

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. NMNM2748
2. Name of Operator BURNETT OIL COMPANY INC		6. If Indian, Allottee or Tribe Name
Contact: LESLIE GARVIS E-Mail: lgarvis@burnettoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 801 CHERRY STREET UNIT 9 FORT WORTH, TX 76102-6881	3b. Phone No. (include area code) Ph: 817-332-5108	8. Well Name and No. GISSLER B 37
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T17S R30E NWNW 1010FNL 990FWL		9. API Well No. 30-015-34688-00-S1
		10. Field and Pool, or Exploratory LOCO HILLS-PADDOCK
		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 checked="" 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 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 is requesting permission to deepen the Gissler B 37 well in the Loco Hills Yeso field in Eddy County to the base of the Yeso near 6100? TVD using United Drilling Rig #5.

The well is currently 5080? deep with 7? 23# casing and is producing from the Paddock only. Prior to deepening the well, the 24 Paddock perms will be cement squeezed with 300 sx cmt. Based on Burnett's Blinbry completions offset to this well, it is anticipated to be a very economic re-entry with 2-3 slick water frac stages in the new hole. A 6 1/8? bit will be used for the new hole and 5.5? 15.5# J-55 Flush Joint casing will be run to TD and cemented with 155 sx cmt. We are requesting a variance in order to run 5.5", 15.50#, J55 casing with a FJM collar inside a 6 1/8" hole. A cement bond log will be run in the 5.5? casing prior to any Blinbry completions. A tieback sleeve will be set at approximately 4100?, which is 427? above the top perf in the Paddock. After production data is gathered from the Blinbry, the Paddock will be re-stimulated with a slick water

Accepted for record  
NMOCD 10/19/2014  
SEE ATTACHED FORMS  
CONDITIONS OF APPRC

NM OIL CONSERVATION  
ARTESIA DISTRICT  
JUL 25 2014

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

Electronic Submission #249060 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 06/10/2014 (14CQ0367SE)

RECEIVED

Name (Printed/Typed) LESLIE GARVIS	Title REGULATORY COORDINATOR
Signature (Electronic Submission)	Date 06/10/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____
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.



## DRILLING PLAN Gissler B 37 Deepening

**VERTICAL RE-ENTRY CEDAR LAKE GLORIETA YESO WELL**  
**NOTE: ALL WELLS IN THIS DEEPENING PLAN HAVE 7" CASING SET AND CEMENTED**  
**THROUGH THE PADDOCK (UPPER PART OF YESO).**

### 1. Geological Name of Surface Formation with Estimated Depth:

#### a. Formations behind casing:

	<u>Geological Name</u>	<u>Estimate Top</u>	<u>Anticipated Fresh Water, Oil or Gas</u>
a.	Alluvium	Surface	Fresh Water, Sand
b.	Anhydrite	189'	
c.	Salt	436'	
d.	Base Salt/Tansill	1163'	
e.	Yates	1325'	
f.	Seven Rivers	1723'	Oil
g.	Queen	2230'	Oil
h.	Grayburg	2708'	Oil
i.	San Andres	3030'	Oil
j.	Glorieta	4330'	Oil
k.	Yeso	4508'	Oil

#### b. Formations to be drilled: Basal Yeso (T/Tubb) . **Current TD: 5080'. Proposed new TD: 6100'**

We will isolate the oil zones by running 5.5" Flush Joint casing to total depth and circulating cement to top of liner at 4100'.

### 2. Liner Program: (ALL CASING WILL BE NEW API APPROVED MATERIAL.)

(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)

#### a. Existing casing: 7" 23# J-55 from surface to 4979', cmt to 2590' and from 1200' to surface.

#### b. Design Safety Factors:

<u>Type</u>	<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
Liner	6 1/8"	5080' - TD	5.5"	15.50#	FJM	J55	*1.125	1.00	1.80

### 3. Cementing Program - 5.5" Production Liner

BLM to be notified prior to all cementing and tag operations in order to observe the operation if desired.

Cement: 155 sx 50/50 P/C+5%PF44(BWOW)(Salt)+2%PF20(BentoniteGel)+0.7% PF606(Fluid Loss)+0.2%PF65(Dispersant)+0.4#/skPF46(Defoamer) 25% excess  
Density 14.3ppg, 1.34CF/sk Yield 6.064 gal/sx water

The above cement volumes may be revised pending the caliper measurement from the open hole logs. **Casing/cementing design is to bring cement to ~~200'~~ above top of liner.**

### 4. Pressure Control Equipment:

*Self COA*  
The blowout prevention equipment (BOPE) (shown in the attached diagram) will consist of a 2000# Double Ram with hydraulic closing equipment. The equipment will comply with Onshore Order #2 and will be tested to 50% of rated working pressure (RWP), and maintained for at least ten (10) minutes. The 7" drilling head will be installed on the surface casing and in use continuously until total depth is reached. An independent testing company will be used for the testing. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 2000 PSI WP rating.

### 5. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve with the appropriate connections on the rig floor at all times.
- Hydrogen Sulfide detection and breathing equipment will be installed and in operation at drilling depth of 5080' until 5.5" casing is cemented.
- An H2S compliance package will be on all sites while drilling.

### 6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>	<u>Max Volume</u>
5080' - TD' MD	10.0 max			Brine Water	

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Pason equipment will be used to monitor the mud system.

**7. Logging, Coring and Testing program:**

- a. Any drill stem tests will be based on geological sample shows and planned before spudding.
- b. The open hole electrical logging program will be:
  1. Total depth to 5080' (7" csg shoe): Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.

**8. Potential Hazards:**

No abnormal pressures or temperatures are expected. All personnel will be familiar with the safe operation of the equipment being used to drill this well. The maximum anticipated bottom hole pressure is 2737#. This is based upon the following formula of  $.445 \times \text{BH ft.}$  estimate. The anticipated bottom hole temperature is 105°F. This is based upon logs of drilled wells surrounding this well.

There is known H2S in this area. In the event that it is necessary to follow the H2S plan, a remote choke will be installed as required in Onshore Order 6. Refer to the attached H2S plan for details.

**9. Anticipated Start Date and Duration of Operation**

Road and location construction will begin after BLM has approved the APD and has approved the start of the location work. Anticipated spud date will be as soon as the location building work has been completed and the drilling rig is available to move to the location. Move in and drilling is expected to take approximately 6 days. If production casing is run, an additional 60 days would be required to complete the well and install the necessary surface equipment (pumping unit, electricity, flowline and storage facility) to place the well on production.

# Burnett Oil Company

## Proposed in Red

FIELD:	<u>Cedar Lake</u>	WELL NAME:	<u>Gissler B 37</u>	FORMATION:	<u>Yeso</u>
Unit:	<u>D</u>	SEC:	<u>14</u>	GL:	<u>3702'</u>
SURVEY:	<u>T17S R30E</u>	COUNTY:	<u>Eddy</u>	KB:	<u>3716'</u>
LOCATION:	<u>1010' FNL 990' FWL</u>	STATE:	<u>NM</u>	DF:	<u></u>
				LAT:	<u></u>
				LONG:	<u></u>

Spud Date: 2/23/2006  
Completion: 3/30/2006

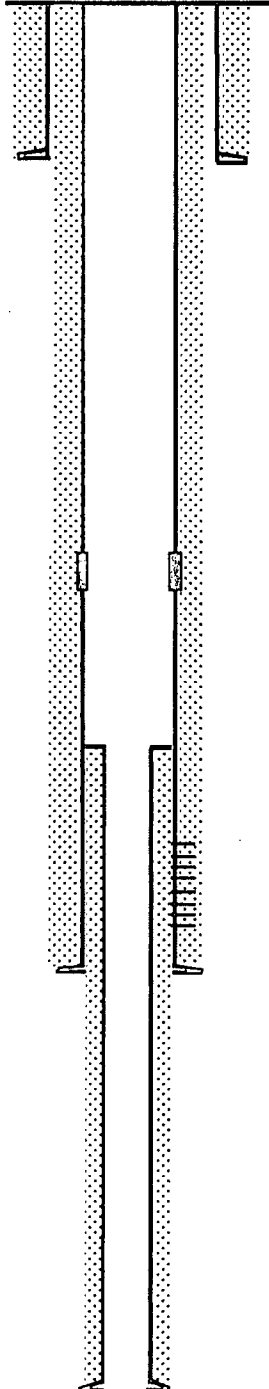
Current Production See Well Test  
EUR 134,000  
CUM 55,000

Well Test Dated 01/08/2013  
17, 58, 100

IP (Initial Completion) 5/02/2006  
153, 458, 187

Liner Top/Tie Back Sleeve @ 4,100'

Squeeze perms with 300 sx before deepening



TOC at Surface

9 5/8" @ 398 '  
in 12 1/4" hole  
Cemented w/600 sx 105 sx Top Out

7" 23# CSG at 5080'  
in 8 3/4" hole  
Cemented w/ 2350 sx  
TOC Surface

DV Tool at 2624'

3/12/2006  
Perf'd 4527',4555',4576',4617',4632',4658',4686',  
4702',4723',4751',4768',4784'  
12 Intervals, 24 Holes @ 2 SPF

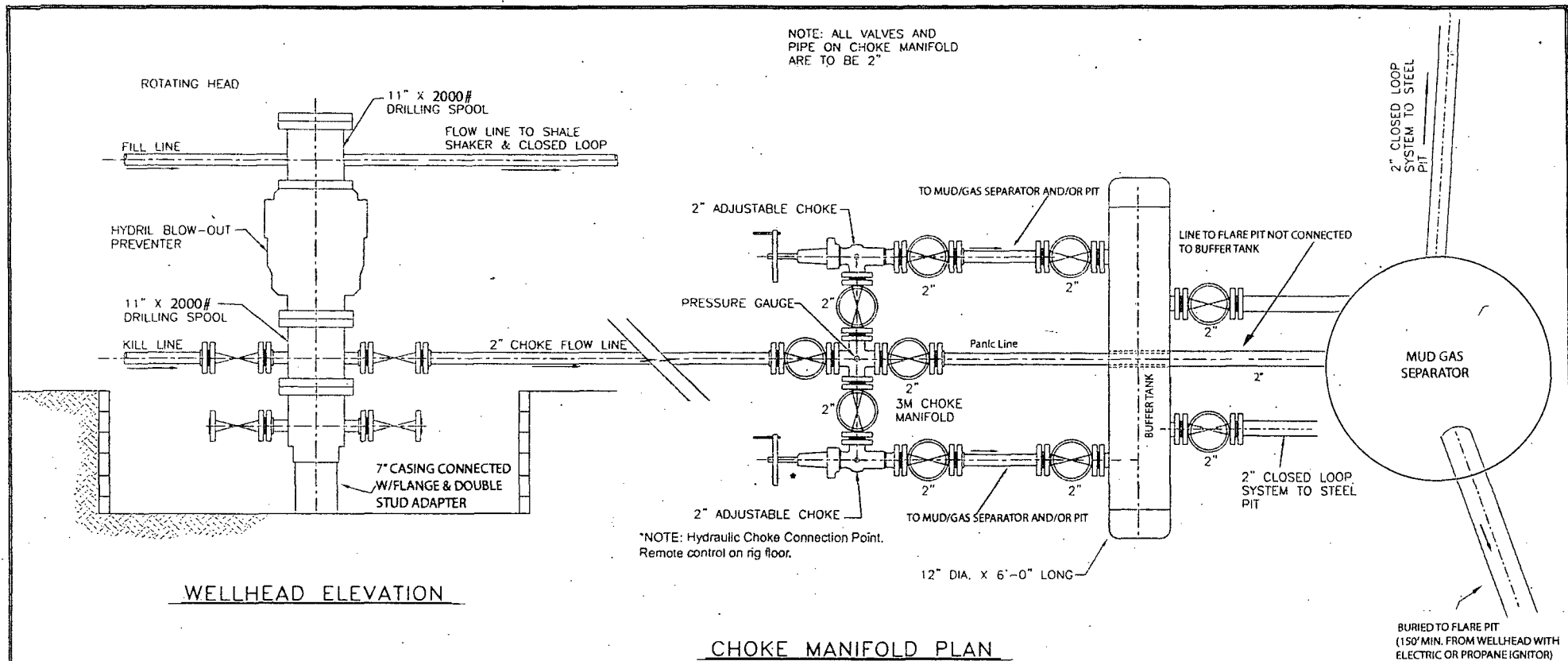
Breakdown w/ 1500 gal acid

3/14/2006  
Frac w/ 10,000 gal water  
39831 Gals 20% Acid Heated  
60396 Gals Waterfrac G Heated  
4886 Gals 15% Acid Cold  
18 Ballsealers

5.5" 15.5# J-55 FJM  
in 6 1/8" hole  
155 sx

TD @ 6100'

Updated: 6/6/2014  
By: BAS



BURNETT OIL COMPANY, INC.  
 BLOWOUT PREVENTER &  
 CHOKE MANIFOLD DIAGRAM  
 2000 PSI WORKING PRESSURE

EPS PROJECT NUMBER = 10-028  
 DATE: JANUARY 29, 2010  
 REVISION DATE: FEBRUARY 23, 2010  
 REVISION DATE: MAY 9, 2011  
 REVISION DATE (LG): AUGUST 28, 2013  
 REVISION DATE (LG): SEPTEMBER 30, 2013

**Gissler B 37**  
**30-015-34688**  
**Burnet Oil Co.**  
**July 18, 2014**  
**Conditions of Approval**

1. Work to be complete within 180 days.
2. Surface disturbance beyond the existing pad requires prior approval.
3. Closed loop system to be used.
4. H2S monitoring equipment should be onsite for personnel protection from surrounding oil operations. Operator should not encounter H2S while deepening.
5. BOP to be tested to **2000 psi** based on BHP expected.
6. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group.
7. Cement on liner shall tie back to liner top, if this is not achieved contact appropriate BLM office. When plugged, cement plug will be required across this tie back and across squeezed perforations.
8. Test casing as per Onshore Order 2.III.B.1.h.
9. Subsequent sundry detailing work and current well test data are to be submitted when work is complete.

**JAM 071814**