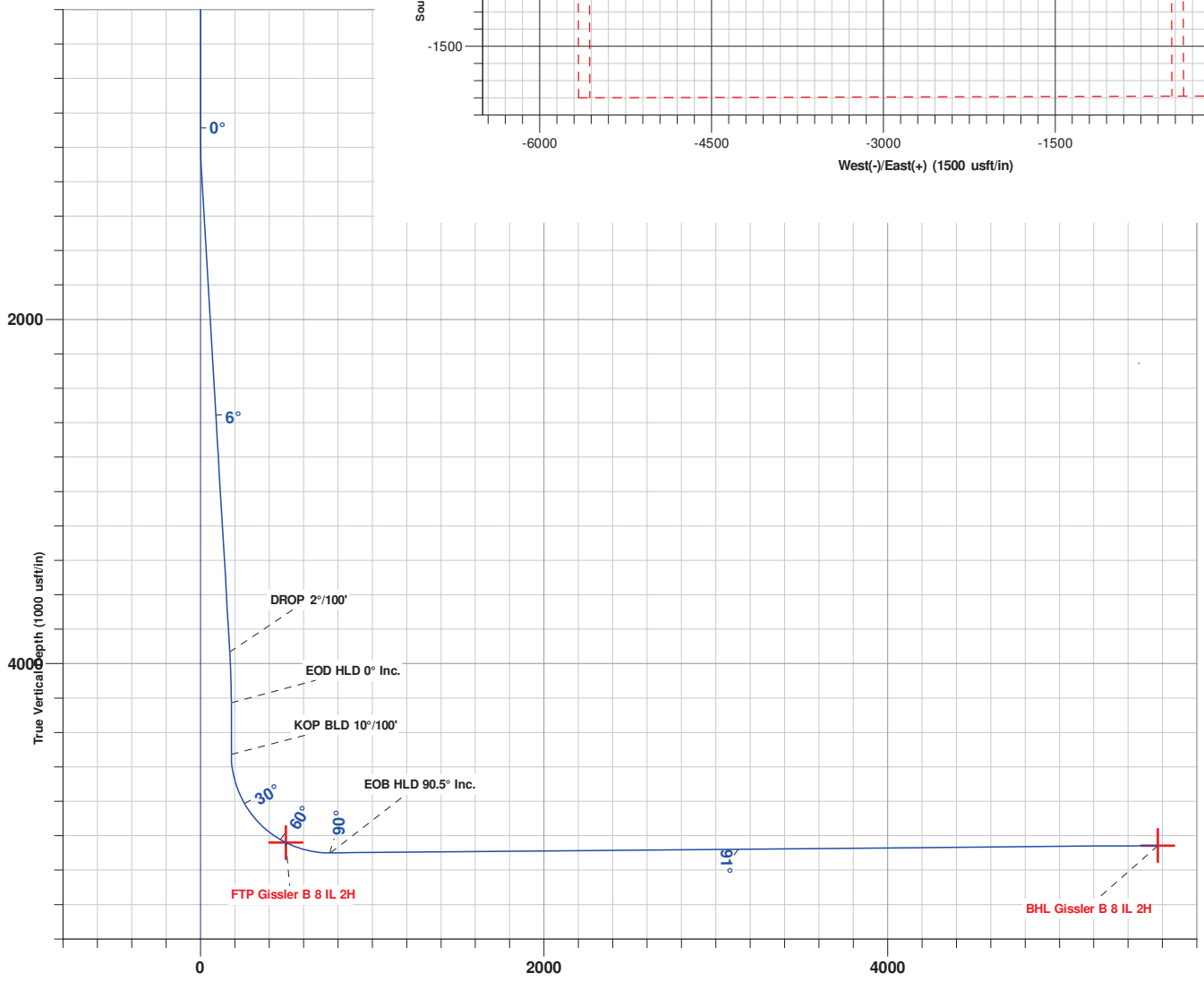
Section Details

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0
887.3	0.00	0.00	887.3	0.0	0.0	0.00	0.00	0.0
1182.3	5.90	212.00	1181.8	-12.9	-8.0	2.00	212.00	8.7
3947.8	5.90	212.00	3932.6	-253.9	-158.7	0.00	0.00	171.3
4242.8	0.00	0.00	4227.1	-266.8	-166.7	2.00	180.00	180.0
4542.8	0.00	0.00	4527.1	-266.8	-166.7	0.00	0.00	180.0
5447.8	90.50	269.83	5100.0	-268.5	-744.7	10.00	269.83	757.4
10269.0	90.50	269.83	5057.7	-282.4	-5565.7	0.00	0.00	5572.9



Azimuths to Grid North
True North: -0.19°
Magnetic North: 6.45°

Magnetic Field
Strength: 47734.6nT
Dip Angle: 60.50°
Date: 07/20/2022
Model: IGRF2015



Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM2748

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☑ Multiple Zone

7. If Unit or CA Agreement, Name and No.:

8. Lease Name and Well No.: GISSLER B 8 IL 2H

2. Name of Operator: BURNETT OIL COMPANY INCORPORATED

9. API Well No.:

3a. Address: 801 CHERRY STREET, UNIT #9, FORT WORTH, TX 761

3b. Phone No. *(include area code)*: (817) 332-5108

10. Field and Pool, or Exploratory: LOCO HILLS/GLORIETA YESO

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: TR L / 1930 FSL / 390 FWL / LAT 32.8471 / LONG -103.984294

At proposed prod. zone: TR L / 1670 FSL / 101 FWL / LAT 32.846389 / LONG -104.002432

11. Sec., T. R. M. or Blk. and Survey or Area: SEC 9/T17S/R30E/NMP

14. Distance in miles and direction from nearest town or post office*: 3 miles

12. County or Parish: EDDY

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 390 feet

16. No of acres in lease:

17. Spacing Unit dedicated to this well: 160.0

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 20 feet

19. Proposed Depth: 5100 feet / 10000 feet

20. BLM/BIA Bond No. in file: FED: NMB000197

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 3685 feet

22. Approximate date work will start*: 01/02/2023

23. Estimated duration: 14 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature: (Electronic Submission)

Name *(Printed/Typed)*: CALVIN BANKES / Ph: (817) 583-8730

Date: 08/18/2022

Title: Regulatory Coordinator

Approved by *(Signature)*: (Electronic Submission)

Name *(Printed/Typed)*: CODY LAYTON / Ph: (575) 234-5959

Date: 10/06/2023

Title: Assistant Field Manager Lands & Minerals

Office: Carlsbad Field Office

Application approval 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.
Conditions of approval, if any, are attached.

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 10/06/2023

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

Additional Operator Remarks

Location of Well

0. SHL: TR L / 1930 FSL / 390 FWL / TWSP: 17S / RANGE: 30E / SECTION: 9 / LAT: 32.8471 / LONG: -103.984294 (TVD: 0 feet, MD: 0 feet)

PPP: TR I / 1670 FSL / 101 FEL / TWSP: 17S / RANGE: 30E / SECTION: 8 / LAT: 32.846387 / LONG: -103.985893 (TVD: 5100 feet, MD: 10000 feet)

BHL: TR L / 1670 FSL / 101 FWL / TWSP: 17S / RANGE: 30E / SECTION: 8 / LAT: 32.846389 / LONG: -104.002432 (TVD: 5100 feet, MD: 10000 feet)

BLM Point of Contact

Name: TANJA BACA
Title: Land Law Examiner
Phone: (575) 234-5940
Email: tabaca@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Burnett Oil Company Inc.
LEASE NO.:	NMNM2748
COUNTY:	Eddy

Wells:

Gissler 8 B IL 2H
Surface Hole Location: 1930' FSL & 390' FWL, Section 9, T. 17 S, R. 30 E.
Bottom Hole Location: 1670' FSL & 101' FWL, Section 8, T. 17 S, R 30 E.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

☐ **General Provisions**
☐ **Permit Expiration**
☐ **Archaeology, Paleontology, and Historical Sites**
☐ **Noxious Weeds**
☒ **Special Requirements**
Lesser Prairie Chicken
☐ **Construction**
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
☐ **Road Section Diagram**
☒ **Production (Post Drilling)**
Well Structures & Facilities
☐ **Interim Reclamation**
☐ **Final Abandonment & Reclamation**

Approval Date: 10/06/2023

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See information below discussing NAGPRA.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Lesser Prairie Chicken:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:
Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Ground-level Abandoned Well Marker to avoid raptor perching:
Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous

substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone*.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations

will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

Approval Date: 10/06/2023

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**BURNETT OIL COMPANY INCORPORATED**
LEASE NO.:	**NMNM2748**
WELL NAME & NO.:	Gissler B 8 IL 2H
SURFACE HOLE FOOTAGE:	1930'/S & 390'/W
BOTTOM HOLE FOOTAGE	1670'/S & 101'/W
LOCATION:	Section 9, T.17 S., R.30 E., NMP
COUNTY:	Eddy County, New Mexico

COA

H2S	◉ Yes	○ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	◉ None	○ Flex Hose	○ Other
Wellhead	◉ Conventional	○ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☐ COM	☐ Unit

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Undesignated** formation. Yates 1323', Tansill 1459', Queen 2334' are likely source formations H2S. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **329** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

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completing the cement job.

b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

   - Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

3. The minimum required fill of cement behind the **7 X 5 1/2** inch production casing is:

   Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **2000 (2M)** psi.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)

689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24

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hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic

pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

e. The results of the test shall be reported to the appropriate BLM office.

f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

OTA01052023

Approval Date: 10/06/2023

BURNETT OIL CO., INC.

DRILLING PLAN
GISSLER B 8 IL 2H
HORIZONTAL LOCO HILLS GLORIETA YESO WELL

1. Geological Name of Surface Formation with Estimated Depth:

Geological Name	Estimate Top	Anticipated Fresh Water, Oil or Gas
Alluvium	Surface	There is no fresh water here
Salt	549’	
Base Salt	1218’	
Yates	1506’	
Seven Rivers	1778’	
Queen	2387’	Oil
Grayburg	2791’	Oil
San Andres	3104’	Oil
Glorieta	4586’	Oil
Yeso	4664’	Oil
Total Depth	Refer to APD	Oil

No other formations are expected to yield fresh water, oil or gas in measurable volumes. There is no groundwater in the immediate vicinity where we will be drilling. We will set 13-3/8” casing @ +/-420’ in the Anhydrite above the salt and circulate cement to surface.

We will set 9-5/8” intermediate casing at +/-1,300’ and circulate cement to surface. All intervals will be isolated by setting 7” x 5-1/2” casing to total depth and circulating cement from the shoe to the stage tool at +/-4,100’ and from +/-4,100’ to above the base of the 9-5/8” intermediate casing shoe.

2. Casing Program: (ALL CASING WILL BE NEW API APPROVED MATERIAL.)

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

a. Design Safety Factors:

Type	Hole Size	Depth Interval	OD CSG	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
Conductor	24”	0-90’	20”	Contractor	Discretion	----------	----------	----------	----------
Surface	17-1/2”	0-420’	13-3/8”	48#	ST&C	J-55	1.125	1.00	1.80
Intermediate	12-1/4”	0’-1300’	9-5/8”	36#	ST&C	J-55	1.125	1.00	1.80
Production	8-1/2”	0’-4800’	7”	26#	LT&C	L-80	1.125	1.00	1.80
	8-1/2”	4800’-10000’	5-1/2”	17#	LT&C	L-80	1.125	1.00	1.80

b. Surface Casing Info

DRILLING PLAN
Horizontal Yeso

The proposed 13-3/8" casing setting depth is +/- 420' based on cross sections which show the estimated top of the rustler and top of salt. Drilling times will be plotted to find the hard section just above the salt. A mud logger will be on location to evaluate drill and cutting samples as long as circulation is maintained. If salt is penetrated, it will be obvious by the sudden increase in water salinity and surface casing will then be set above the top of salt. Our highly experienced drilling personnel have drilled many wells in this area and are able to easily identify the hard streak on the top of the salt.

c. Intermediate casing

We will run 9-5/8" intermediate casing to +/-1,300' and circulate cement to surface to get the Salt section behind pipe.

d. Production casing

We will run 7" x 5-1/2" production casing with a DV Tool in the 7" (+/-4100'), then a crossover from 7" to 5-1/2" (+/-4600' –TD). The lateral will be cemented up to the stage tool and then from the stage tool up hole into the intermediate casing with top of cement reaching approximately 1,000'.

3. Cementing Program

BLM to be notified prior to all cementing and tag operations in order to observe the operation if desired.

a. 13 3/8" Surface Casing:

- Cement to surface
- 20 bbls fresh water spacer at 8.4 lbm/gal.
- Lead: 330 sx ExtendaCem – CZ 0.1250 lbm Poly-E-Flake. Fluid weight 13.5 lbm/gal, slurry yield 1.745 ft3/sx, total mixing fluid 9.18 gal/sx.
- Tail: 340 sx HalCem 2% Calcium Chloride – flake, fluid weight 14.8 lbm/gal, slurry yield 1.347 ft3/sx, total mixing fluid 6.39 gal/sx.
- Excess Cement: **100%**

If cement does not circulate to surface, BLM will be notified of same, and advised of the plan to bring the cement to surface so BLM may witness tagging and cementing. If surface pressures when circulating indicate cement is low in the annulus, temperature survey results will be reviewed with BLM representative to determine the remediation needed.

b. 9 5/8" Intermediate Casing:

- Cement to surface
- Lead: 475 sx ExtendaCem – CZ 0.1250 lbm Poly-E-Flake, Fluid weight 13.5 lbm/gal, slurry yield 1.745 ft3/sx, total mixing fluid 9.2 gal/sx.

DRILLING PLAN
Horizontal Yeso

- Tail: 205 sx HalCem fluid weight 14.8 lbm/gal, slurry yield 1.326 ft3/sx, total mixing fluid 6.34 gal/sx.

- Excess Cement: 50%

c. 7" & 5 1/2" Production Casing:

- This casing/cementing is designed to bring cement to approximately 1,500' inside the intermediate casing.

- Lead: 1135 Sx PVL + 1.3% (BWOW) PF44 Salt + 5% PF174 Expanding Cement + 0.5% PF606 Fluidloss + 0.2% PF13 Retarder + 0.1%PF153 Antisettling + 0.4 pps PF45 Defoamer, 13.0# Yield 1.48 H2O 7.577.

- Excess Cement: 20%

- Open DV Tool and pump the following cement.

- Lead: 305 Sx 35/65 PerLite/C + 5% (BWOW) PF44 Salt + 6% PF20 Bentonite + 0.2% PF13 Retarder + 3 pps PF42 Kol-Seal + 0.4 pps PF45 Defoamer + 0.125 pps PF29 Cellophane, 12.9#, Yield 1.82 H2O 9.21.

- Tail: 150 Sx PVL + 1.3% (BWOW) PF44 Salt + 5% PF174 Expanding Cement + 0.5% PF606 Fluidloss + 0.1% PF153 Antisettling + 0.4 pps PF45 Defoamer, 13.0#, Yield 1.48 H2O 7.577.

- Excess Cement: 35%

4. Pressure Control Equipment:

The blowout prevention equipment (BOPE) shown in Exhibit L will consist of a 3000 PSI Hydril Unit (annular) with hydraulic closing equipment. The equipment will comply with Onshore Order #2 and will be tested to 50% of rated working pressure (RWP) and maintained for at least ten (10) minutes. The 9-5/8" drilling head will be installed on the surface casing and in use continuously until total depth is reached. An independent testing company will be used for the testing. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 3000 PSI WP rating.

Occasionally, water flows are encountered from formations that have been water flooded including the Grayburg, Metex, Premier, San Andres, Vacuum, Lovington and Jackson formations. To control these water flows and to drill through salt formation(s), our anticipated maximum mud weight is 10.2 ppg. For the producing formation and at TD, the pore pressure in this area is 0.47 psi/ft based on review of drilling histories, mud weights, formation gradients etc. from surrounding wells.

Burnett is requesting to keep the Mud/Gas Separator on location but only connect if/when needed.

5. Auxiliary Well Control and Monitoring Equipment:

a. A Kelly cock will be in the drill string at all times.

DRILLING PLAN
Horizontal Yeso

b. A full opening drill pipe stabbing valve with the appropriate connections will be on the rig floor at all times.

c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation at a drilling depth of 1800' (which is more than 500' above top of Grayburg) and will remain until production casing is cemented.

d. An H2S compliance package will be on all sites while drilling.

6. Proposed Mud Circulation System (Closed Loop System)

Depth	Mud Wt	Vis	Fluid Loss	Type System
0' - 420'	8.4 - 9.5		NC	Fresh Water
420' - 1300' MD	10.0 – 10.2		NC	Brine Water
1300' – TD MD	10.0 – 10.2		NC	Brine Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Pason equipment will be used to monitor the mud system.

7. Logging, Coring and Testing program:

a. No cores or DSTs are planned at this time.

b. A mud logger will be on the well from 200' to TD.

c. No open hole logs will be run.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. Lost circulation is expected in the surface hole and not expected in production.

Occasionally, water flows are encountered from formations that have been water flooded including the Grayburg, Metex, Premier, San Andres, Vacuum, Lovington and Jackson formations. To control these water flows and to drill through salt formation(s), our anticipated maximum mud weight is 10.2 ppg.

For the producing formation and at TD, the pore pressure in this area is 0.47 psi/ft based on review of drilling histories, mud weights, formation gradients etc. from surrounding wells. Based upon logs of wells in this area, the anticipated bottom hole temperature is 105°F.

There is known H2S in this area. In the event that it is necessary to follow the H2S plan, a remote choke will be installed as required in Onshore Order 6. Refer to the attached H2S plan for details.

9. Anticipated Start Date and Duration of Operation

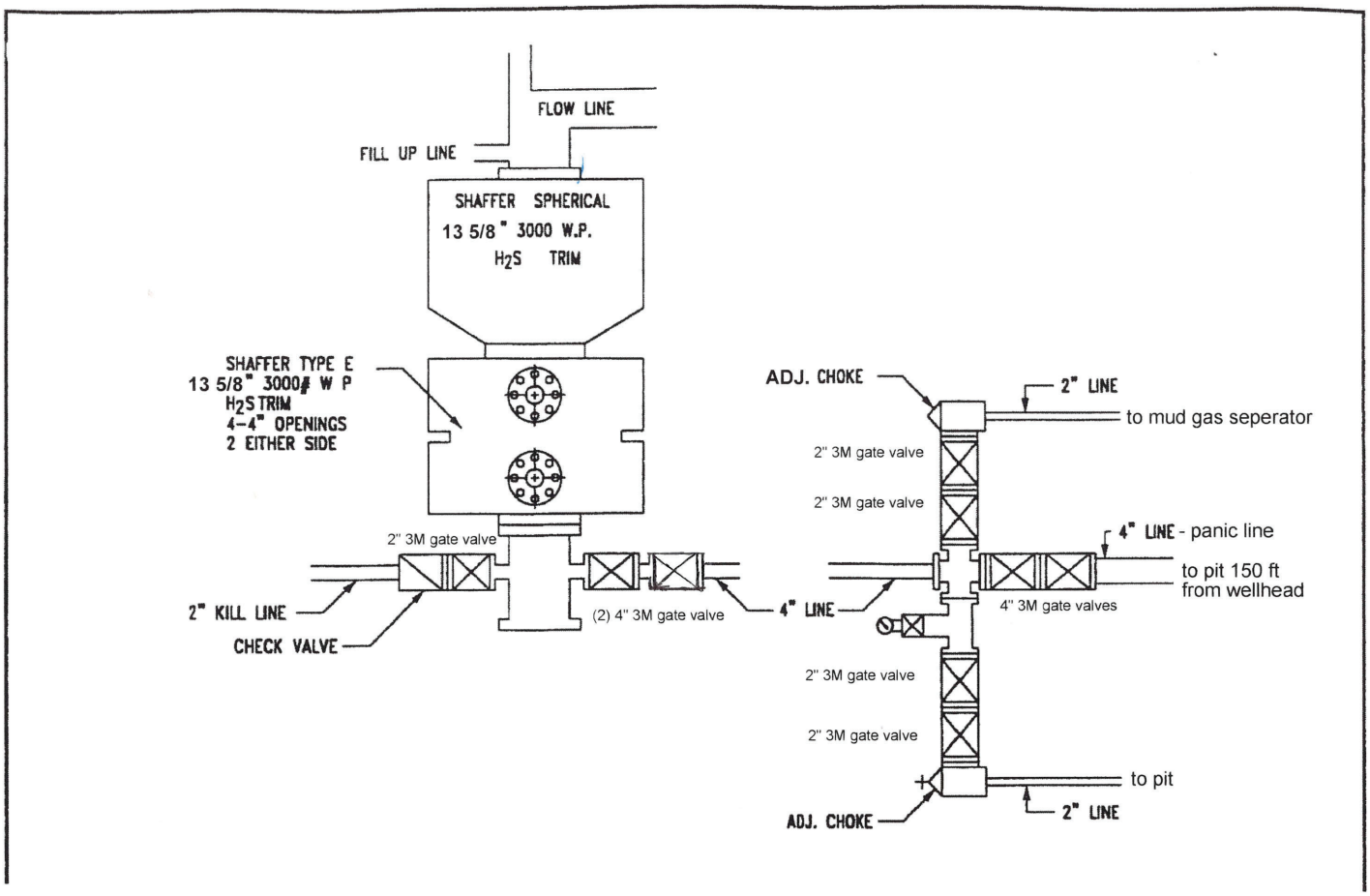
DRILLING PLAN
Horizontal Yeso

Road and location construction will begin after BLM has approved the APD and has approved the start of the location work. Anticipated spud date will be as soon as the location building work has been completed and the drilling rig is available to move to the location. Move in operations and drilling is expected to take approximately 25 days. If production casing is run, an additional 90 days would be required to complete the well and install the necessary surface equipment (pumping unit, electricity, flowline and storage facility) in order to place the well on production.

10. Completion Procedure

Upon completion of drilling operations, this well will be perforated and frac'd in multiple stages. Due to the completion process that Burnett utilizes, we do not anticipate any flowback. Upon completion of stimulation, the well will be put on production.

13 5/8 " 3M BOP Stack



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 322670

CONDITIONS

Operator:	OGRID:
BURNETT OIL CO INC 801 Cherry Street Unit #9 Fort Worth, TX 76102	3080
	Action Number: 322670
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	4/8/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	4/8/2024
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	4/8/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	4/8/2024
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing	4/8/2024
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	4/8/2024