

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OGD 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.

5. Lease Serial No.
NMNM2747

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
JACKSON B 7

2. Name of Operator
BURNETT OIL COMPANY INC
Contact: LESLIE GARVIS
E-Mail: lgarvis@burnettoil.com

9. API Well No.
30-015-04327-00-S1

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

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

10. Field and Pool, or Exploratory
GRAYBURG

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 25 T17S R30E NENW 660FNL 1980FWL

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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input 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 recompleat 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 Oil is requesting permission to build a new Tank Battery in the SE corner of Section 1, Unit K of T17S R30E. This battery will be built at the plugged and abandoned Jackson B 29 well site. The pad size will be 200'x200'. The following equipment will be on this battery:

1. 3-500 bbl oil tanks
2. 1-210 bbl skim tank
3. 4-500 bbl water tanks
4. 1-750 bbl gun barrel
5. 1 Fresh Water Knock Out
6. 2 Heater Treaters
7. 1 Combustor - Abutec 100

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 16 2014

Accepted for record

NMOCD 105

7-16-14

RECEIVED
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #247232 verified by the BLM Well Information System
For BURNETT OIL COMPANY INC, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/05/2014 (14CQ0133SE)

Name (Printed/Typed) LESLIE GARVIS

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 05/28/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By LES/STEPHEN J. CAFFEY

Title

JUL 11 2014

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.

Additional data for EC transaction #247232 that would not fit on the form

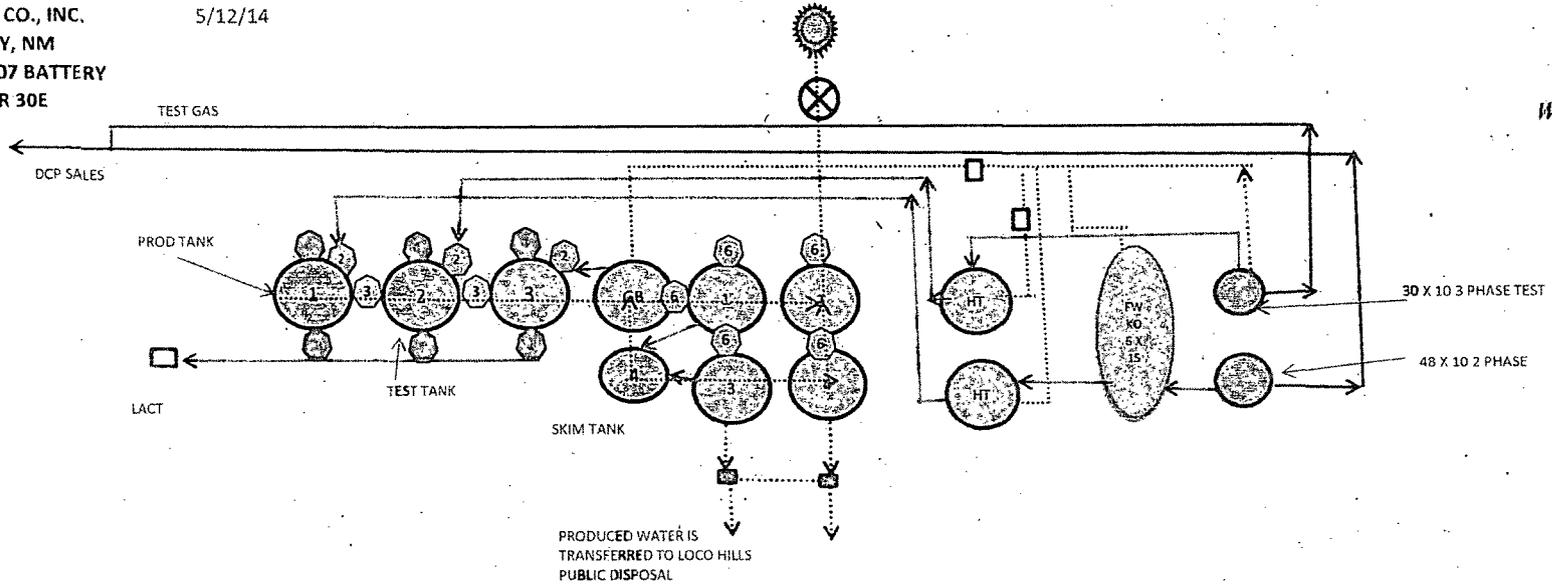
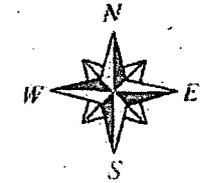
32. Additional remarks, continued

The dike will be 125'x75' at 3' tall lined with 40 mill plastic that will hold 5000 bbls. There will also be a 3 strand barb wire fence around btry. On site has been completed on this location.

Please see the attached battery diagram and plats.

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 JACKSON B 007 BATTERY
 SEC 1, T.17S, R.30E

5/12/14



- 6 X 15 FWKO
- 8 X 20 PROD HEATER
- 6 X 20 TEST HEATER
- 48 X 10 TWO PHASE
- 30 X 10 THREE PHASE TEST

- 500 BBL STEEL OIL SALES TANK # PROD
- 500 BBL STEEL OIL SALES TANK # TEST
- 500 BBL STEEL OIL SALES TANK #
- 210 BBL STEEL SKIM TANK
- 500 BBL FIBERGLASS WATER TANK
- 750 BBL FIBERGLASS GUN BARREL

- FWKO
- HEATER TREATER
- WATER LINE
- OIL LINE
- GAS LINE
- FENCED FIREWALL

- LOAD LINE VALVE
- FILL LINE VALVE
- EQUALIZER LINE VALVE
- CIRC LINE VALVE
- BS&W LOAD LINE VALVE
- WATER LINE VALVE

- COMBUSTOR GAS METER
- COMBUSTOR
- COMBUSTOR LINE

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 JACKSON B 007 BATTERY
 SEC 1, T 17S, R 30E

5/12/14

JACKSON B 007 BATTERY

JACKSON B 53
 JACKSON B 54
 JACKSON B 59
 JACKSON B 81
 JAKCON B 78
 JAKCOSN B 64
 JAKCOSN B 75
 JAKCOSN B 57

ATTACHMENT TO SITE FACILITY DIAGRAM

General sealing of valves, sales by tank gauge

Production Phase:

Load Line Valves sealed closed. Fill valve to tank that is in production will be open.

Equalizer valve to tank that is in production will be open. Circulation valves will be opened as necessary, then resealed.

BS&W Load Line valve will be sealed at all times, unless cleaning tanks, then resealed once tank maintenance is complete.

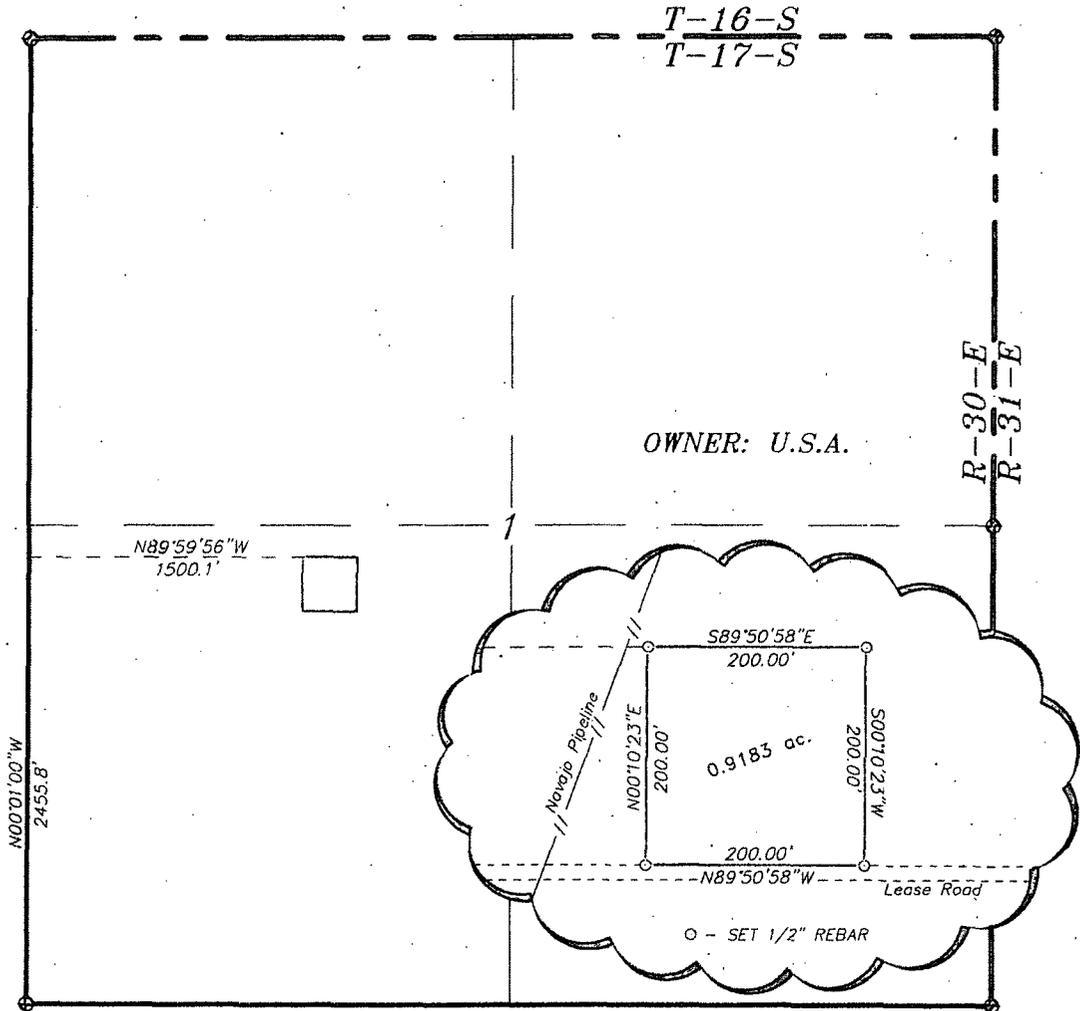
Sales Phase:

The tank from which sales are being made will be isolated by sealing closed the fill line valve, circulating valve, and the equalizer valve during sales and opening the sales valve. Upon completion of the sale, the sales valve will be resealed.

Sales by truck will be by tank gauge. Sales by LACT will be by LACT meter.

<u>VALVE</u>	<u>PRODUCTION PHASE</u>	<u>SALES PHASE</u>	<u>CIRCULATING</u>	<u>NOTE</u>
1- LOAD LINE VALVE	CLOSED	OPEN	CLOSED	
2- PRODUCTION FILL LINE VALVE	OPEN OR CLOSED	CLOSED	CLOSED OR OPEN	
3- EQUALIZER LINE VALVE	OPEN	CLOSED	CLOSED OR OPEN	
4- CIRCULATING LINE VALVE	OPEN OR CLOSED	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
5- BS&W LOAD LINE VALVE	CLOSED	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
6- WATER LINE VALVE	OPEN	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS

SECTION 1, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

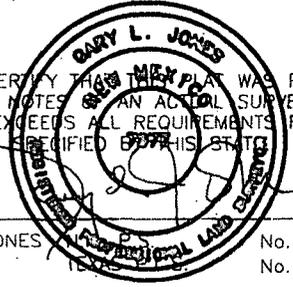


OWNER: U.S.A.

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 1, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH LIES N.00°01'00"W., 2455.8 FEET AND N.89°59'56"W., 1500.1 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE S.89°50'58"E., 200.00 FEET; THENCE S.00°10'23"W., 200.00 FEET; THENCE N.89°50'58"W., 200.00 FEET; THENCE N.00°10'23"E., 200.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 0.9183 ACRES, MORE OR LESS.



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

GARY L. JONES No. 7977
No. 5074



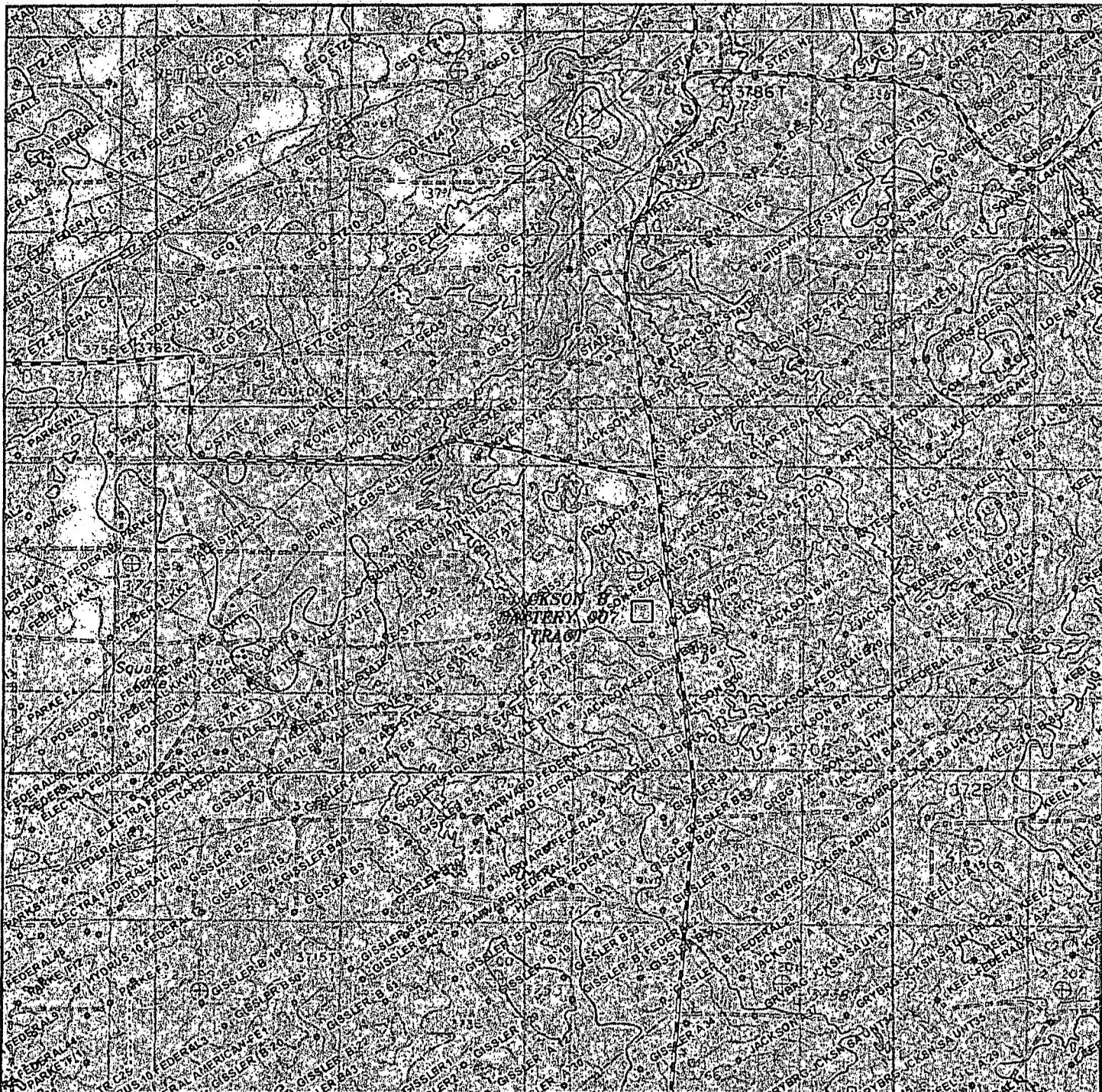
P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basinsurveys.com



Burnett Oil Co., Inc. *OOO*

REF: PROPOSED JACKSON B BATTERY 007 TRACT

A TRACT OF LAND LOCATED ON USA LAND IN
SECTION 1, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.



PROPOSED JACKSON B BATTERY 007 TRACT
 Section 1, Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

focused on excellence
 in the oilfield

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

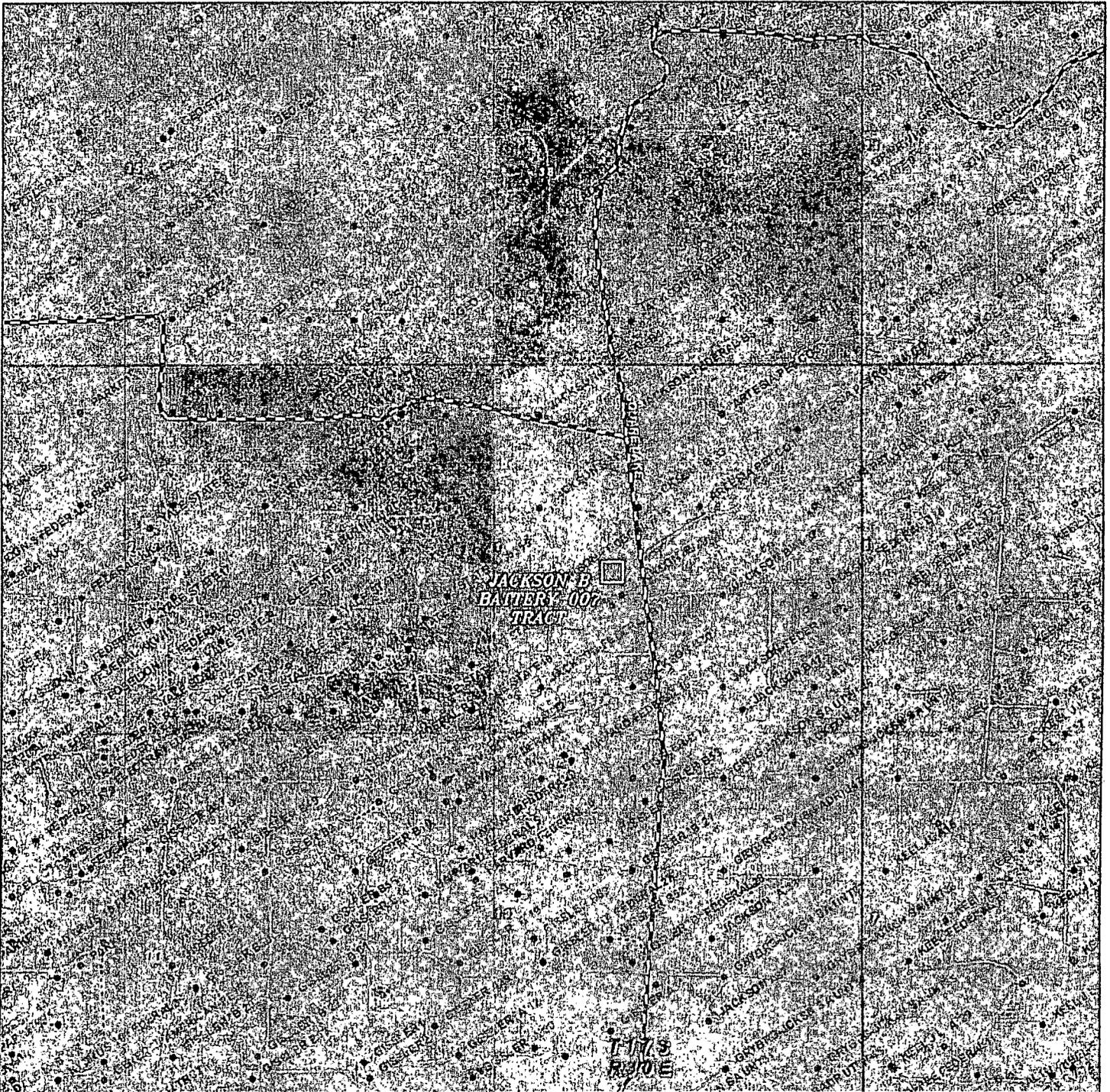
W.O. Number: KJG - 30412

Survey Date: 05-07-2014

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

Burnett Oil Co., Inc.

6666



PROPOSED JACKSON B BATTERY 007 TRACT
 Section 1, Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.


Basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'
 W.O. Number: KJG - 30412
 Survey Date: 05-07-2014
 YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND


Burnett Oil Co., Inc.
 6666

BLM Lease Number: NMNM 2747

Company Reference: Burnett

Well Name & Number: Jackson B 7

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the application (Grant/Sundry Notice) and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such

discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency

livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclusion systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended enclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from permanent engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.