Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

RM

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 page 2

5. Lease Serial No.
NMNM2748

6. If Indian, Allottee or Tribe Name

RECEIVED
MAY 04 2010
NMOCD ARTESIA

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

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

8. Well Name and No.
GISSLER B #58

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

9. API Well No.
30-015-37596 S1

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

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

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
UNIT I, 1650' FSL, 330' FEL, SEC 8, T17S, R30E- SURF & BTM HOLE

11. County or Parish, State
EDDY COUNTY, N.M.

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	☐ Reclamantion	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other NEW WELL
	☐ 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 reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

3/16/2010 MIRU unit, RIH w/bit & DCs, tag DV tool @ 2623', drill out DVT. Test casing to 1000 PSI-ok. Tag @ 5803' (PBTD.) POOH with all. **3/17/10** RU wireline. Perforate @ 5062',5070',5088',5091',5095', 5100',5104', 5107', 5121',5146',5152',5155', 5158',5165,5259',5273',5287',5290',5294',5297',5300' and 5303'-total 44 holes @ 2 SPF. RD W/L, RIH w/ tbg and pkr TO 5010'. **3/18/10** Acidize these perfs w/2,500 gals 15% NeFe acid. POOH w/tbg & pkr. ND BOP, NU frac valve. **3/19/10** RU CUDD, slickwater frac w/1,232,070 gals water, 30,000# 100 mesh white sand, 396,978# 40/70 sand. **3/22/2010** ND Frac valve. NU BOP., **3/23/2010** RIH w/5006' (156 jts) 2-7/8" 6.50# J55 R2 EUE T&C tubing & submersible pump.
3/28/2010 First production of 173 BO, 1260 BW, 125 MCFG pumping to the **Pool commingled Gissler B 5 Tank Battery on the lease. 4/01/2010** 24 Hour test 157 BO, 1507 BW, 170 MCFG.

This is the first of three planned perforation and fracture jobs . We will need all the surveyed location until all of this work is completed.

ACCEPTED FOR RECORD
APR 29 2010
/s/ Myles Kristof
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 4/07/2010

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)

DS 5-7-10

WELL NAME AND NUMBER **Gissler "B" #58**

LOCATION **Section 8, T17S, R30E, Unit I, 1650 FSL, 330 FEL, Eddy County**

OPERATOR **Burnett Oil Co.**

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
1/2 @ 399'		
1 1/2 @ 871'		
2 @ 1346'		
1 1/2 @ 1661'		
1 @ 2137'		
1/4 @ 2612'		
3/4 @ 3094'		
1/2 @ 3569'		
1 @ 4044'		
3/4 @ 4520'		
1 @ 4995'		
3/4 @ 5470'		
3/4 @ 5855'		

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

By: Luisa Noriega
(Luisa Noriega)

Title: Assistant Office Manager

Subscribed and sworn to before me this 8th day of March 2010.

Carla Martin
Notary Public

My Commission Expires: 10-8-12

Chaves New Mexico
County State

CORE ANALYSIS REPORT

FOR

BURNETT OIL COMPANY, INC.

GISSLER B NO. 58
LOCO HILLS 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

March 9, 2010

BURNETT OIL COMPANY, INC.
801 Cherry Street
Suite 1500
Fort Worth, Texas 76102-6815

File No: 57181-19711
Subject: Drilled Sidewall Analysis
Gissler B No. 58
Loco Hills Field
Eddy County, New Mexico

Gentlemen:

Sidewall Core Analysis was made on 24 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 sent to The University of Texas to the attention of F. Jerry Lucia/Geological Consultant at request of Larry Galbiati.

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/yn

CORE LABORATORIES

Company : BURNETT OIL COMPANY, INC.
Well : GISSLER B NO. 58
Location : 1650'FSL & 330'FEL,SEC. 8,T-17-S,R-30-E,UNIT 1
Co,State : EDDY COUNTY, NEW MEXICO

Field : LOCO HILLS FIELD
Formation : VARIOUS
Coring Fluid : BRINE
Elevation : 3693' KB

File No.: 57181-19711
Date : 3/09/10
API No. : 30-015-37596
Analysts: SEBIAN

CORE ANALYSIS RESULTS

SAMPLE NUMBER	DEPTH ft	INCHES REC.	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	2629.0	1.8	0.29	8.9	0.0	85.5	0.0	1.3	2.72	0.	Sd,red,vf gr,0% flu no cut
2	2680.0	2.0	0.03	6.4	12.7	77.8	0.8	0.6	2.70	1.	Sd,lt gry,vf gr,dol,lam,10% gold flu
3	2726.0	2.0	0.01	4.0	0.0	92.9	0.0	0.3	2.72	0.	Sd,lt gry,vf gr,dol,0% flu no cut
4	2782.0	1.8	<.01	3.5	6.8	81.6	0.2	0.4	2.85	1.	Dol,sl sndy,tr% brt yel flu tr cut
5	2823.0	1.6	1.25	8.5	24.7	30.7	2.1	3.8	2.68	250.	Sd,gry,f gr,80% dull yel flu
6	2833.0	2.0	<.01	5.1	0.0	93.9	0.0	0.3	2.78	0.	Dol,v/sndy,0% flu no cut
7	2843.0	2.0	<.01	4.8	0.0	95.5	0.0	0.2	2.75	1.	Sd,red,slt-vf gr,v/dol,0% flu no cut
SAN ANDRES FORMATION											
8	2963.5	1.8	0.01	4.7	0.0	92.6	0.0	0.3	2.71	2.	Sd,gry,vf-slt gr,0% flu no cut
9	3082.0	1.3	0.01	4.7	19.9	53.4	0.9	1.3	2.85	250.	Dol,70% brt yel flu
10	3105.0	1.5	0.01	3.1	2.3	87.4	0.1	0.3	2.85	5.	Dol,tr% yel flu in frac
11	3327.0	2.0	<.01	3.9	19.4	27.9	0.8	2.1	2.81	250.	Dol,60% dull yel flu
12	3415.0	2.0	0.35	6.0	16.3	58.4	1.0	1.5	2.85	170.	Dol,gyp/anhy,40% yel flu
13	3456.0	2.0	5.10	8.6	15.5	49.5	1.3	3.0	2.83	250.	Dol,sl anhy,sl pp,70% dull yel flu
14	3534.0	1.8	0.05	1.2	2.3	70.0	0.0	0.3	2.84	1.	Dol,sl anhy,tr pp,tr% yel flu in frac
15	3625.0	2.0	0.03	4.6	15.3	50.8	0.7	1.6	2.86	250.	Dol,v/anhy,50% yel flu
YESO FORMATION											
16	4501.0	1.6	0.11	7.6	15.1	11.8	1.1	5.6	2.86	250.	Dol,tr pp,70% brt yel flu

CORE LABORATORIES

Company : BURNETT OIL COMPANY, INC.
Well : GISSLER B NO. 58

Field : LOCO HILLS FIELD
Formation : VARIOUS

File No.: 57181-19711
Date : 3/09/10

CORE ANALYSIS RESULTS

SAMPLE NUMBER	DEPTH ft	INCHES REC.	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
17	4580.0	1.5	0.05	7.1	18.7	28.0	1.3	3.8	2.84	290.	Dol,40% brt yel flu
18	4639.0	1.8	0.50	10.3	17.1	20.0	1.8	6.5	2.84	210.	Dol,sl pp,80% dull yel flu
19	4961.0	2.0	0.05	9.5	17.4	33.3	1.7	4.7	2.84	320.	Dol,sl pp,50% brt yel flu
20	5063.0	1.8	0.13	5.5	15.5	14.1	0.9	3.9	2.84	270.	Dol,sl anhy,tr pp,40% yel flu
21	5089.0	2.0	0.07	5.5	11.9	28.8	0.7	3.3	2.83	270.	Dol,10% yel flu
22	5102.0	1.8	1.70	9.1	12.6	28.2	1.1	5.4	2.82	273.	Dol,sl pp,20% yel flu
23	5155.0	1.9	0.01	3.8	9.7	39.2	0.4	1.9	2.84	15.	Dol,tr% yel flu
24	5288.0	1.8	0.12	8.2	11.7	38.3	1.0	4.1	2.83	65.	Dol,tr pp,20% 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.