

Fernandez, Edward

30-015-39931

From: Mark Jacoby <mjacoby@burnettoil.com>
Sent: Friday, November 16, 2012 7:38 AM
To: Ingram, Wesley W; Leslie Garvis
Cc: Fernandez, Edward
Subject: RE: Gissler A 41

Wesley,

I will start by saying that the top perf I wrote is above the ECP, that is certainly a mistake on my part, I had the CBL on my desk marked and I still somehow wrote a perf above the ECP.

The ECP definitely is set, at the depth of 393'. The proposed perforations are 960' and 406'. My reasoning for starting the noise and temperature log at 2700' is to be below the DV tool, which is all below the lost circulation zone. The lost circulation zone was 353', below the surface casing setting at 267'. This would begin all surveys below all the problem zones.

The CBL indicates cement behind casing below the DV with bonding ^{Fair To scattered} good to fair, but not free pipe. The proposal of treating pressure at 80% of burst rating of pipe is very standard with new pipe. The consultant, John Ely and Associates, who helps design Burnett fracs, pumps fracs every day using this guideline, many of them are down casing without cement support. I will add that when there is no cement the guideline is same considering hydrostatic and depth. The casing is always tested to 90% of burst prior to frac. It would be tested prior to each of the 2 successive fracs with bridge plug between intervals. These are standard procedures in Burnett's completion procedures.

I think this addresses each issue you discussed.

Thank you, Wesley, for your consideration.

Mark A Jacoby
Vice President - Production
Permian Basin

Burnett Oil Co., Inc.
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Ofc: (817) 332-5108
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SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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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" srfc csg set

BURNETT PLAZA - SUITE 1500
801 CHERRY STREET - UNIT #9

FORT WORTH, TX 76102-6881
(817) 332-5108

Burnett Oil Co., Inc.

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ARTESIA

GISSLER A #41
DOCO HILLS GLORIETTA YESO
UNIT O, SEC. 14, T17S, R30E
330' FSL, 1550' FEL
EDDY CO., NEW MEXICO
30-015-39931

SPUD: 02/15/12
RIG RLSD: 03/10/12
DATUM: GL 3690'

WBD AS OF 5/2012- NOT TO SCALE

WELL HISTORY:

14 3/4" HOLE

2/17/12: Lost all returns @ 352'. TOH. WO cmt to sqz. Lost circ. Sqz w/400 sx Prem w/2% CaCl2.

2/18/12: WOC, attempt to load hole unsuccessful. Close annular, sqz w/400 sx Prem w/2% CaCl2. TOH, WOC, attempt to load hole unsuccessful. Close annular, sqz w/400 sx Prem w/2% CaCl2. TOH, Load hole @ 18:30 w/24 BPW (cmt calc @ shoe of sfc csg).

2/19/12: Tag cmt @ 247'. Drlg cmt & cmt stringers 247' - 362'. Lost all returns @ 352'. TOH. Sqz lost circ zone w/400 sx Prem w/2% CaCl2. TOH. Load hole @ 2300 w/5 BPW. Tag cmt @ 63'. Drlg cmt 63' - 258'.

2/20/12: Drlg cmt & cmt stringers 258' - 414' (100+ bbls hr loss w/returns beginning @ csg shoe (267')). TOH. Sqz lost circ zone, close annular, sqz w/200 sx Class "C" neat. TOH, close annular on DP.

2/21/12: WOC, open annular, Tag cmt @ 267' (btm sfc csg). Drlg cmt 267' - 444' (full returns). No returns after was to 444'. Regain returns w/fluid loss est 100 bph. Pmp 200 sx Class "C" neat - no returns. TOH, WOC.

2/22/12: WOC, loaded hole @ 13:00, tagged cmt @ 279'. Circ 2 hrs w/ full returns. Drlg cmt 279' - 362' (good cmt 279' - 305'; no cmt 305' - 362').

2/23/12: Drlg cmt 362' - 456', circ (fluid loss minimal). Encountered waterflow @ 1041'. Encounter air pockets @ 506', 561', 621', 663'.

2/24/12: No returns, TOH, sqz w/400 sx Prem + 2% CaCl2, attempt to load hole @ 3:00 - not successful.

2/25/12: Close annular, sqz w/150 sx Thixotropic, fb 250 sx Prem + 2% CaCl2. TOH, attempt to load hole @ 17:30, unsuccessful. Close annular, sqz w/150 sx Thixotropic, fb 250 sx Prem + 2% CaCl2, attempt to load hole @ 05:30, no success.

2/26/12: Close annular, sqz w/400 sx Prem Plus + 2% CaCl2, no success loading hole.

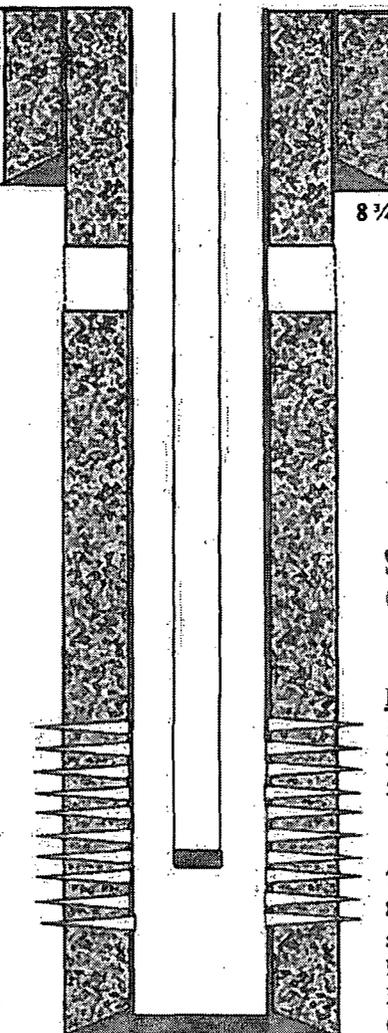
2/27/12: WO Fiberglass tbq for cmt/Sodium Silicate sqz. Close annular, pump 1000 gal Flo-Check, 200 sx Prem + 2% CaCl2 fb 200 sx Class "C" Neat. No success loading hole - No fill, circ - no returns.

2/28-3/7/12: Drld w/no returns.

4/5/12: Perf'd 36 intervals, 1 SPF @ 5580', 5585', 5602', 5605', 5610', 5616', 5621', 5629', 5640', 5644', 5648', 5652', 5660', 5669', 5686', 5690', 5693', 5706', 5709', 5712', 5727', 5733', 5744', 5751', 5754', 5759', 5763', 5766', 5771', 5781', 5802', 5895', 5900', 5909', 5917', 5934'.

4/6/12: Spot 250 gals 15% NEFE acid across perfs, acidize w/2500 gals 15% NEFE & 72 ball sealers. AIR 6, ATP 2900, ISIP 1405 (FG=.68), 15 min SIP 1269

4/9/12: Slickwater frac w/1,261,134 gals (30,027 BW) slickwater, 30,520# 100 Mesh, and 369,000# 40/70 Sand. AIR 85.8, ATP 2934, ISIP 1867, 15 min SIP 1348, POP 4/10/12, IBHP 1849



PBTD: 6,040'
TD: 6,088'

FIRST DAY OF PRODUCTION
04/12/12:
44 BO, 37 MCF & 1362 BLW

10.75" 32.75# H-40 STC csg @ 267'.
Cmt'd w/ 150 sx Thixotropic + 2% CaCl2,
followed by 250 sx Prem Plus + 2%
CaCl2. Stg 1 cmt no circ, good to fair
bond, Stg 2 no circ.

8 3/4" HOLE

ECP @ 393'

TOC @ 970'(CBL)

DV Tool @ 2612'; Drld out 3/16/12

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

PRODUCTION TBG:

173 jts 2 7/8" J-55 Tbg @ 5464', SN @
5465', ESP @ 5522', Desander @
5526', 2 jts 2 7/8" J-55 tbg @ 5589'.

7" 23# J-55 csg @ 6088'. Cmt'd 1st stg w/
800 sx 50:50 POZ. Circ 0 sx cmt to sfc 1st
stg (no returns). Cmt'd 2nd stg w/2000 sx
Prem Lite + 2% CaCl2 FB 100 sx Prem
Plus + 2% CaCl2. Circ 0 sx to sfc 2nd Stg.
Cmt'd 3rd stg w/300sx HALCO Neat, circ
no sx to sfc.

Formation Tops:

Rustler	227'
Salt	400'
Salt base	1148'
Yates	1314'
7 Rivers	1624'
Queen	2237'
Grayburg	2636'
San Andres	2989'
Glorieta	4444'
Yeso	4535'
Tubb	6088'

CONDITIONS OF APPROVAL

Sundry dated 11/13/2012 EC#160220

OPERATOR'S NAME:	Burnett Oil Co
LEASE NO.:	LC029338A
WELL NAME & NO.:	Gissler A 41
SURFACE HOLE FOOTAGE:	330' FSL & 1550' FEL
LOCATION:	Section 14, T.17 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

1. Surface disturbance beyond the originally approved pad must have prior approval.
2. Hydrogen Sulfide has been reported as a hazard. Functional H2S monitoring equipment shall be on location.
3. Approval given to add additional pay zones via perforations and frac procedure prior to doing remedial cement work to cover the exposed salt zone behind the production casing

Frac Job

4. The operator shall to tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. A tracer log will be run after the frac job and submitted to the BLM.
5. Step 5 & 6 of operator's procedure, the production log including temperature log and noise log will be run from 4500 feet to surface.
6. The tracer survey log and production log shall be run after 70% of load water from frac has been recovered. Also, a casing integrity test shall be performed on the production casing at 90% of burst.
7. All results from step 6 above shall be reported to the BLM as soon as possible to determine if remedial cement work will be required to cover the exposed salt zone behind the production casing.
8. Results of the tracer and production logs shall also be reported on a subsequent sundry.
9. Completion Report and Subsequent sundry with well test and wellbore schematic required when work is complete.

EGF 112012