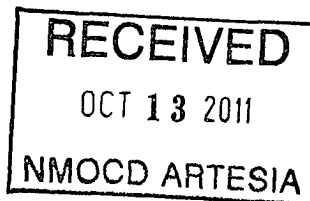


Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS



Do not use this form for proposals to drill or to re-enter an abandoned well.
Use Form 3160-3 (APD) for such proposals.

Bold* fields are required.

Section 1 - Completed by Operator	
1. BLM Office* Carlsbad, NM	2. Well Type* INJECTION
3. Submission Type* <input checked="" type="radio"/> Notice of Intent <input type="radio"/> Subsequent Report <input type="radio"/> Final Abandonment Notice	4. Action* Plug and Abandonment SEE ATTACHED FOR CONDITIONS OF APPROVAL
Operating Company Information	
5. Company Name* BURNETT OIL	
6. Address* 801 CHERRY SY STE 1500 FORT WORTH TX 76102	7. Phone Number* 817-332-8501 RECLAMATION PROCEDURE ATTACHED
Administrative Contact Information	
8. Contact Name* LESLIE _ CROW	9. Title* PRODUCTION TECHNICIAN
10. Address* 801 CHERRY STREET SUITE 1500 FORT WORTH TX 76102	11. Phone Number* 817-332-5108 6352 12. Mobile Number _____
13. E-mail* lesliec@burnettoil.com	14. Fax Number _____
Technical Contact Information	
<input type="checkbox"/> Check here if Technical Contact is the same as Administrative Contact.	
15. Contact Name* MARK _ JACOBY	16. Title* ENGINEERING MANAGER
17. Address* 801 CHERRY ST., STE. 1500 FORT WORTH TX 76102	18. Phone Number* 817-332-5108 6350 19. Mobile Number _____
20. E-mail* MJACOBY@BURNETTOIL.COM	21. Fax Number _____

APPROVED
OCT 9 2011

JAMES A. AMOS
SUPERVISOR

10/7/2011

HOLE SIZE 12 1/4

300 SX Circ.

K-SS
CASING SIZE 8 5/8" 24#
TD 529

HOLE SIZE 7 7/8"

Water flow 1431

2nd stage

670 SX

Circ,

Had Flow

+ 250

Water flow 2450

DVT @
2390

Water flow 2770

1st stage

210 SX

Circ

Water flow 2863

J-SS

CASING SIZE 4 1/2" 9 1/2#

TD 3223 ABTB 3169

SALT SECTIONS TOP 500
Surf Perf. @ 60' Circ. 8/24/83 BASE 1230
Burlington SQ
RIMP 114

CAVE/KARST

SPEC WATER

Shoe & TOS
Perf. @ 600' SQ. WOC Tag 460'

FORMATIONS Q_u 2322

BOS

GB 2911

Perf. 1300 SQ

SA 3163

adequate to fill from

1300-1180 WOC

Tag

DV 120' plug 25 SX

minimum from 2450' - 2330'
WOC Tag No lower than 2330'

Hole in Csg @ 2757 (SQ) 3/16/83

Cap CR w/25 SX WOC Tag
No lower than 2700

Perfs CR @ 2800 SQ to fill

2911-3169
Perfs

DVT 2390

PERFORATIONS 2911-3169

Lease and Agreement			
22. Lease Serial Number* NM2747			
24. If Unit or CA/Agreement, Name and/or Number _____		25. Field and Pool, or Exploratory Area* SQUARE LA(GB-SA)	
County and State for Well			
26. County or Parish, State* EDDY NM			
Associated Well Information			
27. Specify well using one of the following methods: a) Well Name, Well Number, API Number, Section, Township, Range, Qtr/Qtr, N/S Footage, E/W Footage b) Well Name, Well Number, API Number, Latitude, Longitude, Metes & Bounds description			
Well Name* JACKSON B32		Well Number* 1	API Number 30-015-22621
Section 1	Township 17S	Range 30E	Meridian
Qtr/Qtr _____	N/S Footage 1980 FSL		E/W Footage 1980 FEL
Latitude _____	Longitude _____	Metes and Bounds	
28. Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all markers and zones. Attach the Bond under which the work will be performed or provide the Bond Number on file pertinent with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.			
PROCEDURE:			
NOTE: 9.5 ppg brine water with mud gel must be circulated between plugs.			
1. NOTIFY BLM-CARLSBAD and NMOCD-ARTESIA BEFORE WORK BEGINS. 2. RUSU. NUBOP. 3. PTG. 4. Pick up 2 7/8" work string and GIH w/ 4 1/4" bit and tag up. 5. GIH with cement retainer and set retainer at 2800'. Pump enough cement to plug San Andres and existing perms 2852' - 3149'. Note top of San Andres (T/ SA is 3020') must have at least 50' cement above it and producing interval. <i>CAP Cmt Retainer w/ 25 sx cmt. WOC Tag NO lower than 2700' spot 25 sx across</i> 6. Pull out of retainer and POOH. <i>DVT.</i> 7. Perforate 4 squeeze holes at 1300', at least 50' below Base of Salt at 1230'. <i>WOC Tag < 2330</i> 8. GIH with work-string and packer and set packer 1200' and pump cement through squeeze perms to cement at least 100' across Base of Salt, both in/out of casing. WOC. Tag @ 1180' or shallower. 9. Perforate 4 squeeze holes at 600' (at least 60' below base of 8 5/8" casing at 530' and Top of Salt at 510'.) 10. Run packer and pump 50 sx cement through squeeze holes to obtain 50' cement plug inside and outside 5 1/2" casing above and below 8 5/8" casing shoe at 530' and Top of salt at 510'. WOC. Tag @ 460'.			

11. Perforate 4 squeeze holes at 60' . Pump 25 sx cement through squeeze holes to circulate to surface.
12. Cut off casing and wellhead. Top off surface with cement.
13. RDSU.
14. Install P & A marker and restore location per BLM requirements for final inspection.

NOTE: All cement plugs including the surface plug, should leave at least 25 sx inside the casing and be at least 100 ft., plus an additional 10% for each 1000 ft of depth.

I hereby certify that the foregoing is true and correct.

29. Name*

LESLIE _ CROW

30. Title

PRODUCTION TECHNICIAN

31. Date* (MM/DD/YYYY)

10/07/2011 Today

32. Signature*

You have the ability to sign this form only if a SmartCard or digital certificate has been issued to you.

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.

Section 2 - System Receipt Confirmation

33. Transaction

34. Date Sent

35. Processing Office

Section 3 - Internal Review #1 Status

36. Review Category

37. Date Completed

38. Reviewer Name

39. Comments

Section 4 - Internal Review #2 Status

40. Review Category

41. Date Completed

42. Reviewer Name

43. Comments

Section 5 - Internal Review #3 Status

44. Review Category

45. Date Completed

46. Reviewer Name

47. Comments

Section 6 - Internal Review #4 Status		
48. Review Category	49. Date Completed	50. Reviewer Name
51. Comments		

Section 7 - Final Approval Status			
52. Disposition	53. Date Completed	54. Reviewer Name	55. Reviewer Title
56. Comments			

GENERAL INSTRUCTIONS

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

SPECIFIC INSTRUCTIONS

Item 27 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 28 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the 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., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed

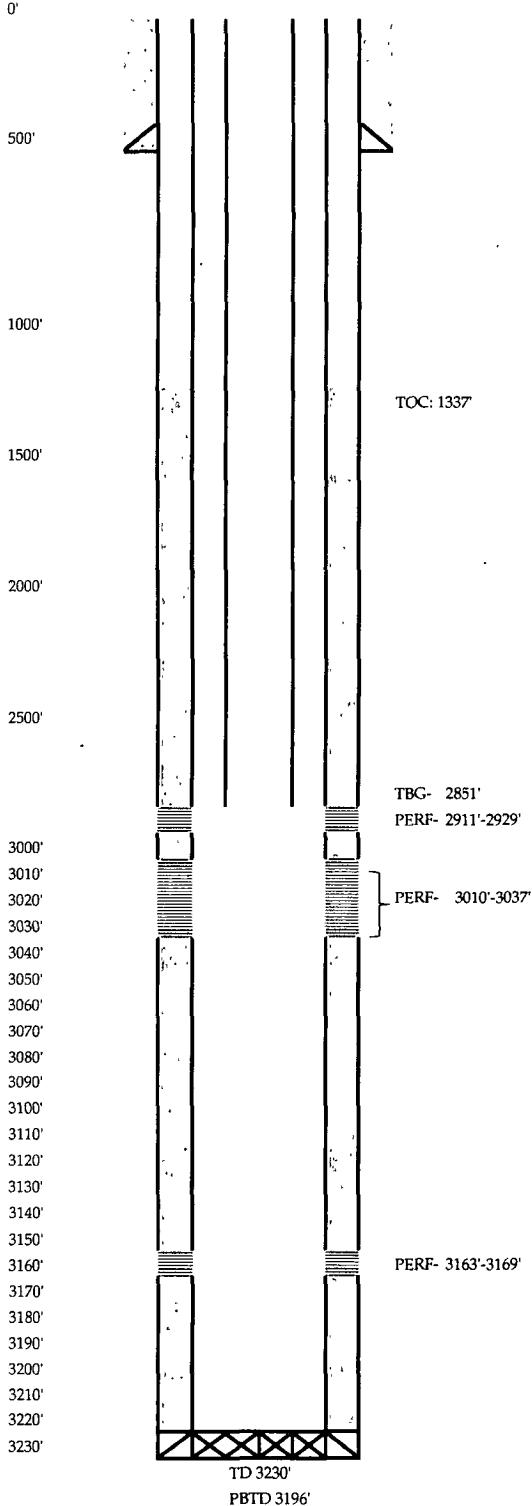
Burnett Oil Co., Inc.



WELL NAME: **Jackson B #32 WIW**
 FIELD: **Square Lkae (GB-SA)**
 COUNTY/STATE: **EDDY CO. NEW MEXICO**
 LOCATION SL: **UNIT J 1980' FSL, 1980' FEL**
SEC 1, T17S, R30E

SPUD DATE: _____ API # **30-015-22621**
 RIG RELEASE: _____ AFE # _____
 IP DATE: _____

1 sq = 100'



SURFACE CASING:

DEPTH: 529' SIZE: 8.625" WT: 24#

CEMENT: 300 SX CMT, CIRC TO SURF

PRODUCTION CASING:

DEPTH: 3223' SIZE: 5 1/2" WT: 14

CEMENT: 1255 SX CMT, TOC 1337'

TUBING:

DEPTH: 2851' SIZE: 2.375"

PUMP:

REMARKS: 7/79- FRAC 2911'-17' 750 GAL ACID, 9000 GAL GW, 4000# 20/40 SD
 PREMIER 3010'-37', 9900 GAL GW, 3750# 100 MESH SD
 11250# 20/40 SD, METEX 2911'-17', 2927'-29', 7900 GAL GW,
 3750# 100 MESH SD, 6000# 20/40 SD.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

J. Amos 3/6/11



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. 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. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Environmental Protection Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Justin Frye
Environmental Protection Specialist
575-234-5922

Requirements for ground level dry hole markers
Well Identification Markers
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.