

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010**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.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMLC029338A
2. Name of Operator BURNETT OIL COMPANY		6. If Indian, Allottee or Tribe Name
Contact: LESLIE M GARVIS E-Mail: lgarvis@burnettoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address BURNETT PLAZA - SUITE 1500 801 CHERRY STREET FORT WORTH, TX 76102	3b. Phone No. (include area code) 817-508-5108 EXT. 5266102	8. Well Name and No. GISSLER A 41
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T17S R30E 330FSL 1550FEL		9. API Well No. 30-015-39931
		10. Field and Pool, or Exploratory LOCO HILLS GLORIETA YESO
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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.)

Burnett requests an exception to the BLM APD COA requiring cement be circulated to surface behind the 7" production casing. Our plan of action is to complete the well as discussed below. Since this is a producing well, the fluid level in the casing will be kept within 500' of the top perforation. The well is checked personally by the lease operator at least once every day to make sure it is producing without issues and that the fluid level is near the insert pump at the perforations. Consequently, the casing above the TOC will not have pressure on it and will not have fluid sitting inside of it. We request an exception to immediate perforating and circulating cement from TOC at 970'. When the well is P & A, either the uncemented casing will be pulled or perforations shot and cement pumped at appropriate depths above TOC. See the summary of drilling events regarding circulating fluids/cement in the wall.

This well was spudded on 2/15/12 and 10.75" 32.75# casing was set at 267' and cement was

Accepted for record *LRDade 05/24/12*
NMOCD

14. I hereby certify that the foregoing is true and correct		RECEIVED MAY 17 2012 NMOCD ARTESIA
Electronic Submission #137556 verified by the BLM Well Information System For BURNETT OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/14/2012 ()		
Name (Printed/Typed) LESLIE M GARVIS	Title REGULATORY COORDINATOR	
Signature (Electronic Submission)	Date 05/10/2012	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>DENIED</i>	Title <i>Wesley M. Ingram</i>	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 <i>5/16/12</i>

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #137556 that would not fit on the form

32. Additional remarks, continued

circulated to surface. After WOC, drilling out from surface casing was begun with immediate loss of all circulation at 352'. Over a period of 10 days, a total of 3400 sx of cement were pumped in 11 jobs attempting to regain circulation. After this expenditure and multiple attempts, the decision was made to continue drilling without circulation. Twelve (12) days later TD of 6088' was reached. A three (3) cement stage job was pumped with DV tool set at 2610'-2612' and an External Casing Packer (ECP) set at 393'. Cementing stages were pumped without regaining circulation and no cement circulating to surface on any stage. A cement bong log is attached.

— only summary, no CBL

Completion has begun and we request continuing with the completion. The first perforated interval in the bottom of Yeso has been fracture stimulated and is on production. We anticipate perforating two (2) more intervals and fracture stimulating at appropriate intervals determined by recovery of load water (LW) from stimulation and fluid level in well bore which requires changing methods of artificial lift.

With poor bonding, the operator is taking the risk of compromising the entire wellbore.



BURNETT OIL Co., INC.

Gissler A 41 – Cement Bond Log Results

<u>Interval</u>	<u>Cement Description</u>
LTD 6026' – 5900'	Poor
5900' – 2700'	Fair, scattered bonding
2700' – 2606' at DV	Good
2606 DV – 1130'	Good
1130' – 1030'	Fair
1030' – 970'	Poor
970'	TOC per CBL, Stage 2
970' – 0'	No cement
411' – 393'	ECP set
380'	Fluid level, no CBL reading
267'	10.75" srhc csg set