Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.: NM 05067
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA/Agreement, Name and/or No.:
8. Well Name and No.: GISSLER B #39
9. API Well No.: 30-015-36575S1
10. Field and Pool, or Exploratory Area: LOCO HILLS GLORIETA YESO
11. County or Parish, State: Eddy County, N.M.

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other

DEC - 8 2008
OCD-ARTESIA

2. Name of Operator: BURNETT OIL CO., INC.

3a. Address: 801 CHERRY STREET, SUITE 1500 UNIT #9 FORT WORTH, TX. 76102-6881

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

UNIT G, 2310' FNL, 2310' FEL, SEC 8, T17S, R30E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other NEW WELL CASING SET
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file 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 recompletion 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.)

8/21/2008 Notify BLM/Jim Amos to start location. 8/21-28/2008 Build location, closed loop area, drilll rat & mouse hole. set 90' of 16" conductor pipe. **Spud @ 6:30 AM 8/31/2008** Notified BLM's Paul Swartz about estimated spud time, lost returns @ 91'. Drill to 403' w/o returns. **8/31/08** Set 10 jts (404') 10-3/4" 40.50# H40 ST&C casing.w/notched collar on btm, insert collar on first joint, FC @ 357'. Use total 6 centralizers with btm three collars thread locked. Howco cement w/150 sks Thixotropic mix & & 640 sks Cl "C' w/2% CaCl. Bump plug @ 9:00 PM. No cement to the surface. WOC. **9/01/08** Tag TOC @ 106', spot 30 sks plug @ 91'. Pump total 105 sks cement @ 91'. **Had cement to surface**. WOC. BLM's Paul Swartz on site for surface csg & cement work. NU wellhead, NU hydril. Mann test to 2000# as required; Held ok.**9/02-14/2008** Drill from 403' to 5752' (TD.) Hit air pockets @ 594' & 631'. **9/15** Ru Howco, run DLL, Micro-Guard, DSN, SGR , BHSAT and SD logs. **9/16** Run 131 jts (5752') 7" 23# J55 R3 LT&C casing. DVT @ 2630'. Top 75 jts. have external RYT-WRAP coating. Howco pump 1st stage of 525 sks 50/50 Poz mix. Plug down & holding, cement to surface. Open DVT, Howco pump 2nd stage of 800 sks prem. lite cmt mix, tail w/100 sks Prem. Plus cmt w/2% CaCl. Circ cement to surface. BLM's Terry Cartwright called about cementing. BLM a no show. **Release rig 6:00 PM 9/17/2008.**

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*: MARK A. JACOBY

Title: ENGINEERING MANAGER

Signature: Mark Jacoby

Date: 12/04/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on page 2)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires. July 31, 2010

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NM 05067

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1 Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

DEC - 8 2008

OCD-ARTESIA

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GISSLER B #39

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BURNETT OIL CO., INC.

9 API Well No
30-015-36575S1

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UNIT #9 FORT WORTH, TX. 76102-6881

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Loco Hills Glorieta Yeso

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
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11. County or Parish, State
Eddy County, N.M.

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10/12/008 Clean location, lay flowiline to existing Gissler B5 lease battery header. **10/13** MIRU, NU wellhead, NU BOP. **10/14** RIH w/DC & bit on tubing. Tag & drill CMT & DVT @ 2628', test csg to 1000 PSI. PBTD IS 5703'. **10/15** RU Entertech, perf. @ 5065', 5068',5094',5155',5160',5166',5168',5170', 5181 and 5182'- total 20 holes @2SPF.**10/16** Acidize perfs w/total 2500 gals 15% Hcl. ND BOP, NU frac valve..**10/17** Frac w/ total 11,577 slick water, 168,012# 40/70 Ottawa sand & 20,000# 100 mesh sand. **10/20** ND frac valve, **NU BOP,** RIH w/162 jts (4982') 2-7/8" 6.50# J55 R2 EUE tbg. Run SUB PUMP.10/22/2008 Pumping to Gissler B 5 Battery on the surface lease **10/22/2008** Test lower paddock and prep to Frac upper Yeso. **11/05/08** POOH w/tbg & sub pump. NU BOP, RU & perf @ 4388',4392',4395',4397',4406',4409',4412',4480',4482',4484',4492',4494', 4497',4499',4504',4504',4506',4511',4537',4540',4542',4553',4557'& 4594'- Total 46 holes @ 2 SPF.**11/6/08 Set RBP@ 4905',** acidize these perfs w/2750 gals 15% Hcl acid. ND BOP, NU frac valve.**11/09/08** Frac these perfs w/7710,263 gals slick water Frac w/232,958# 40/70 Ottawa sand & 34,469# 100 mesh sand. **11/10/08** ND frac valve, NU BOP, run total 140 jts (4328') 2-7/8" 6.5# J55 R2 tbg. Run sub pump @ 4390'. **11/12/08** Turn well production to Gissler B5 Tank Battery in Unit O, Sec 8, T17S, R30E. !1/18/08 24 hr upper zone testing is testing is 90 BO, 1184 BW, 115 MCFG. **ROA has been filed w/BLM. Will file sundry notice after RBP @ 4905' is recovered.** We have also filed a Pool and Lease comingle for CTB w/NMOCD in Santa FE.

14 I hereby certify that the foregoing is true and correct)

Name *(Printed/Typed)* MARK A. JACOBY — Title ENGINEERING MANAGER

Signature Mark A. Jacoby — Date 12/04/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached Approval of this notice 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. Office

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(Instructions on page 2)

WELL NAME AND NUMBER **Gissler "B" # 39**

LOCATION **Section 8, T17S, R30E, 2310 FNL, 2310 FEL, Eddy County**

OPERATOR **Burnett Oil Company, Inc.**

DRILLING CONTRACTOR *United Drilling, Inc.*

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
2 @ 375'	3-3/4 @ 5519'	
1-3/4 @ 693'	4-1/4 @ 5752'	
3-3/4 @ 1168'		
3-1/2 @ 1485'		
3 @ 1802'		
4 @ 2119'		
2-1/4 @ 2436'		
2-1/2 2 2758'		
4-3/4 @ 3234'		
6 @ 3456'		
4-1/4 @ 3773'		
6-1/4 @ 4172'		
6-1/4 @ 4240'		
5-3/4 @ 4537'		
5-1/4 @ 4822'		
4-1/4 @ 5044'		

Drilling Contractor- **UNITED DRILLING, INC.**

By: Luisa Noriega

Luisa Noriega

Title: Asst. Office Mgr

Subscribed and sworn to before me this 18 day of September, 2008

Notary Public

Chaves NM

My Commission Expires: County State

10-8-08

CORE ANALYSIS REPORT

FOR

BURNETT OIL COMPANY

GISLER B NO. 39
LOCO HILLS PADDOCK FIELD
EDDY COUNTY, NEW MEXICO

Core Lab
RESERVOIR OPTIMIZATION

Petroleum Services Division
2001 Commerce
Midland, Texas 79703
Tel (432) 694-7761
Fax (432) 694-3191
www.corelab.com

September 19, 2008

BURNETT OIL COMPANY
Burnett Plaza
801 Cherry Street Unit #9
Suite 1500
Fort Worth, Texas 76102-6881

File No: 57181-19551
Subject: Drilled Sidewall Analysis
Gissler B No. 39
Loco Hills Paddock Field
Eddy County, New Mexico

Gentlemen:

Sidewall Core Analysis was made on 19 drilled sidewall core samples received from Halliburton.

Samples were photographed under both ultraviolet and natural light. Digital core photographs are contained on CD.

Gas expansion porosity and grain density were determined using Boyle's Law. Saturation data and cleaning was obtained using Dean Stark distillation.

Gas detection was measured using a "Hot Wire Gas Detector" on gas in the sealed containers.

Air permeability was measured horizontally on drilled sidewalls.

Descriptions and fluorescence were visually determined microscopically.

The samples will be returned to client.

We trust these data will be useful in the evaluation of your property and thank you for the opportunity of serving you.

Very truly yours,
CORE LABORATORIES

John Sebian
Laboratory Supervisor

JS/ym

CORE LABORATORIES

Company : BURNETT OIL COMPANY
Well : GISLER B NO. 39
Location : 2310' FNL & 2310' FEL, SEC. 8, T-17-S, R-30-E
Co,State : EDDY COUNTY, NEW MEXICO

Field : LOCO HILLS PADDOCK FIELD
Formation : VARIOUS
Coring Fluid : BRINE
Elevation : 3689' KB

File No.: 57181-19551
Date : 9/18/08
API No. : 30-015-36575
Analysts: SEBIAN

SIDEWALL CORE ANALYSIS RESULTS

SAMPLE NUMBER	DEPTH ft	Sample Rec. in.	PERMEABILITY (HORIZONTAL) Kair md	POROSITY (HELIUM) %	SATURATION (PORE VOLUME) OIL %	SATURATION (PORE VOLUME) WATER %	SATURATION (BULK VOLUME) OIL %	SATURATION (BULK VOLUME) GAS %	GRAIN DENSITY gm/cc	GAS DETECTOR UNITS	DESCRIPTION
DRILLED SIDEWALL ANALYSIS											
GRAYBURG FORMATION											
1	2717.0	1.3	12.1	15.7	10.9	73.7	1.7	2.4	2.66	0.	Sd, tn, f gr, 95% dull yel flu
2	2793.0	1.3	0.01	0.7	1.6	63.2	0.0	0.2	2.87	0.	Dol, anhy, 5% yel flu contamin
3	2823.0	1.3	0.47	11.4	15.3	52.1	1.7	3.7	2.66	2.	Sd, brn, f gr, lam, 40% dull yel flu
SAN ANDRES FORMATION											
4	2878.0	1.5	0.27	1.2	7.7	50.0	0.1	0.5	2.87	1.	Dol, anhy, frac, 5% yel flu
5	3317.0	1.8	0.19	5.4	8.8	32.7	0.5	3.2	2.81	120.	Dol, slty, lam, 15% dull yel flu
6	3405.0	1.6	0.04	2.9	13.2	49.0	0.4	1.1	2.83	28.	Dol, tr pp, 40% dull yel flu
7	3427.0	1.1	0.05	3.2	10.8	35.8	0.3	1.7	2.84	66.	Dol, tr anhy, 20% dull yel flu
UPPER YESO FORMATION											
8	4393.0	1.0	0.43	6.5	18.6	26.6	1.2	3.6	2.89	110.	Dol, anhy, pp, 65% brt yel flu
9	4410.0	1.5	0.14	8.4	13.6	23.1	1.1	5.3	2.85	170.	Dol, sli pp, 60% brt yel flu
10	4481.0	1.5	0.05	10.9	11.0	15.2	1.2	8.0	2.86	230.	Dol, sli pp, 75% brt yel flu
11	4495.0	1.5	0.65	9.5	10.5	21.3	1.0	6.5	2.85	150.	Dol, pp, 50% brt yel flu
12	4540.0	1.8	1.37	20.0	28.0	35.0	5.6	7.4	2.81	180.	Dol, sli ixp, 95% brt yel flu
13	4555.0	1.3	0.17	16.5	17.3	60.5	2.9	3.7	2.70	150.	Dol, chty, sli ixp, 80% wh yel flu

CORE LABORATORIES

Company : BURNETT OIL COMPANY
Well : GISLER B NO. 39

Field : LOCO HILLS PADDOCK FIELD
Formation : VARIOUS

File No.: 57181-19551
Date : 9/18/08

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SAMPLE NUMBER	DEPTH ft	Sample Rec. in.	PERMEABILITY (HORIZONTAL) Kair md	POROSITY (HELIUM) %	SATURATION (PORE VOLUME) OIL %	SATURATION (PORE VOLUME) WATER %	SATURATION (BULK VOLUME) OIL %	SATURATION (BULK VOLUME) GAS %	GRAIN DENSITY gm/cc	GAS DETECTOR UNITS	DESCRIPTION
					LOWER YESO FORMATION						
14	4834.0	1.5	1.83	7.5	10.2	26.6	0.8	4.7	2.84	98.	Dol, stly, pp, 20% dull yel flu
15	4859.0	1.3	0.07	3.5	14.3	45.2	0.5	1.4	2.84	110.	Dol, styl, 80% yel flu
16	5066.0	1.8	<.01	3.0	8.6	40.4	0.3	1.5	2.83	50.	Dol, 30% pale yel flu
17	5094.0	1.6	0.01	3.5	8.4	41.6	0.3	1.8	2.84	38.	Dol, styl, 10% yel flu
18	5178.0	1.8	<.01	1.3	1.4	98.3	0.0	0.0	2.86	0.	Dol, sli anhy, tr% yel flu
19	5181.0	1.6	0.01	4.6	1.8	87.3	0.1	0.5	2.82	0.	Dol, tr% yel flu

LITHOLOGICAL ABBREVIATIONS

Anhy, anhy	Anhydrite (-ic)
Ark, ark	arkos (-ic)
bnd	band (-ed)
brec	breccia
Calc, calc	calcite (-ic)
carb	carbonaceous
crs gr	course grained
Chk, chky	chalk (-y)
Cht, cht	chert (-y)
Cgl, cgl	conglomerate (-ic)
crs xln	coursely crystalline
dns	dense
Dol, dol	dolomite (-ic)
Frac	randomly oriented fractures
frac	slightly fractured
f gr	fine grained
foss	fossil (-iferous)
f xln	finely crystalline
Gil, gil	gilsonite
Glauc, clauc	glauconite (-itic)
Grt	granite
Gyp, gyp	gypsum (-iferous)
hor frac	perdominantly horizontally fractured
incl	inclusion (-ded)
intbd	interbedded
lam	lamina (-tions,-ated)
Lim, lim	limestone
med gr	medium grain
Mtrx	matrix
NA	interval not analyzed
Nod, nod	nodules (-ar)
Ool, ool	oolite (-itic)
Piso, piso	pisolite (-itic)
pp	pin-point (porosity)
Pyr, pyr	pyrite (-itized, itic)
Sd, sdy	sand (-y)
Shr	solid hydrocarbon residue
sli/	slightly
Sltstn, slty	siltstone, silty
styl	stylolite (-itic)
suc	sucrosic
Su, su	sulphur, sulphurous
TBFA	TOO BROKEN FOR ANALYSIS
Trip, trip	tripolitic
v/	very
vert frac	perdominantly vertically fractured
vug	vuggy
xbd	crossbedded
xln	medium crystalline
xtl	crystal

THE FIRST WORD IN THE DESCIPTION COLUMN OF THE CORE ANALYSIS REPORT DESCIBES THE ROCK TYPE. FOLLOWING ARE ROCK MODIFIERS IN DECREASING ABUNDANCE AND MISCELLANEOUS DESCRIPTIVE TERMS.