

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Acton, NM 87416
Phone: (505) 334-6128 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3100 Fax: (505) 476-3462

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

Form C-101
Revised July 13, 2013

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Burnett Oil Co., Inc. Burnett Plaza - Suite 1500 801 Cherry Street - Unit 9		OGRID Number 03080
		API Number 30-015-30405
Property Code 283710	Property Name Cedar Lake 36 State Well No.	Well No. 1

Surface Location

UL - Lot K	Section 36	Township 17S	Range 30E	Lot Idn	Feet from 1980	N/S Line South	Feet From 1650	E/W Line West	County Eddy
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Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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Pool Information

Pool Name Wolfcamp Reef SWD; WOLF CAMP	Pool Code 74500
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Additional Well Information

Work Type E	Well Type S	Cable/Rotary R	Lease Type S	Ground Level Elevation 3606'
Multiple No	Proposed Depth 9215'	Formation Wolfcamp	Contractor United Drilling	Spud Date 3/31/14
Depth to Ground water None. Would be 300'		Distance from nearest fresh water well None Found		Distance to nearest surface water 20 miles

☒ We will be using a closed-loop system in lieu of lined pits

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
*SRFC	14 3/4"	11 3/4"	42#	665'	425	SRFC-CIRC
*Intermediate	11"	8 5/8"	32#	4459'	1350	SRFC-CIRC
Production	7 7/8"	5 1/2"	17#	9215'	See Attached Drilling Plan	SRFC

Casing/Cement Program: Additional Comments

* Surface and Intermediate Casing Existing. Re-Entry. Production Case new.
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
11" Annular & Double Ram	5000	2000	Shaffer/Hydril

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐ if applicable.

Signature: *Leslie Garvis*
Printed name: Leslie Garvis

Title: Regulatory Coordinator

E-mail Address: lgarvis@burnettoil.com

Date: 4/9/2014 Phone: 817-332-5108

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: 4-9-2014

Expiration Date: 4-9-2016

Conditions of Approval Attached

non-well PoD for reporting sale of skim oil: 2837108

DRILLING PLAN **Cedar Lake 36 State Com 1** **SWD WELL**

1. Geological Name of Surface Formation with Estimated Depth:

<u>Geological Name</u>	<u>Estimate Top</u>
a. Quaternary	Surface
b. Rustler	300'
c. Yates	1617'
d. Queen	2620'
e. Grayburg	2990'
f. San Andres	3405'
g. Yeso	5215'
h. Wolfcamp	8456'
i. Pennsylvanian	9216'

No interval expected of producing fresh water at any point in the well. We will set 13 3/8" casing @ approx. +/- 500' in the Rustler, above the salt and circulate cement to surface.

Any salt and/or hydrocarbons bearing intervals will be protected by setting 9 5/8" casing to 4500' and circulating cement back to surface. All other zones above TD will be cased with 7" casing and cement circulated to surface.

2. Casing Program: Re-entry. See Casing sizes below. (ALL CASING WILL BE NEW API APPROVED MATERIAL.)

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

Design Safety Factor Minimums:

EXISTING CASING

<u>Type</u>	<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>	<u>Joint String</u>
Surface (In Well)	14 3/4"	0' - 665'	11 3/4"	42.00#						
Intermediate (In Well)	11"	0' - 4459'	8 5/8"	32.00#						

DRILLING PLAN SWD WELL

PROPOSED CASING

Type	Hole Size	Interval	OD Csg	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor	Joint String
Production	7 7/8"	0' - 9215'	5 1/2"	17.00#	LT & C	L80	*1.125	1.00	2.00	1.80

3. Cementing Program

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

5 1/2" Production Casing (0-9215'): DV Tool at 7000'

Stage 1

- Pump 20 bbl Fresh Water then 11.9 bbls Super Flush 102, followed by 667 gallons of Fresh Water. Follow with 20 bbls of Gel Spacer (8.4lmg.gal). Lead with 125 sx EcnCem +0.50% Halad®- 322, Kol Seal (3lbm/sx), Poly-E-Flake (0.125 lbm/sx) and D-AIR-5000 (0.25 lbm/sx) Cement. 12.6 ppg, 1.929 CF/sx Yield.
- Tail with 400 sxs VersaCem + 0.4% LAP-1, 0.3% CFR-3, Kol-Seal (3 lbm/sx), Poly-E-Flake (0.125 lbm/sx) and D-AIR 5000 (0.25 lbm/sx). 14.2 ppg, Yield 1.283 CF/sx. TOC Surface. 35% excess cement. Follow with 226.9 bbl Water Spacer.

Stage 2

- Pump 20 bbls of Gel Spacer (8.4lmg.gal). Lead with 740 sx EcnCem +0.50% Halad®- 322, Kol Seal (3lbm/sx), Poly-E-Flake (0.125 lbm/sx) and D-AIR 5000 (0.25 lbm/sx) Cement. 12.6 ppg, 1.929 CF/sx Yield.
- Tail with 100 sxs HalCem 14.8 ppg, Yield 1.326 CF/sx. TOC Surface. 35% excess cement. Follow with 162.7 bbl Water Spacer.

The above cement volumes may be revised pending the caliper measurement from the open hole logs. **Casing/cementing design is to bring cement to the surface.**

4. Procedure to drill out P & A Plugs and convert to a Salt Water Disposal well:

- Dig out dry hole marker to cut off casing.
- MIRT. Install wellhead & NUBOP.
- Drill out cement plug at surface.
- Pick up 7 7/8" bit, DCs, and DP drill out cement plug at 612 - 712' and circulate hole clean. Pressure test casing to 500# and hold for 30 min. If test fails discuss further plans. If test is good, proceed to next step.
- Drill out cement plugs as follows 1310' - 1400', 3991' - 4067' and circulate hole clean and test casing to 500#.
- Drill out cement plug in OH at 4448' and 8506'. Circulate hole clean.

DRILLING PLAN SWD WELL

- g. POOH with drill string. RIH with DP open ended and spot cement plug 9315' – 9215'. Pull up hole into casing and WOC. GIH and tag plug. Circulate hole clean.
- h. POOH.
- i. Pick up and run 5 ½" 17# casing, with float shoe on bottom, 1 jt casing, float collar, casing with DV at 7000', and remainder of casing string back to surface.
- j. Cement per recommendation, WOC.
- k. MORT.
- l. RUSU. PU work string and bit and drill out DVT and GIH to PBTD of 9215'. Circulate hole clean.
- m. Run CNL-GR-CLL from PBTD to DVT.
- n. Perforate Wolfcamp Reef with casing gun per selections to be provided after log is run. Injection interval will be 8500' – 9191'.
- o. Run work string and packer and spot acid across perfs.
- p. Acidize perfs with volume per design (estimated 30,000 gals 15% NEFE HCL in 5 equal stages with 1000# rock salt in saturated brine water for blocks to divert acid).
- q. Flow back to clean up. Run packer across all perfs & tag PBTD. Pump FW if necessary to dissolve all rock salt blocks. POOH.
- r. Pick up 3 ½" IPC tubing and Arrowset 1 Nickel coated with on-off tool and 1.75" profile. Run packer to within 100' of top perf. NOTE: Perf interval from OH log & SWD permit injection interval is 8500' to 9191'.
- s. Circulate packer fluid using corrosion inhibitor, set packer, and pressure test to 500#. NOTE: Should call OCD 24 hours prior to setting injection packer and testing to allow their witness.
- t. Install pressure gauge on casing-tubing annulus to monitor casing pressure.
- u. Begin water injection.

5. Pressure Control Equipment:

The blowout prevention equipment (BOPE) on Production casing will have both Annular and Double Rams (5,000 PSI). The equipment will be tested to 50% of rated working pressure (RWP), and maintained for at least ten (10) minutes. The 11" 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 5,000 PSI WP rating.

Below are notes regarding the BOPE:

- a. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- b. Wear ring will be properly installed in head.
- c. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 5,000 psi working pressure.
- d. All fittings will be flanged.
- e. A full bore safety valve tested to a minimum 5,000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- f. All choke lines will be anchored to prevent movement.
- g. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- h. Will maintain a Kelly cock attached to the Kelly.

DRILLING PLAN SWD WELL

- i. Hand wheels and wrenches will be properly installed and tested for safe operation.
- j. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
- k. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

6. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve with the appropriate connections on the rig floor at all times.
- c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation at drilling depth of 1800' (which is more than 500' above top of Grayburg) until 7" casing is cemented.
- d. An H2S compliance package will be on all sites while drilling.

7. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>	<u>Max Volume</u>
4459' - 9215'	9.2	28	12 to log	Cut Brine	

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. Drill stem tests not anticipated.
- b. The open hole electrical logging program will be:
 1. Logging expected to be Dual Laterolog-Micro Laterolog, Dual Spaced Neutron, Spectral Density log, Spectral Gamma Ray and Caliper and CSNG will be run from TD to 8 5/8" casing shoe and GR from 8 5/8" to 11 3/4" shoe.
 2. No coring program is anticipated.
 3. Zones considered for injection will be perforated and acidized.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. All personnel will be familiar with the safe operation of the equipment being used to drill this well. The maximum anticipated bottom hole pressure is 4361#. This is based upon the following formula of .445 x BH ft. estimate. The anticipated bottom hole temperature is 160°F. This is based upon logs of drilled wells surrounding this well.

There is known H2S in this area. The attached H2S plan will be implemented at rig up to re-enter. The Mud/Gas Separator will be connected and a remote choke will be installed. Refer to the attached H2S plan for details.

DRILLING PLAN SWD WELL

9. Anticipated Start Date and Duration of Operation

Road and location construction will begin after the APD has been approved. 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 and drilling is expected to take approximately 12 days. When production casing is run, an additional 60 days would be required to complete the well and install the necessary surface equipment to place the well on injection.

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
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DISTRICT II

811 S. First St., Artesia, NM 88210
Phone (575) 748-1253 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

Form C-102
Revised August '86, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-30405	Pool Code 4580 96135	Pool Name SWD; WOLF CAMP Wolfcamp Reef
Property Code 40497	Property Name CEDAR LAKE 36 STATE	Well Number 1
OGRID No. 03080	Operator Name BURNETT OIL COMPANY, INC.	Elevation 3606

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/SOUTH LINE	FEET from the	East/WEST LINE	County
K	36	17 S	30 E		1980	SOUTH	1650	WEST	EDDY

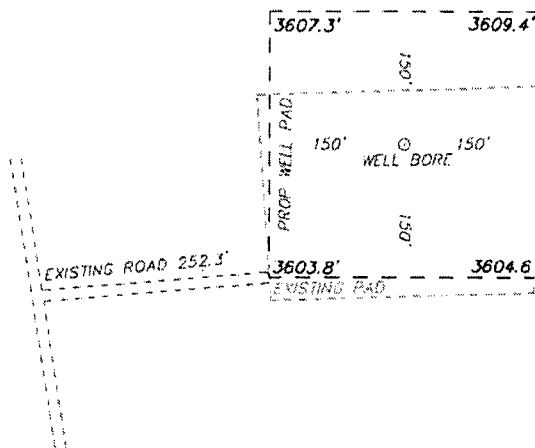
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/SOUTH LINE	FEET from the	East/WEST LINE	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

N: 654291.5 E: 622857.2 NAD 27	N: 654297.8 E: 625497.4 NAD 27	N: 654304.2 E: 628137.6 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. <i>Leslie Garvis</i> 3/19/14 Signature Date Leslie Garvis Printed Name lgarvis@burnettoil.com Email Address
SURFACE LOCATION Lat - N 32.789015 Long - W 103.928150 NMSPCE - E 624517.8 (NAD-27)			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 supervision and that the same is true and correct to the best of my belief. JANUARY 24 2014 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor Certification No. 7977 BASIC SURVEYING
N: 649010.7 E: 622874.6 NAD 27	1650' 1980' S.L.		0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WQ Num.: 30025

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BURNETT OIL COMPANY, INC.
CEDAR LAKE 36 STATE #1
ELEV. - 3606'

Lat - N 32.789015
Long - W 103.928150
NMSPC - N 650993.0
E 624517.8
(NAD-27)

LOCO HILLS, NM IS ± 4 MILES TO THE NORTHWEST OF LOCATION.

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF HWY 82 AND CR 220 GO
NORTH 1.0 MILES, TURN SOUTH 0.1 MILES, TURN
WEST 0.3 MILES, TURN NORTH AND PROPOSED ROAD
IS AT NORTHWEST CORNER OF CEDAR LAKE 36
STATE 17.

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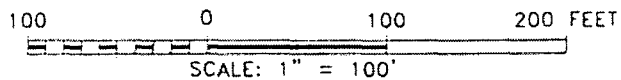
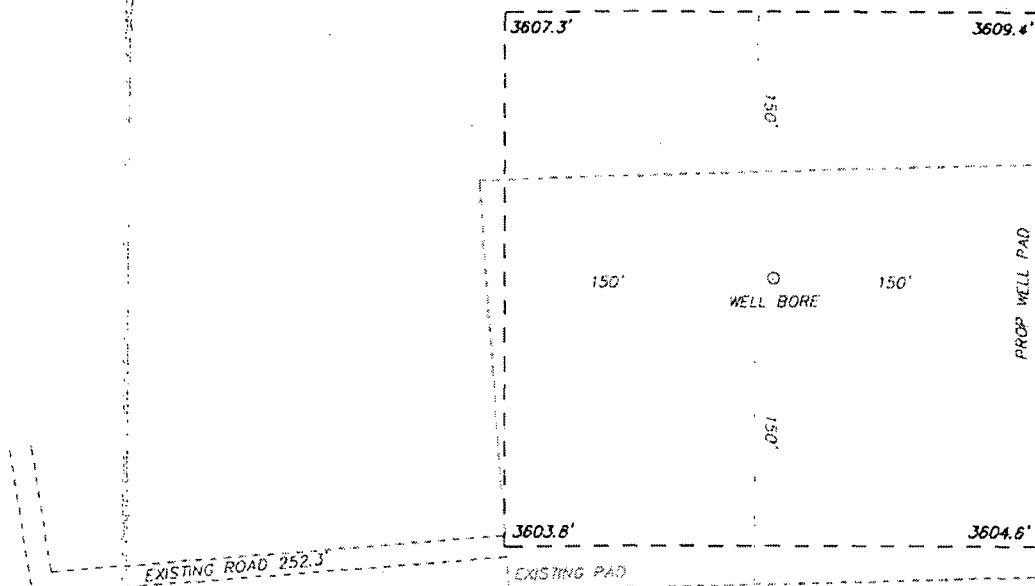
Burnett Oil Co., Inc. 6666

REF: CEDAR LAKE 36 STATE #1/ WELL PAD TOPO

THE CEDAR LAKE 36 STATE #1 LOCATED 1980' FROM
THE SOUTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST.
N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 30025 Drawn By: K. NORRIS Date: 02-03-2014 Survey Date: 01-24-2014 Sheet 1 of 1 Sheets

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Burnett Oil Co., Inc. 6666

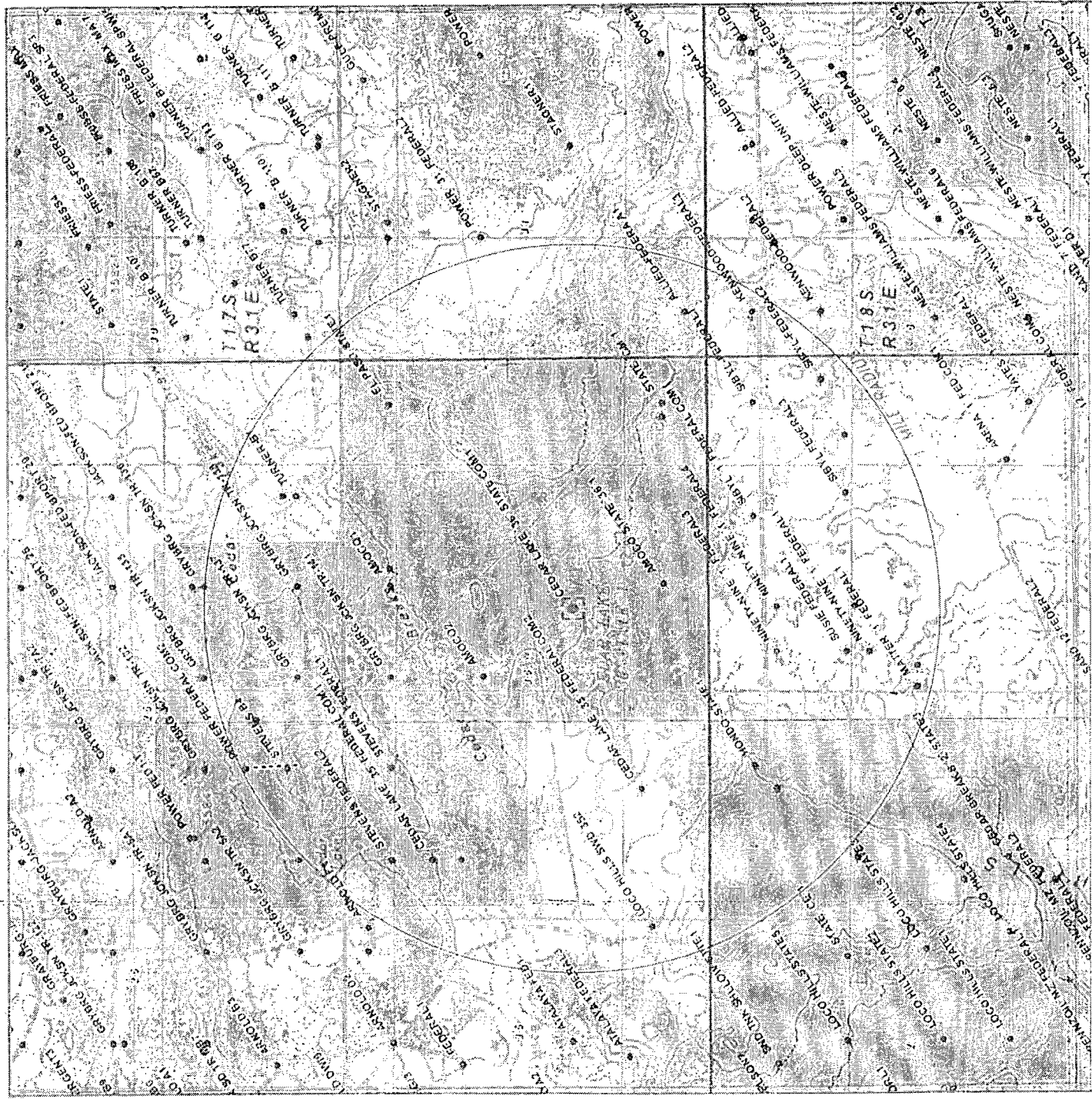
REF: CEDAR LAKE 36 STATE #1 / WELL PAD TOPO

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THE SOUTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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W.O. Number: 30025 Drawn By: K. NORRIS Date: 02-03-2014 Survey Date: 01-24-2014 Sheet 1 of 1 Sheets



CEDAR LAKE 36 STATE #1

Located 1980' FSL and 1650' FWL

Section 36, Township 17 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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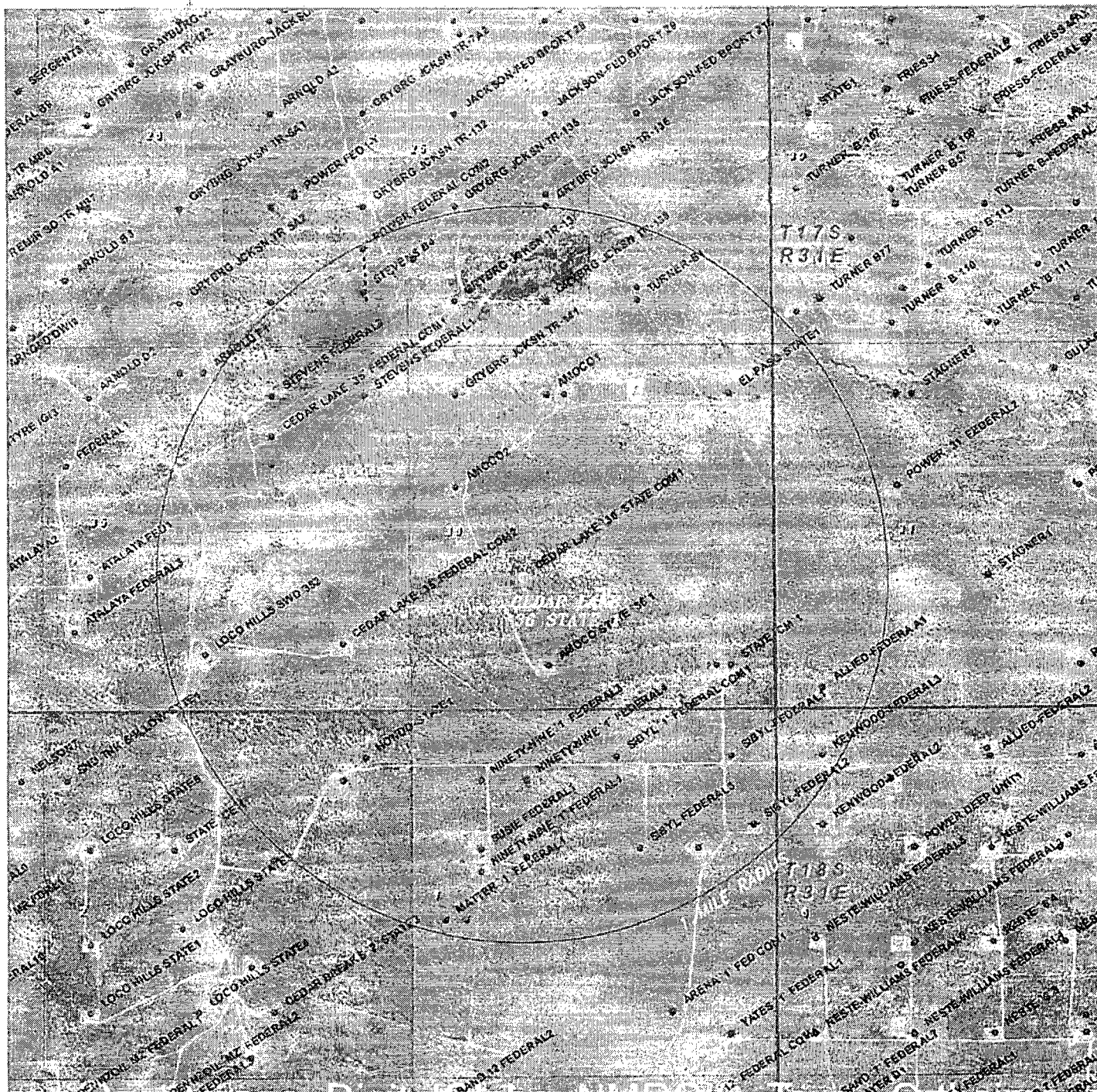
Scale: 1" = 2000'

W.C. Number: KAN 39065

Survey Date: 01-24-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

Burnett Oil Co., Inc.
6666



CEDAR LAKE 36 STATE #1

Located 1980' FSL and 1650' FWL
 Section 36, Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



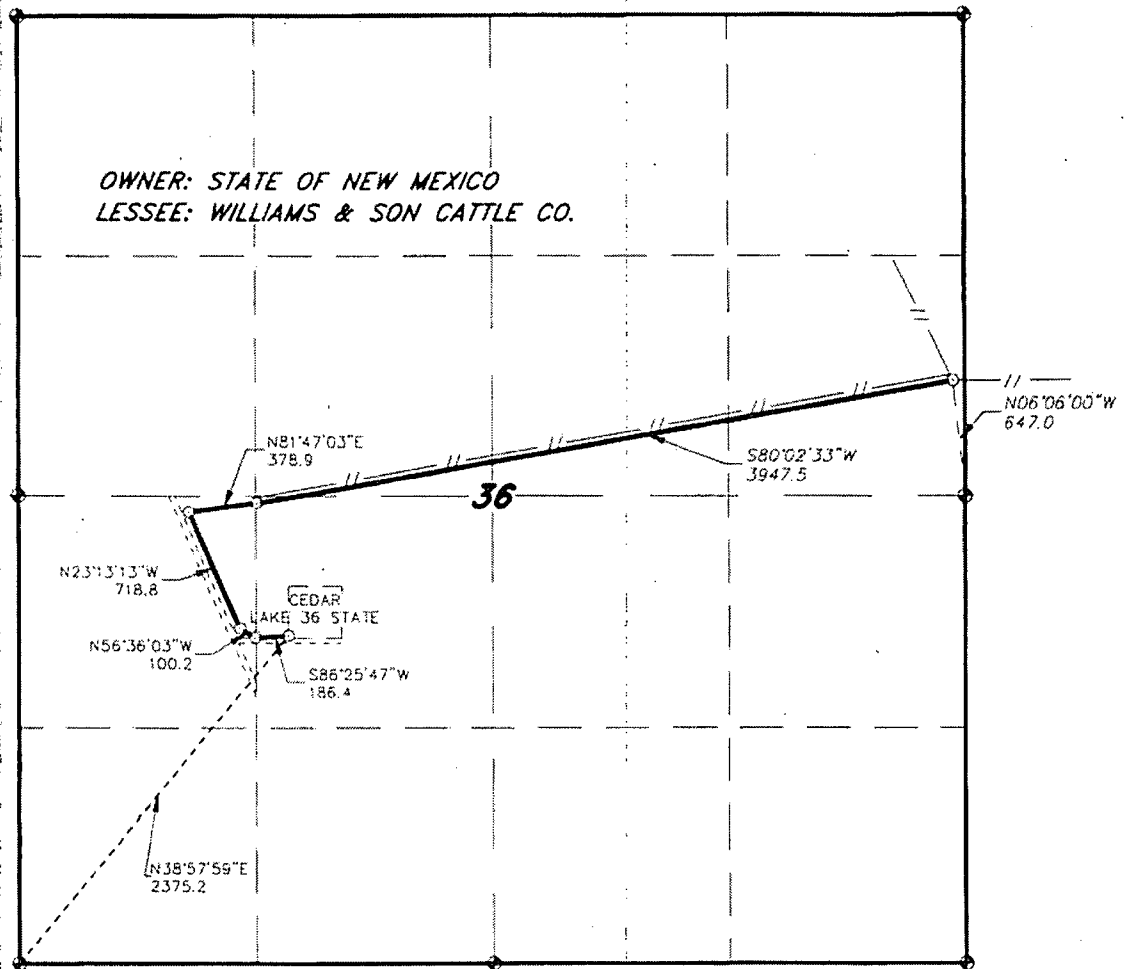
P.O. Box 1785
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
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0'	1000'	2000'	3000'	4000'
SCALE: 1" = 2000'				
W.O. Number: KAN 30023				
Survey Date: 01-24-2011				
YELLOW TINT - USA LAND				
BLUE TINT - STATE LAND				
NATURAL COLOR - USA LAND				

Burnett Oil Co., Inc.
 6666

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

OWNER: STATE OF NEW MEXICO
LESSEE: WILLIAMS & SON CATTLE CO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY. BEGINNING AT A POINT WHICH LIES N.38°57'59"E., 2375.2 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 36; THENCE S.86°25'47"W., 186.4 FEET; THENCE N.56°36'03"W., 100.2 FEET; THENCE N.23°13'13"W., 718.8 FEET; THENCE N.81°47'03"E., 378.9 FEET; THENCE N.80°02'33"E., 3947.5 FEET TO THE END OF THIS LINE WHICH LIES N.06°06'00"W., 647.0 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 36. SAID STRIP OF LAND BEING 5331.8 FEET OR 323.14 RODS IN LENGTH AND CONTAINING 3.67 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NW/4 SW/4 = 72.80 RODS = 0.82 ACRES
SE/4 NW/4 = 66.14 RODS = 0.75 ACRES

NE/4 SW/4 = 25.88 RODS = 0.29 ACRES
SW/4 NE/4 = 81.18 RODS = 0.92 ACRES
SE/4 NE/4 = 77.14 RODS = 0.89 ACRES

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS THE REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

1000 0 1000 2000 FEET

Burnett Oil Co., Inc. 6666

REF: PROPOSED FLOW LINE TO CEDAR LAKE 36 STATE 48

A FLOW LINE CROSSING STATE LAND IN
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

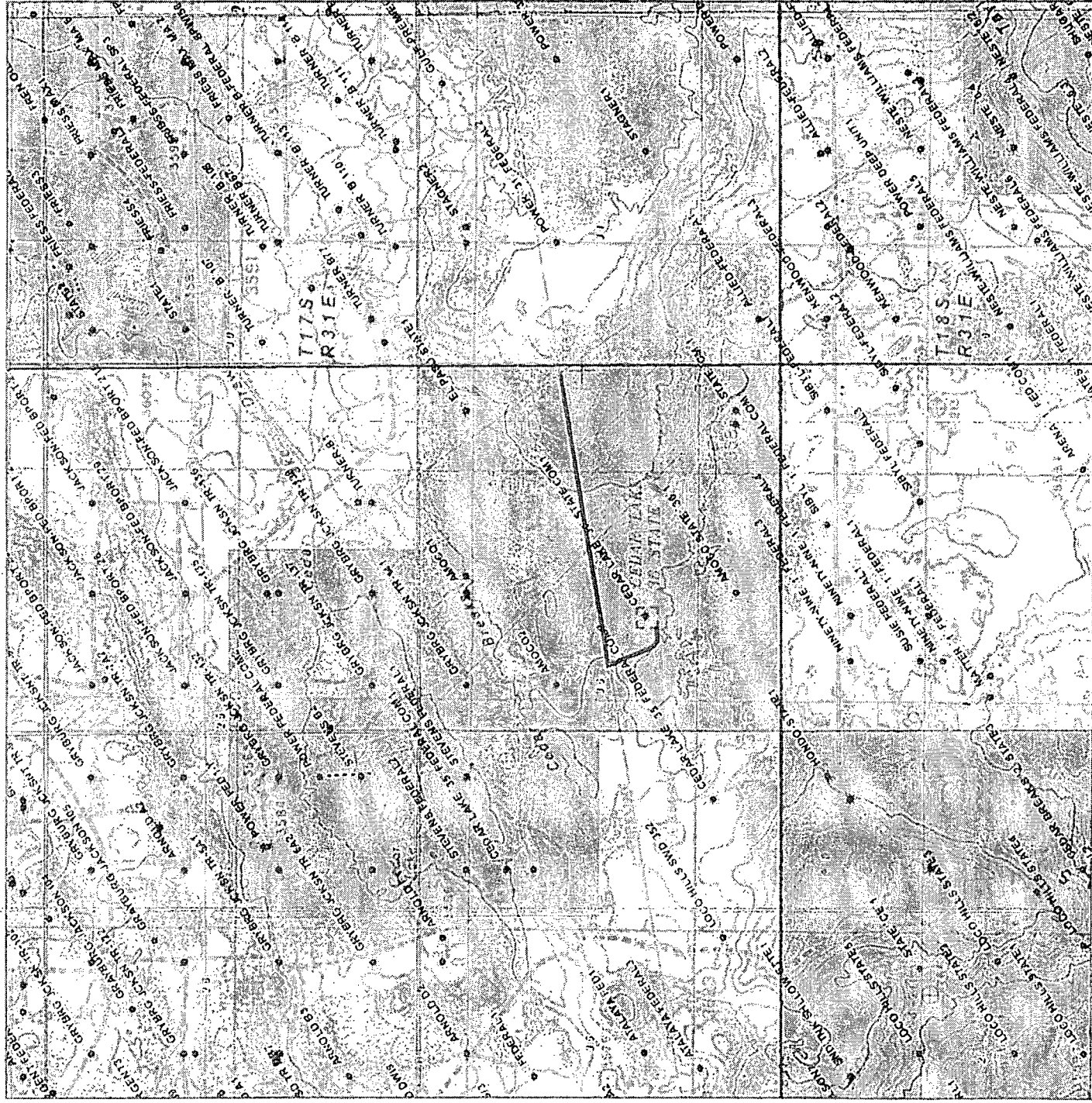
GARY L. JONES

No. 7977
No. 5074

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1120 N. West County Rd. (575) 393-2206 - Fax
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W.O. Number: 30025 Drawn By: K. NORRIS Date: 02-03-2014 Survey Date: 01-24-2014 Sheet 1 of 1 Sheets



PROPOSED FLOW LINE TO CEDAR LAKE 36 STATE #1

Section 36, Township 17 South, Range 30 East,

N.M.P.M., Eddy County, New Mexico.

Business Surveys

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

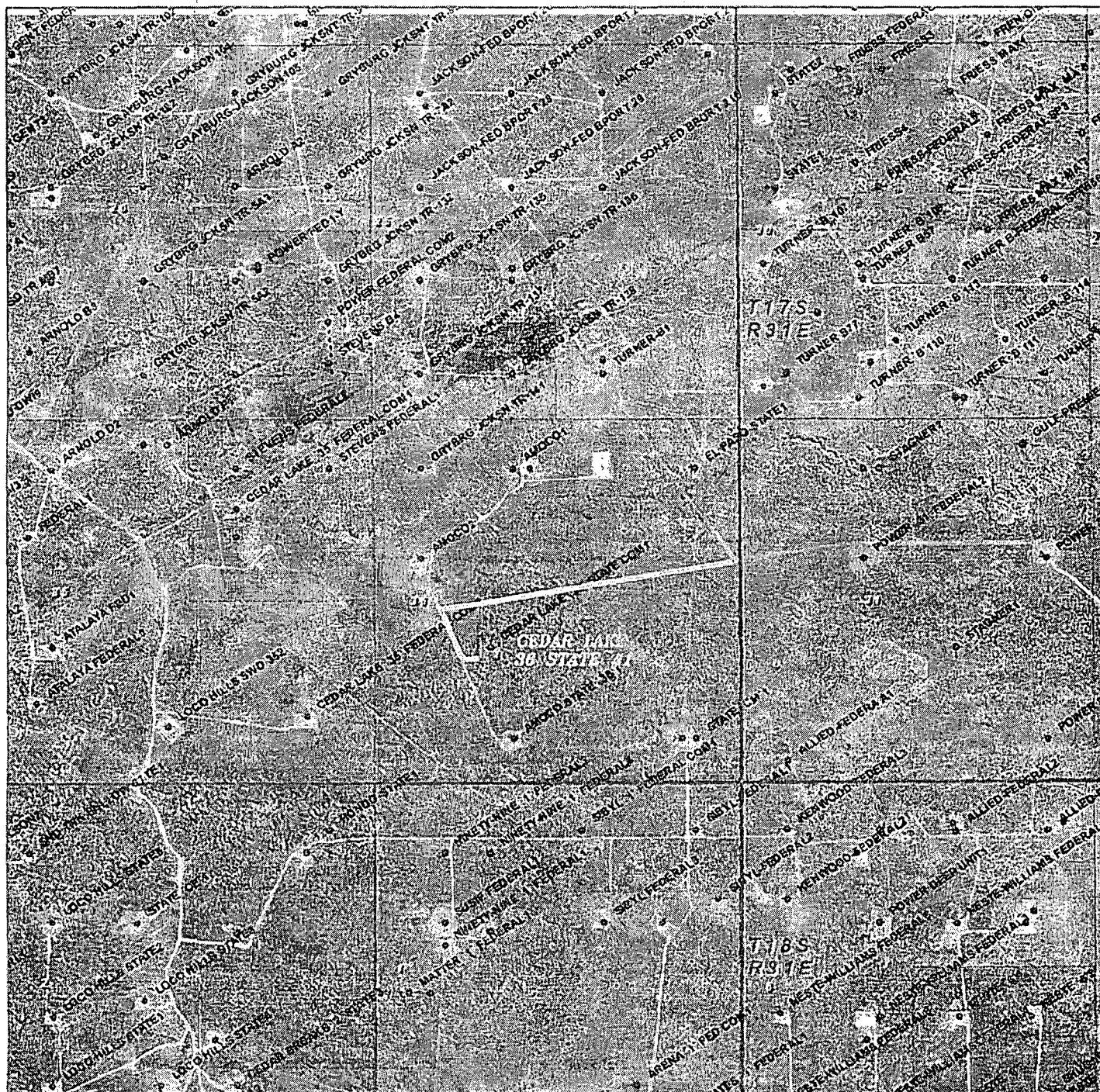
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Survey Date: 01-24-2014

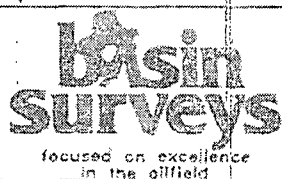
YELLOW TINT - USA L&D'

BLUE TINT - STATE LAND -
NATURAL COLOR - USA LAND

Burnett Oil Co., Inc.



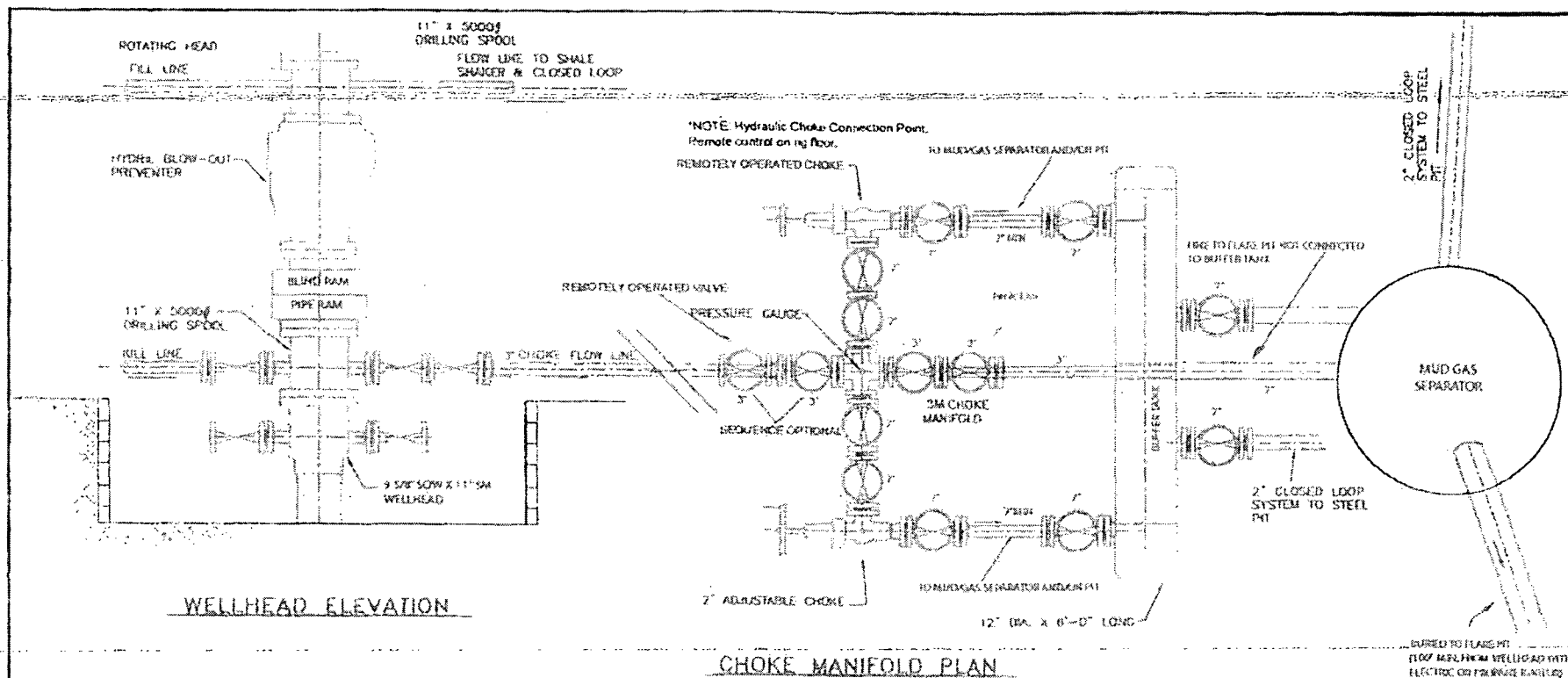
PROPOSED FLOW LINE TO CEDAR LAKE 36 STATE #1
 Section 36, Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
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0'	1000'	2000'	3000'	4000'
SCALE: 1" = 2000'				
W.O. Number: KAN 30025				
Survey Date: 01-24-2014				
YELLOW TINT - USA LAND				
BLUE TINT - STATE LAND				
NATURAL COLOR - USA LAND				

Burnett Oil Co., Inc.
 6666



BURNETT OIL COMPANY, INC.
 BLOWOUT PREVENTER &
 CHOKER MANIFOLD DIAGRAM
 5000 PSI WORKING PRESSURE

EPS PROJECT NUMBER - 10-028
 DATE: JANUARY 20, 2010
 REVISION DATE: MAY 9, 2011
 REVISION DATE (L.G.): AUGUST 28, 2013
 REVISION DATE (L.G.): OCTOBER 3, 2013



BURNETT OIL CO., INC.

HYDROGEN SULFIDE (H₂S) PLAN & TRAINING

This plan was developed in accordance with BLM 43 CFR 3162.3-1, section III.C, Onshore Oil and Gas Operations Order No. 6.

Based on our area testing H₂S at 100 PPM has a radius of 139' and does not get off our well sites. There are no schools, residences, churches, parks, public buildings, recreation area or public within 2+ miles of our area.

A. Training

1. Training of Personnel

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in accordance with 43 CFR 3162.3-1, section III.C.3.a. Training will be given in the following areas prior to commencing drilling operations on each well:

- a. The hazards and characteristics of Hydrogen Sulfide (H₂S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures and the prevailing wind.
- d. The proper techniques for first aid and rescue procedures.
- e. ATTACHED HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN DRILLING EXHIBIT K.
- f. ATTACHED EMERGENCY CALL LIST FOR ANY ON SITE EMERGENCY DRILLING EXHIBIT L.

2. Training of Supervisory Personnel

In addition to the training above, supervisory personnel will also be trained in the following areas:

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

3. Initial and Ongoing Training

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

B. H2S Drilling Operations Plan

1. Well Control Equipment

- a. Flare line(s) and means of ignition
- b. Remote control choke
- c. Flare gun/flares
- d. Mud-gas separator

2. Protective equipment for essential personnel:

- a. Mark II Surviveair (or equivalent) 30 minute units located in the dog house and at the primary briefing area (to be determined.)
- b. Means of communication when using protective breathing apparatus.

3. H2S detection and monitoring equipment:

- a. Three (3) portable H2S monitors positioned on location for best coverage and response. These units have warning lights at 10 PPM and warning lights and audible sirens when H2S levels of 15 PPM is reached. A digital display inside the doghouse shows current H2S levels at all three (3) locations.
- b. An H2S Safety compliance set up is on location during all operations.
- c. We will monitor and start fans at 1- ppm or less, an increase over 10 ppm results in the shutdown and installation of the mud/gas separator.
- d. Portable H2S and SO2 monitor(s).

4. Visual warning systems:

- a. Wind direction indicators will be positioned for maximum visibility.
- b. Caution/Danger signs will be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

5. Mud program:

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

6. Metallurgy:

- a. All drill strings, casings, tubing, wellheads, Hydril BOPS, drilling spools, kill lines, choke manifold, valves and lines will be suitable for H2S service.
- b. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- a. Cellular Telephone and/or 2-way radio will be provided at well site.
- b. Landline telephone is located in our field office.



EXHIBIT K - HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN

A. Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

1. Isolate the area and prevent entry by other persons into the 100 PPM ROE. Assumed 100PPM ROE = 3000'.
2. Evacuate any public places encompassed by 100 PPM ROE.
3. Be equipped with H₂S monitors and air packs in order to control release.
4. Use the "buddy system" to ensure no injuries occur during the response.
5. Take precautions to avoid personal injury during this operation.
6. Have received training in the following:
 - a. H₂S detection
 - b. Measures for protection against this gas
 - c. Equipment used for protection and emergency response.

B. Ignition of Gas Source

Should control of the well be considered lost and ignition considered, care will be taken to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition will be coordinated with the NMOCD and local officials. Additionally, the New Mexico State Police may become involved. NM State Police shall be the incident command on scene of any major release. Care will be taken to protect downwind whenever there is an ignition of gas.

C. Characteristics of H₂S and SO₂

<u>Common Name</u>	<u>Chemical Formula</u>	<u>Specific Gravity</u>	<u>Threshold Limit</u>	<u>Hazardous Limit</u>	<u>Lethal Concentration</u>
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	NA	1000 ppm

D. Contacting Authorities

Burnett Oil Co., Inc. personnel will liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD will be notified of the release as soon as possible but no later than four (4) hours after the incident. Agencies will ask for information such as type and volume of release, wind and direction, location of release, etc. Be sure all is written down and ready to give to contact list attached. Burnett's response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan.

Directions to the site are as follows:

Burnett Office
87 Square Lake Road (CR #220)
Loco Hills, NM 88255

Loco Hills, New Mexico (2 miles East of Loco Hills on US Hwy 82 to C #220. Then North on CR #220 approximately one (1) mile to office.



EXHIBIT L - EMERGENCY NOTIFICATION LIST

BURNETT CONTACTS

Burnett's New Mexico Office 817.332.5108
87 Square Lake Road (CR #220) Loco Hills, New Mexico 88255
Directions: Loco Hills, NM – 2 miles east of Loco Hills on US Hwy 82 to CR#220. Then North on CR #220 approximately one (1) mile to office.

Belton Mathews – BOCI District Superintendent (NM) Cell - 575.703.9601

Burnett Oil Home Office 817.332.5108
Burnett Plaza – Suite 1500 | 801 Cherry Street – Unit #9| Fort Worth, Texas 76102

Mark Jacoby – BOCI Engineering Manager (TX) Cell – 817-312-2751

SHERIFF/POLICE CONTACTS

Eddy County Sheriff 911 or 575.677.2313
New Mexico State Police 575.746.2701

FIRE DEPARTMENT

Loco Hills Fire Department (VOLUNTEER ONLY) 911 or 575.677.2349
For Medical and Fire (Artesia) 575.746.2701

AIR AMBULANCE

Flight for Life Air Ambulance	(Lubbock)	806.743.9911
Aerocare Air Ambulance	(Lubbock)	806.747.8923
Med Flight Air Ambulance	(Albuq)	505.842.4433
S B Med Svc Air Ambulance	(Albuq)	505.842.4949

FEDERAL AND STATE

US Bureau of Land Management (Carlsbad)	575.361.2822	575.234.5972
New Mexico Oil Conservation Division (Artesia)		575.748.1283
New Mexico Emergency Response Commission (24 hour)		575.827.9126
Local Emergency Planning Operation Center (Artesia)		505.842.4949
National Emergency Response Center (Washington, DC)		800.424.8802

OTHER IMPORTANT NUMBERS

Boots & Coots IWC	800.256.9688
Cudd Pressure Control	432.570.5300
Halliburton Services	575.746.2757
BJ Service	575.746.2293

THIS MUST BE POSTED AT THE RIG WHILE ON LOCATION

Burnett Oil Company

CURRENT

FIELD: Cedar Lake

WELL NAME: Cedar Lake 36 State Com

Well Number: 1

Unit: N

SEC: 36

GL: 3585'

Formation: Morrow

SURVEY: T17S.R30E

COUNTY: EDDY

KB: 3606'

STATUS:

LOCATION: 1980' FSL 1650' FWL

STATE: NM

DF:

API NO: 30-015-30405

LAT:

LONG:

SPUD: 10/3/1998 11/2/1998
COMP: 10/31/1998 Set plugs @:
P&A: 11/2/1998 0-60' w/ 20 sx

Formation Depth
Rustler 300

Yates 1617

Queen 2620

Grayburg 2990

San Andres 3405

Yeso 5215

Abo 7337

B/Abo 8229

Wolfcamp 8456

WC Reef 8618

Penn 9216

Cisco 9461

Atoka 10610

Morrow 11100

612'-712' w/30sx

1310'-1400' w/30sx

3991'-4067' w/25sx

4448' w/ 25 sx

8506' w/25 sx

10660' w/25 sx

11244' w/25 sx

11 3/4" 42# Surface Csg @ 665'
in 14 3/4" hole
Cemented w/ 425 sx
TOC @ Surface

8 5/8" 32# Prod Csg @4459'
in 11" Hole
Cemented w/ 1350 sx
TOC @ Surface

OPEN HOLE

Updated: 3/5/2014
By: CTS

Burnett Oil Company

FIELD: Cedar Lake

PROPOSED

WELL NAME: Cedar Lake 36 State Com

Well Number: 1

Unit: N

SEC: 36

GL: 3585'

Formation: Morrow

SURVEY: T17S R30E

COUNTY: EDDY

KB: 3606'

STATUS:

LOCATION: 1980' FSL 1650' FWL

STATE: NM

DF:

API NO: 30-015-30405

LAT:

LONG:

SPUD: 10/3/1998
COMP: 10/31/1998
P&A: 11/2/1998

Formation	Depth
Rustler	300

Yates 1617 PROPOSED IN RED

Queen 2620

Grayburg 2990

San Andres 3405

Yeso 5215

Abo 7337

B/Abo 8229

Wolfcamp 8456

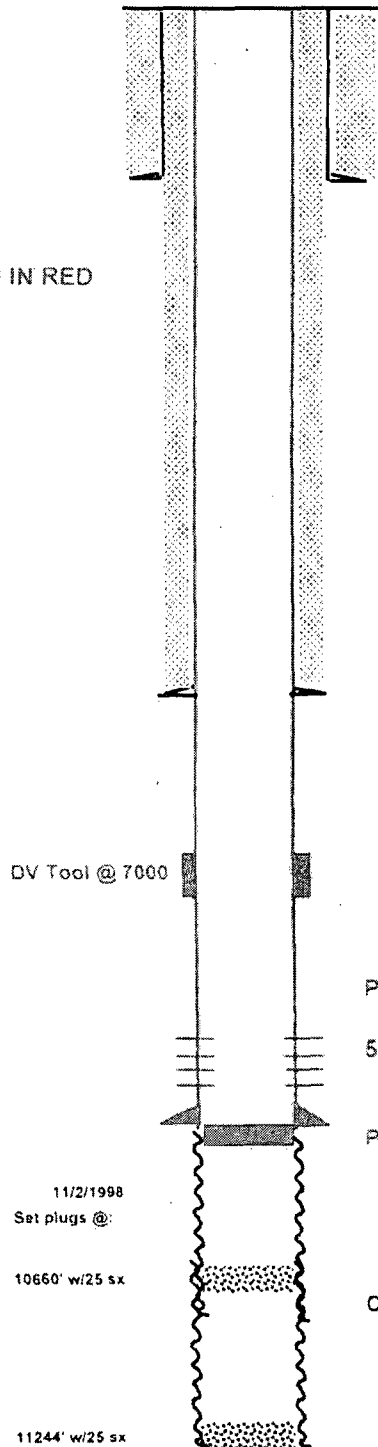
WC Reef 8618

Penn 9216

Cisco 9461

Atoka 10610

Morrow 11100



11 3/4" 42# Surface Csg @ 665'
in 14 3/4" hole
Cemented w/ 425 sx
TOC @ Surface

8 5/8" 32# Prod Csg @ 4459'
in 11" Hole
Cemented w/ 1350 sx
TOC @ Surface

PROPOSED IN RED

Perf Interval @ 8500'-9191'

5 1/2" Csg @ 9215'

PLUG 25 SX @ 9215'

OPEN HOLE

11/2/1998
Set plugs @:

10660' w/25 sx

11244' w/25 sx

Updated: 3/5/2014
By: CTS