ATS-08-1061

Form 3160-3
(August 2007)

OCD-ARTESIA

JAN 05 2009

OCD-ARTESIA

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No: **NM 2748**

6. If Indian, Allottee or Tribe Name:

1a Type of Work: ☒ DRILL ☐ REENTER

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

8. Lease Name and Well No: **GISSLER B #47**

1b Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

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

9 API Well No.: **30-015-36869**

3a Address	3b Phone No *(include area code)*	10. Field and Pool, or Exploratory
801 Cherry ST. Unit #9 Fort Worth,	**(817) 332-5108**	**LOCO HILLS,GLORIETA YESO**

4 Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface: **Unit K, 1700' FSL, 2310' FWL**
At proposed prod zone: **SAME AS ABOVE**

11 Sec., T., R., M., or Blk and Survey or Area: **SEC 8, T17S, R30E**

14 Distance in miles and direction from nearest town or post office*: **Approx 6 miles East & North of Loco Hills, New Mexico**

12 County or Parish: **EDDY CTY** | 13 State: **NEW MEXICO**

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any)	16 No of Acres in lease	17 Spacing Unit dedicated to this well
330'	**440**	**40**

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19. Proposed Depth	20 BLM/BIA Bond No on file
330'	**6000'**	**NMB# 000197**

21 Elevations (Show whether DF, KDB, RT, GL, etc)	22 Approximate date work will start*	23 Estimated duration
3677' GL	**JANUARY 15, 2009**	**18 Days to Drill**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

1 Well plat certified by a registered surveyor
2 A Drilling Plan
3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5 Operator certification
6 Such other site specific information and/or plans as may be required by the BLM

25 Signature	Name *(Printed/Typed)*	Date
Mark A Jacoby	**MARK JACOBY**	11/14/2008
Title: **ENGINEERING MANAGER**		
Approved by *(Signature)*: [redacted] AFM	Name *(Printed/Typed)*	Date: DEC 30 2008
Title: **FIELD MANAGER**	Office: **CARLSBAD FIELD OFFICE**	

Application approval 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.
Conditions of approval, if any, are attached. **APPROVAL FOR TWO YEARS**

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

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

ENTERED
AFMSS
1-6-09

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-36869	96718	LOCO HILLS GLORIETA YESO

Property Code	Property Name	Well Number
002389	GISSLER "B"	47

OGRID No.	Operator Name	Elevation
003080	BURNETT OIL CO., INC.	3677'

Surface Location

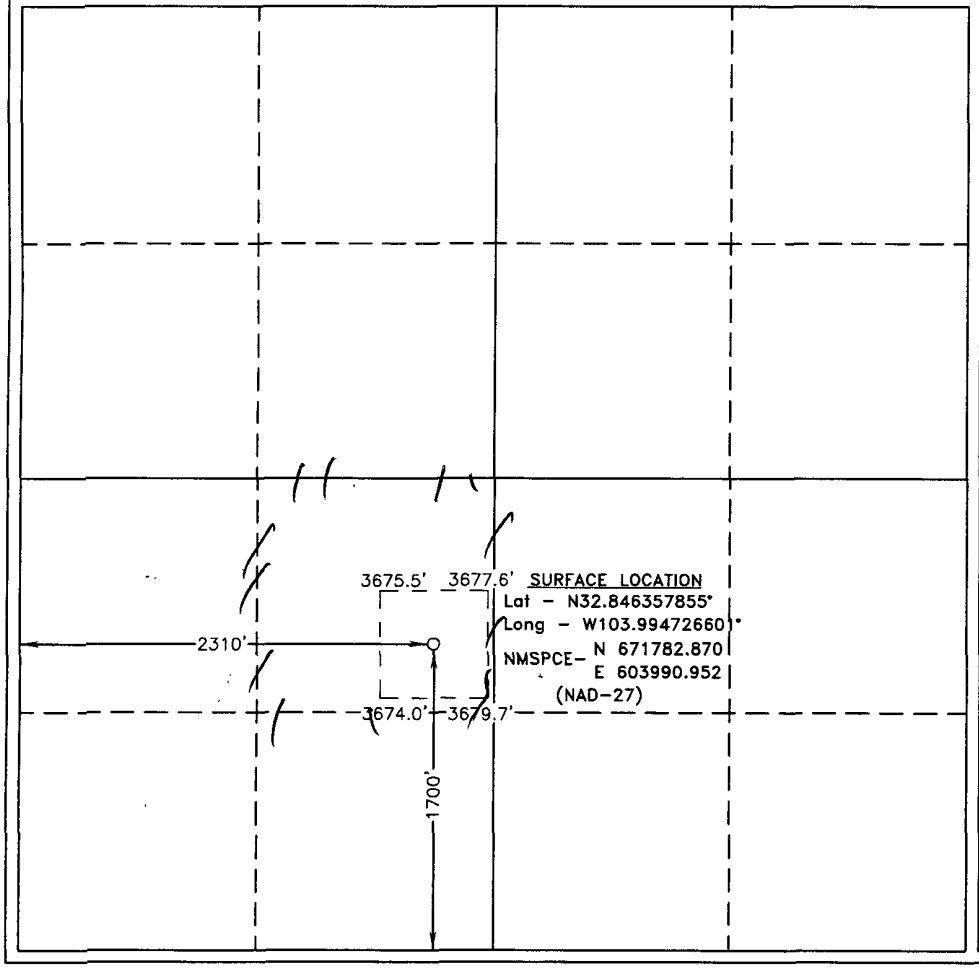
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	17 S	30 E		1700	SOUTH	2310	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Mark A. Jacoby 11/7/08
Signature Date

MARK A JACOBY
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief

NOVEMBER 5, 2008
Date Surveyed

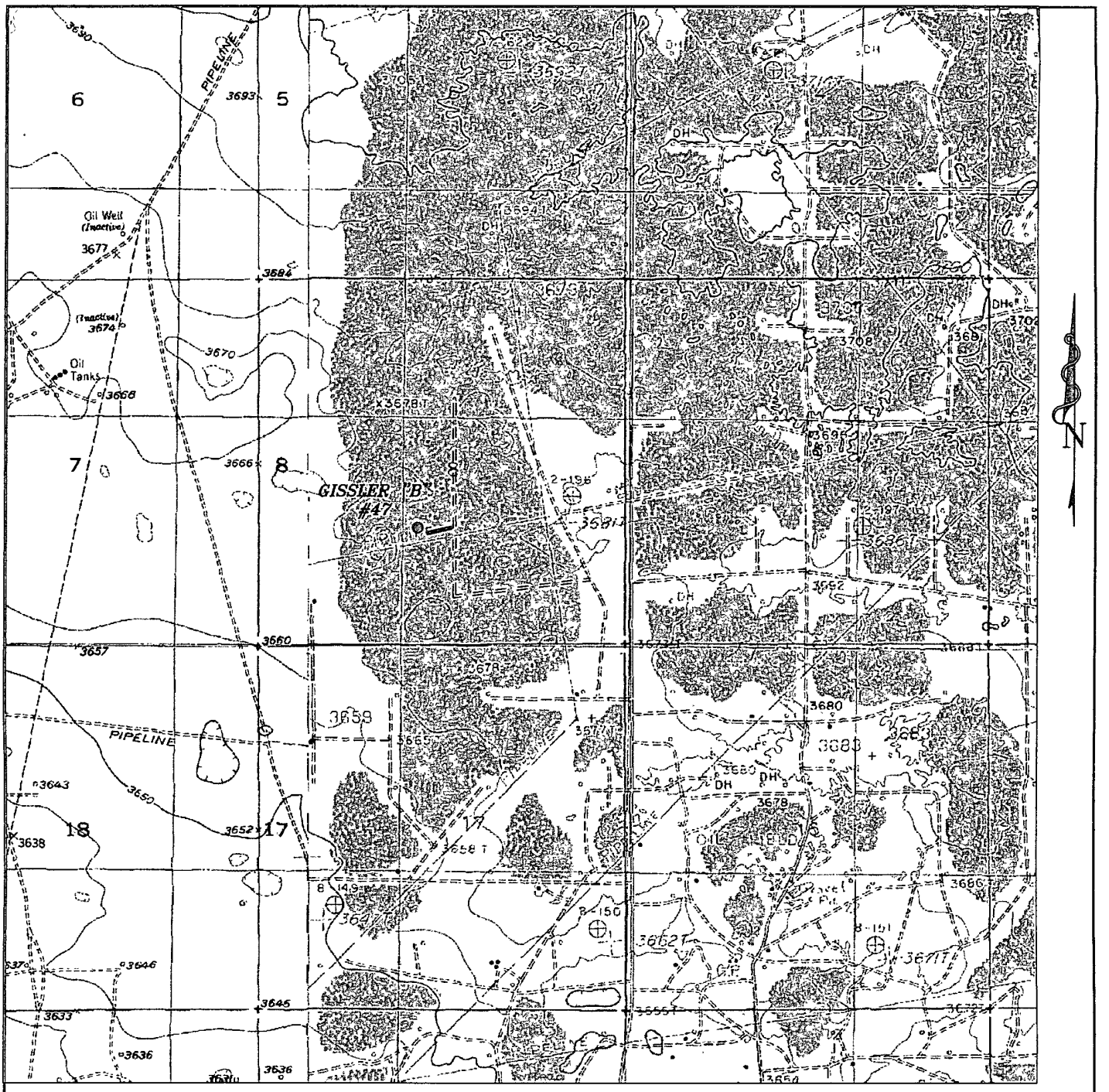
Signature & Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL SURVEYOR

W.O. Num. 20944

Certificate No. Gary L. Jones 7977

BASIN SURVEYS



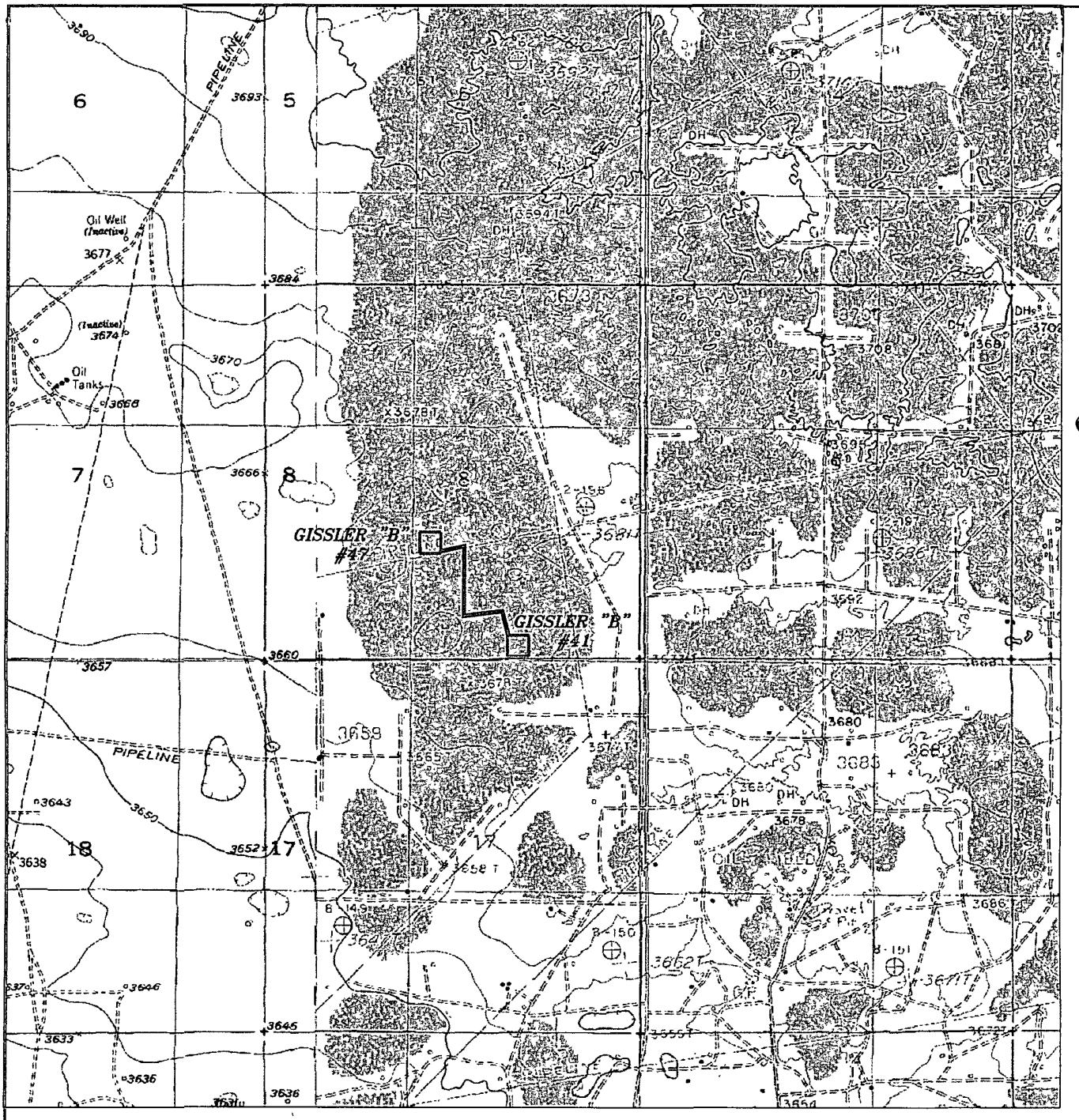
GISSLER "B" #47
Located 1700' FSL and 2310' FWL
Section 8, Township 17 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

GISSLER B #47
SURFACE EXHIBIT A1

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

W.O. Number:	JMS 20444
Survey Date:	11-05-2008
Scale:	1" = 2000'
Date:	11-05-2008

BURNETT OIL CO., INC.



PROPOSED PIPELINE TO THE GISSLER "B" #47
Section 8, Township 17 South, Range 30 East.
N.M.P.M., Eddy County, New Mexico.

GISSLER B #47
SURFACE EXHIBIT C

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

W.O. Number:	JMS 20444
Survey Date:	11-05-2008
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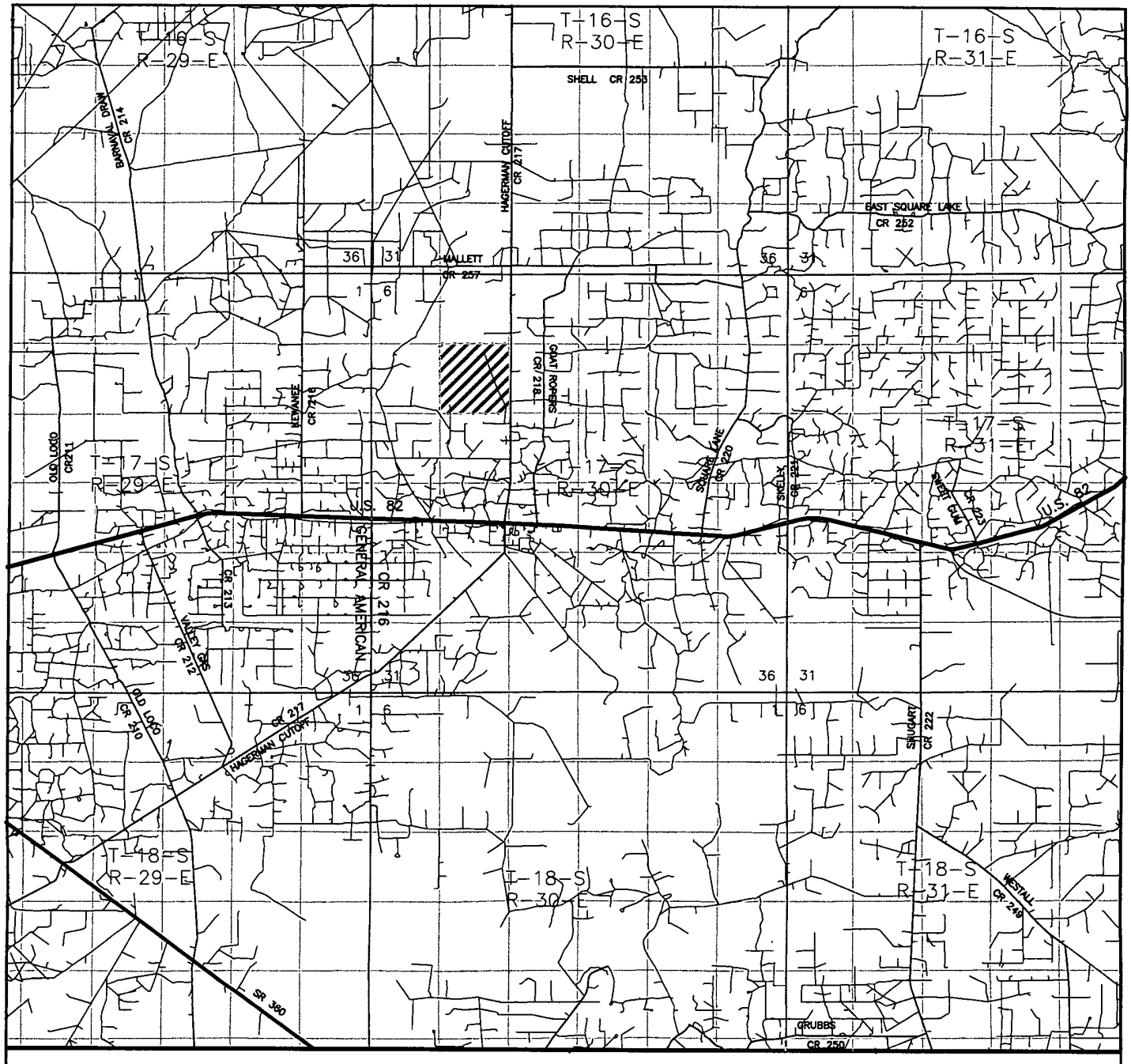
BURNETT OIL CO., INC.



GISSLER "B" #47
Located 1700' FSL and 2310' FWL
Section 8, Township 17 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

GISSLER B #47
SURFACE EXHIBIT A

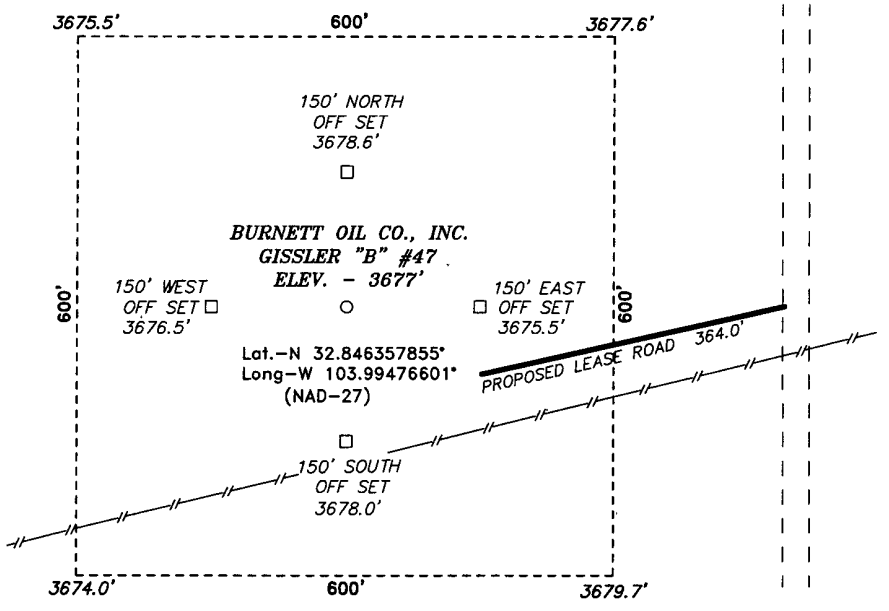
basin surveys
focused on excellence in the oilfield

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

W.O. Number:	JMS 20444
Survey Date:	11-05-2008
Scale:	1" = 2000'
Date:	11-05-2008

BURNETT OIL CO., INC.

SECTION 8, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



N

GISSLER B #47
SURFACE EXHIBIT A2

200 0 200 400 FEET
SCALE: 1" = 200'

BURNETT OIL CO., INC.

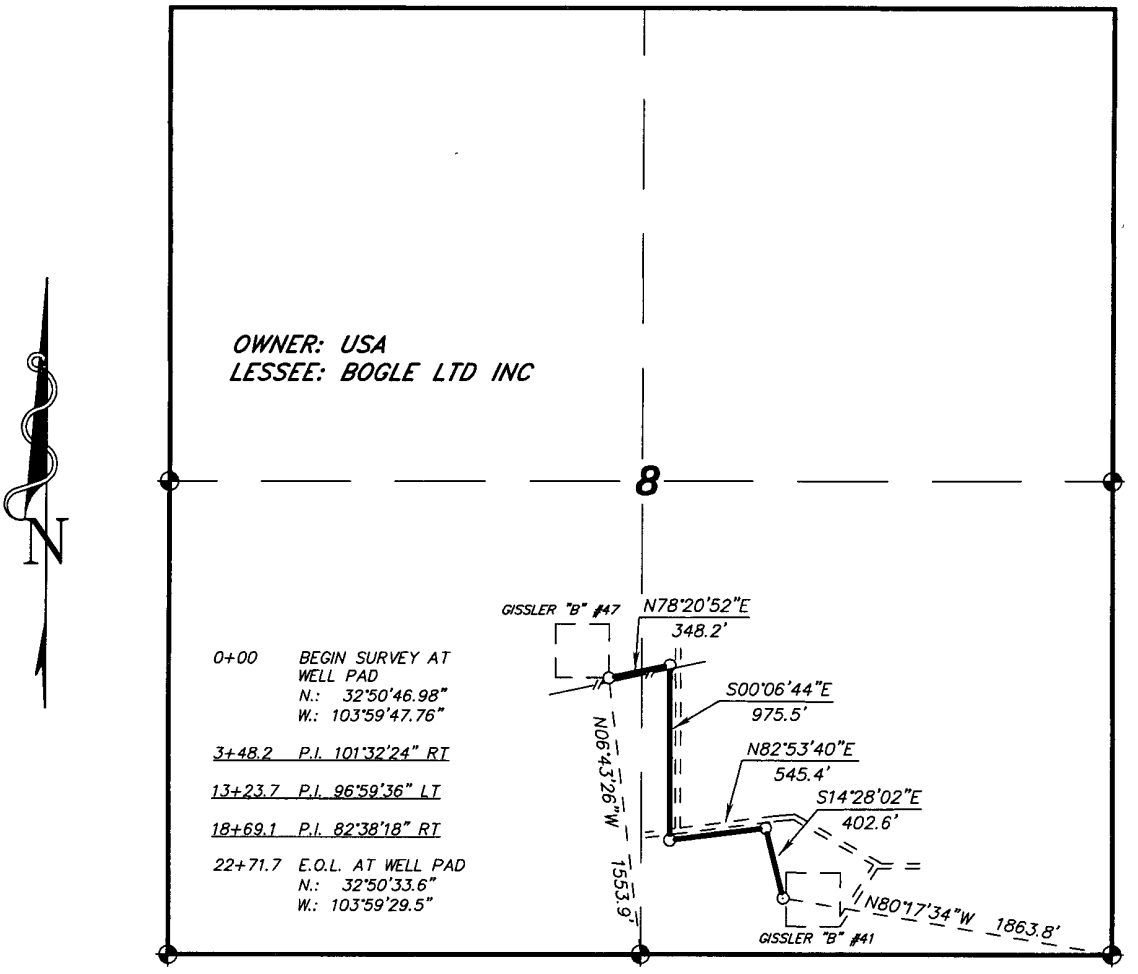
REF: GISSLER "B" #47 / WELL PAD TOPO

THE GISSLER "B" #47 LOCATED 1700'
FROM THE SOUTH LINE AND 2310' FROM THE WEST LINE OF
SECTION 8, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

W.O. Number: 20444	Drawn By: J. SMALL		
Date: 11-05-2008	Disk: JMS 20444	Survey Date: 11-05-2008	Sheet 1 of 1 Sheets

SECTION 8, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, **NEW MEXICO.**



GISSLER B #47
SURFACE EXHIBIT C1

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 8, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 8 = 2271.7 FEET = 137.68 RODS = 0.43 MILES = 1.56 ACRES

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

GARY L. JONES, N.M. P.S. No. 7977
TEXAS R.P.L.S. No. 5074

1000 0 1000 2000 FEET

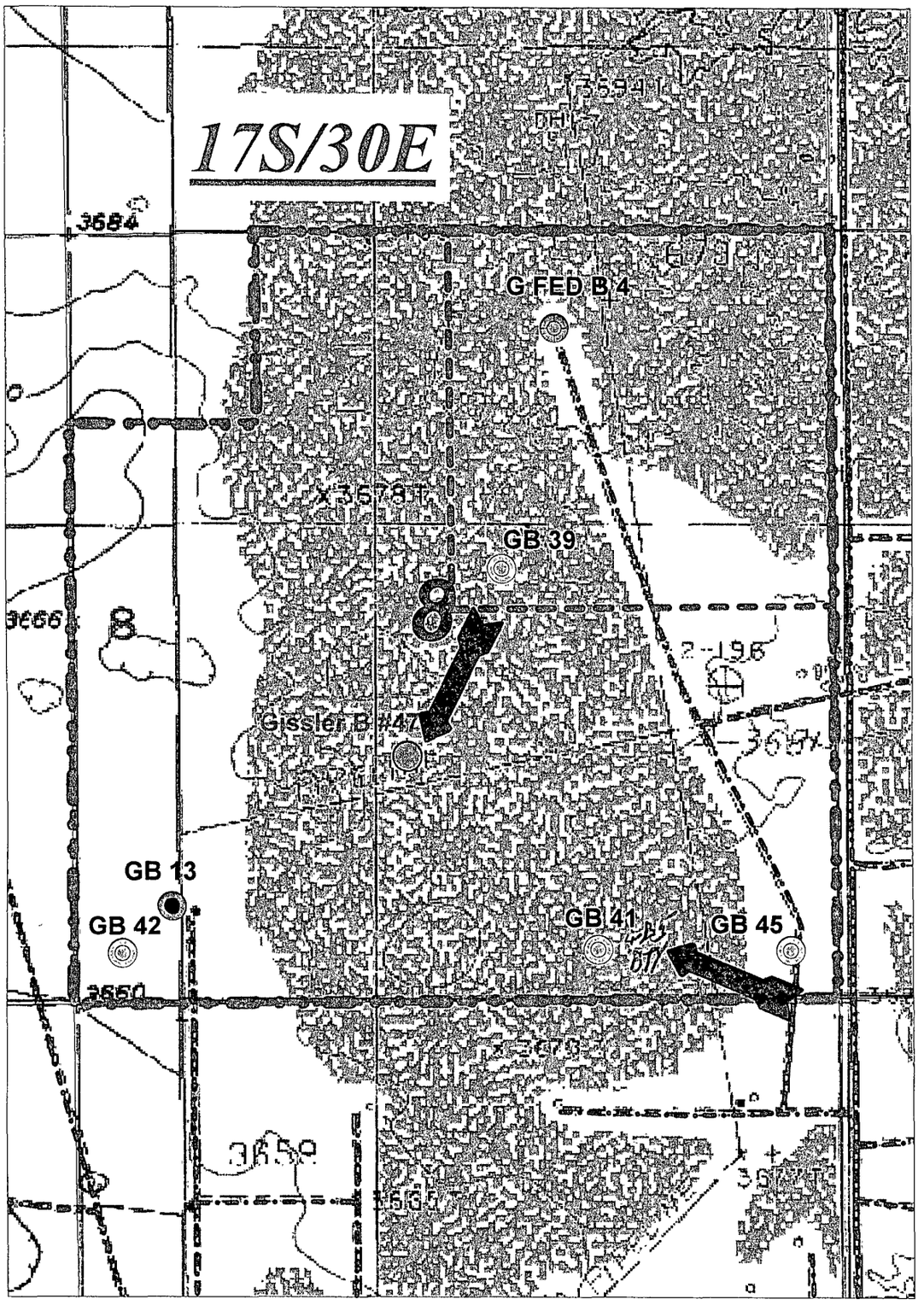
BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

BURNETT OIL CO., INC.

REF: PROPOSED FLOWLINE TO THE GISSLER "B" #39

A PIPELINE CROSSING USA LAND IN
SECTION 8, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 20444	Drawn By: J. M. SMALL		
Date: 11-05-2008	Disk: JMS 20444	Survey Date: 11-05-2008	Sheet 1 of 1 Sheets



Well Names

GA = Gissler A
GB = Gissler B
SA = Stevens A
GJSA = Grayburg Jackson San Andres

Gissler B #47

T17S, R30E, Sect 8, Unit K, NM2748
1700' FSL, 2310' FWL,
Lat/Long: 32.846347/-103.994760

Burnett Oil Co., Inc.
6666

Gissler B #47 Proposed Well Location
(Map Reflects Burnett Operated Wells Only)
Eddy County, New Mexico

Author: S Spray, Geo Tech		Date: November 14, 2008
	Scale: 1" = 1,000'	

GISSLER B #47
SURFACE EXHIBIT B

6666

MASTER DEVELOPMENT PLAN
BURNETT OIL CO., INC.
ALL VERTICAL CEDAR LAKE YESO/ LOCO HILLS PADDOCK WELLS
FEDERAL LEASE LC029338A, LC029339A, LC030570A, LC055264, LC055958, NM2746, NM2747, NM2748, NM 05067 & NM 074939.
Section 8, 11, 12, 13, 14, 23, 24 & 25, Township 17 South, Range 30 East, Eddy County, N.M.

A: DRILLING PROGRAM

1 **Geological Name of Surface Formation**
a. Alluvium.....Surface

2. **Estimated tops of Geologic Markers & Depths of Anticipated Fresh Water, Oil or Gas:**

a. Seven Rivers.....	1604'	Oil
b. Queen.....	2222'	Oil
c. Grayburg.....	2670'	Oil
d. San Andres.....	2985'	Oil
e. Glorieta.....	4460'	Oil
f. Total Depth	6000'	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. We will set 10-3/4" casing @ approx. +/- 400' in the Anhydrite, above the Salt and circulate cement to surface. We will isolate the oil zones by running 7" casing to total depth and circulating cement to surface.

3. **Casing Program: (ALL CASING WILL BE NEW API APPROVED MATERIAL.)**

Hole Size	Interval	OD Csg	Weight	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
(MW = 10 PPG IN DESIGN FACTOR CALCULATIONS.)								
14-3/4"	0'-400'	10-3/4"	32.75#	ST&C	H40	1.125	1.00	1.80
8-3/4"	0'-6000'	7"	23.00#	LT&C	J55	* 1.125	1.00	1.80

See COA

*** 500' of fresh water gradient (.433 psi/ft) fluid will be maintained inside casing to keep SF 1.125. If fluid is not at the surface, the fluid level inside 7" Casing will be determined by wireline to insure a 500' minimum of standing fluid.**

4. **Cementing Program (Note Yields and DV Tool Depth if Multiple Stage.)**
BLM WILL BE NOTIFIED TO HAVE THE OPTION TO WITNESS ALL CEMENTING AND TAG OPERATIONS.

a. **10-3/4" Surface** Cement to surface Lead with 150 sx Class C cement +10% A-10, + 10#/sx LCM-1 1% CaCl, 0.01 gps FP-6L, 14.6 ppg, 1.67 CF/Sk Yield. Tail with 500 sks Class C cement + 2% CaCl + 0.01 gps FP-6L.14.8 ppg, 1.35 CF/Sx yield. **TOC Surface.**

If cement does not circulate to surface, BLM will be notified of same, plus the plans to bring the cement to surface so BLM may witness tagging and cementing. The plan to bring the cement to surface will be to run 1" and tag top of cement at 0°, 90°, 180° and 270°. Appropriate cement volumes will be pumped through 1" to bring cement to surface. In rare situations where severe lost circulation may exist, BLM may be requested to approve dumping pea gravel then cementing on top of it to the surface through 1".

b. **7" Production Casing**

Stage 1 Cement: 550 sks (50:50) Poz (Fly Ash):Class C cement + 2% Bentonite + 0.01 gps FP-6L+ 0.3% FL-52A + 1.2% CD-32 + 5% Sodium Chloride. Yield 1.27 CF/Sx. **DV @ approx. 2600'**

Stage 2 Cement: Lead with 1800 sks (35:65) Poz (Fly Ash): Class C cement + 6% Bentonite + 5 lbs/sx LCM-1 + 0.125 lbs/sx Cello Flake + .01 gps FP-6L + 5% Sodium Chloride, **Yield 1.89 CF/Sx.** Tail with 100 sx Class C + 1% CaCl + 0.01 gps FP-6L.14.8 ppg, Yield 1.62 CF/Sx, **TOC Surface**.

The above cement volumes may be revised pending the caliper measurement from the open hole logs. Casing design is to bring all cement to the surface.

In the event cement does not circulate to surface, the BLM will be notified. A temperature survey will be run. Cement will then be brought to surface by running 1" to tag top of cement and then cement though 1" to bring cement to surface. If top of cement is too deep for running 1", an alternate plan will be developed, including BLM in discussions, to bring cement to surface.

5. **Pressure Control Equipment:**

The blowout prevention equipment (BOPE) shown in **Drilling Exhibit E** will consist of a 2000 PSI Hydril Unit (annular) 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 10 minutes. The 10-3/4" 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.

6. **Proposed Mud Circulation System**

Depth	Mud Wt	Visc	Fluid Loss	Type System
0'-400'	8.6--9.5			Fresh Water
400' - TD' MD	10.0 max.			Brine Water

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

7. **Auxiliary Well Control and Monitoring Equipment:**

a. A Kelly cock will be in the drill string at all times.
b A full opening drill pipe stabbing valve with the appropriate connections on the rig floor at all times.
c. Hydrogen Sulfide detection and breathing equipment will be installed and in operation at drilling depth of 1800' (which is more than 500' above top of Grayburg) until 7" casing is cemented. An H2S compliance package will be on all sites while drilling.

8. **Hydrogen Sulfide Plan and Training**:

Based on our area testing H2S at 100 PPM has a radius of 139' and does not get off our well sites. There are no schools, residences, churches, parks, public buildings, recreation area or public within 2+ miles of our area.

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on each well:

a. The hazards and characteristics of Hydrogen Sulfide (H2S).
b. The proper use and maintenance of personal protective equipment and life support systems.
c. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures and the prevailing wind.
d. The proper techniques for first aid and rescue procedures.
e. **ATTACHED HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN DRILLING EXHIBIT A**
f. **ATTACHED EMERGENCY CALL LIST FOR ANY ON SITE EMERGENCY DRILLING EXHIBT B.**

In addition, supervisory personnel will be trained in the following areas:

a. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in special maintenance requirements.
b. Corrective action and shut-in procedures when drilling or reworking a well, blowout prevention and well control procedures.
c. The contents and requirements of the H2S Drilling Operations Plan and the Public Protection Plan (if applicable.)

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan (if applicable). This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

a. Protective equipment for essential personnel:

1. Mark II Surviveair (or equivalent) 30 minute units located in the dog house and at the primary briefing area (to be determined.)

b. H2S detection and monitoring equipment:

1. Three (3) portable H2S monitors positioned on location for best coverage and response. These units have warning lights at 10 PPM and warning lights and audible sirens when H2S levels of 15 PPM is reached. A digital display inside the doghouse shows current H2S levels at all three (3) locations.
2. An H2S Safety compliance set up is on location during all operations.

c. Visual warning systems:

1. Wind direction indicators will be positioned for maximum visibility.
2. Caution/Danger signs willl be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

d. Mud program:

The mud program has been designed to minimize the volume of H2S circulated to the surface Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

e. Communication:

1. Cellular Telephone and/or 2-way radio will be provided at well site.
2. Landline telephone is located in our field office.

f. Metallurgy:

1. All drill strings, casings, tubing, wellheads, Hydril BOPS, drilling spools, kill lines, choke manifold, valves and lines will be suitable for H2S service.
2. All elastomers used for packing and seals shall be H2S trim.

9. **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 1000': Dual Laterolog-Micro Laterolog with Compensated Neutron, Spectral Density log with Spectral Gamma Ray and Caliper.
   2. Total depth to Surface: Compensated Neutron with Gamma Ray.
   3. Coring program will be planned and submitted on a well by well basis.
   4. Additional testing will be done subsequent to setting the 7" production casing. The specific Intervals will be based on log evaluation, geological sample shows and drill stem tests.

10. **Potential Hazards:**
No abnormal pressures or temperatures are expected. There is known H2S in this area. The operator will comply with the provisions of Onshore Oil and Gas Order #6. No lost circulation is expected to occur. 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 1000#. The maximum anticipated bottom hole temperature is 92°F.

11. **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 approx 25 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.

B; SURFACE USE PROGRAM

1. **EXISTING ROADS:**
   a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. This well was staked by Basin Surveys or John West Survey..
   b. All roads into the location are shown on the Vicinity Map (Surface Exhibit A.)
   c. Directions to location: from intersection of US Hwy #82 and Square Lake (**CR 220)** go north on CR 220 and follow Surface Exhibit A2 to the proposed well pad.

2. **New or Reconstructed Access Roads:**
   a. The well site layout, Form C-102 and Surface Exhibit A1 & A2 show the existing area. **Any additional required access road will be shown on Surface Exhibit A2 and Exhibit B.**
   b. All construction material will be native caliche. It may be available at the proposed location. If unavailable on location or road, caliche will be hauled from nearest BLM approved caliche pit.

3. **Location of existing wells:**
See the attached Surface Exhibit B plat showing all wells within a ½ mile radius of the proposed well site.

4. **Location of existing and/or proposed production facilities:**
See Surface Exhibit B, C and C1 for the location of existing on lease Tank Battery facility on the Federal Lease.
   a. This battery is on the federal lease and may be an above ground commingled Grayburg/Cedar Lake Yeso or Loco Hills Paddock production facility.
   b. The well site will require electricity for the prime mover. We will contact The electric cooperative. to provide the electric power poles and the electric line from their nearest connection. The routing and pole placement will be provided in their ROW application. All electrical installation will be done in accordance with all existing state and federal regulations.
   c. All flowline from the new well pad site is on the Federal lease. (See Surface Exhibit B, C and C1 plat.) The required flowline will be laid, above ground, along existing road and flowline routing. All flowline will be 3" poly pipe.

5. **Location and Type of Water Supply:**
All water to be used in drilling this well will be brine or fresh water transported by truck over existing and above proposed lease road from Loco Hills, New Mexico or produced water furnished from our existing waterflood facilities in the area. We may install a pump and lay a **temporary** 2" poly line on the lease from the battery to the rig for this drilling water.

6. **Construction Materials:**
All construction material for the roadway and drilling pad will be native caliche from the nearest BLM approved pit or from existing available deposits found on the location. All will be in accordance with the drilling stipulations for this well.

7. **Methods of Handling Waste Disposal:**
a. Drill cuttings will be disposed of in a closed loop system using steel haul off tanks. All drilling fluids will be hauled off location to a contracted off lease disposal location.
b. Trash, waste paper, garbage and junk will be placed in a portable, screened trash container on location. All trash and debris will be transported to an authorized off-lease disposal station within 30 days following the completion activities.
c. A properly maintained Porto-john will be provided for the crews during drilling and completion operations. All will be removed after all completion operations have ended.
d. Oil produced during testing will be put into steel storage tank for later sales.
e. Water produced during testing operations will be put in the steel frac. tanks pit until well is turned to the lease tank battery. All produced water will be disposed of through one of our approved disposal methods.

8. **Ancillary Facilities:** There are no planned ancillary facilities for this well.

9. **Well Site Layout:**
Surface Exhibit D shows the relative location and dimensions of the drilling pad and related components. Only minor differences, if any, in length and/or width of the drilling pad are anticipated, depending on which drilling contractor is selected to drill the well. Only minor leveling of the drilling site is anticipated.

10. **Plans for surface Reclamation:**
a. After drilling and successful completion operations are finished, all equipment and other materials not required for normal production operations will be removed.
b. The pad size will be reduced to the amount required for normal operation of the producing well. This reduced portion will be restored to the BLM stipulations in section a.
d. If a well is abandoned, the surface location and unneeded road will be restored according to BLM stipulations within 90 days of final abandon and sit re-seeded with BLM (B) seed mix.

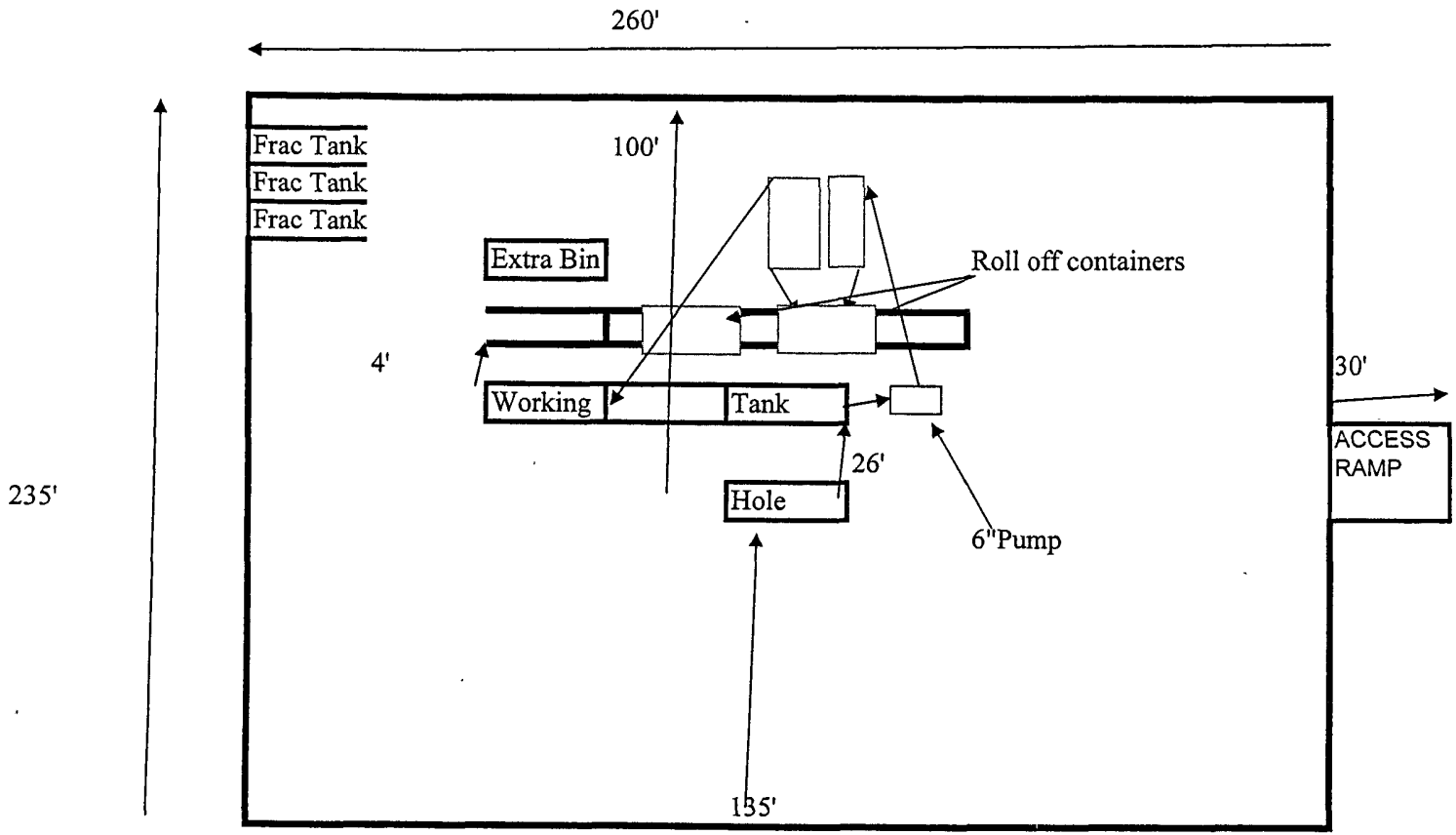
11. **Surface ownership:**
All lands are owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is multiple uses with the primary use of the region for the production of oil and gas and the grazing of livestock.

12. **Other information:**
a. The area surrounding the well site is grassland. The area is relatively flat with small hills and sand dunes. The topsoil is fine, deep sand underlain by caliche. Vegetation cover is generally sparse and consists of mesquite, yucca, shinnery oak and sparse native grasses. Wildlife in the area includes deer, coyotes, rabbits, rodents, reptiles, dove and quail.
b. No permanent or live water is found in the general proximity of this area.
c. No dwellings are found within two (2) miles of this location.
d. There is intermittent cattle grazing and hunting in the area; however, the principal land use is for oil and gas production.
e. An archaeological clearance report from Boone Archaeological Services will be sent to the BLM office in Carlsbad, N.M.

13. **Bond Coverage:**
Current Bond is BLM Bond # NMB000197. The Surety Bond is #B000863. Both are effective May 21, 2004 and remain in place.

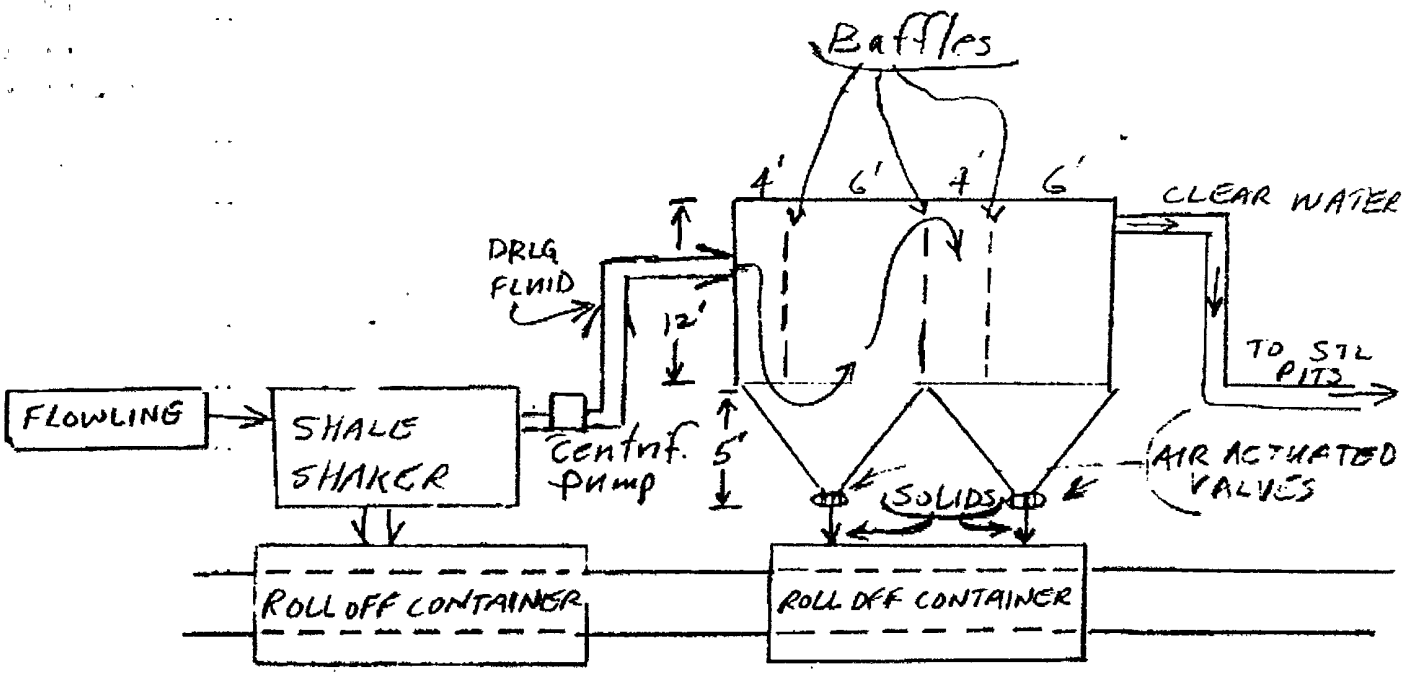
RIG PLAT

50' Of Excess Around Back Of Rig For Water Trucks.



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT

GISSLER B #47
SURFACE EXHIBIT D



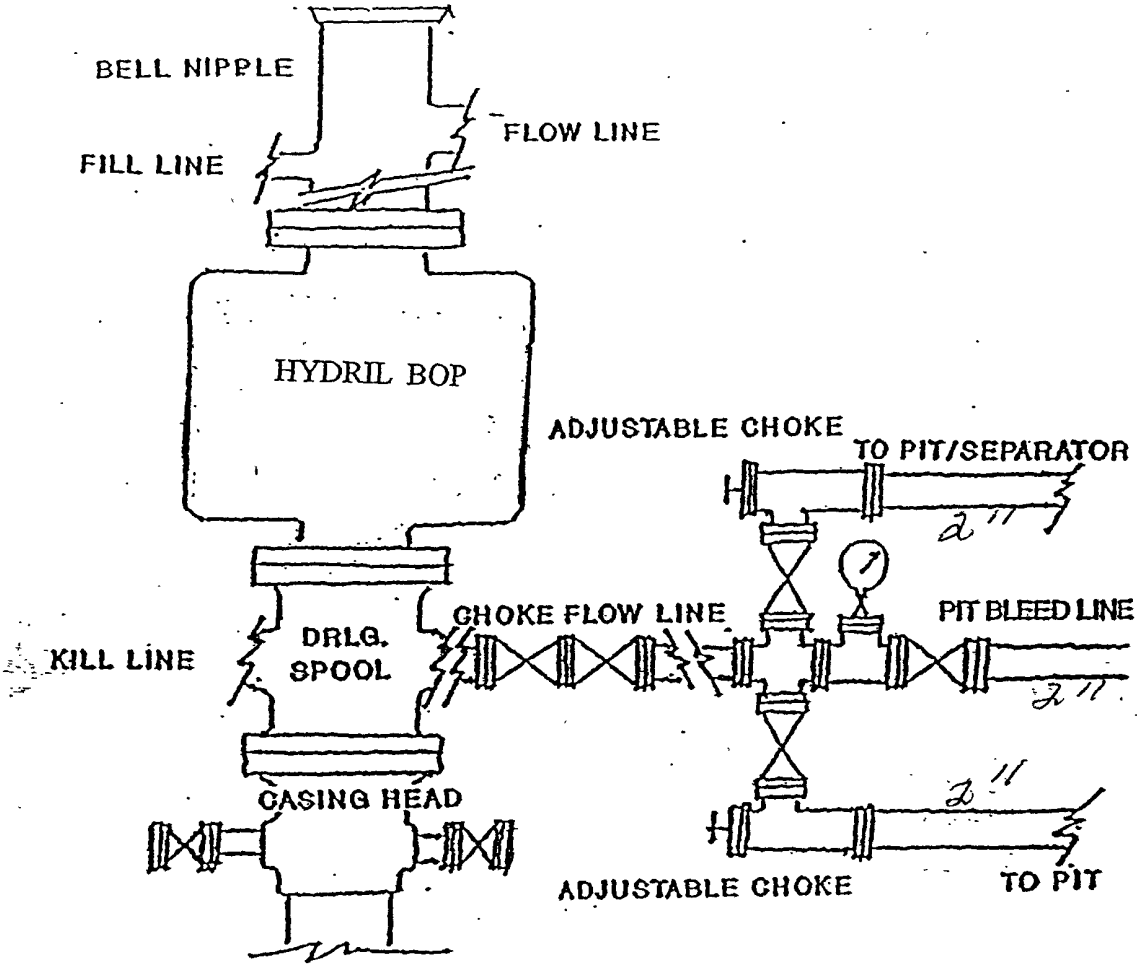
OPERATIONAL & MAINTENANCE:

Drilling fluid coming out of wellbore will go through flowline across shale shaker. Solids will drop into roll-off bins. Drilling fluid will be pumped into containers with baffles as drawn above. Baffles slow fluid velocity to allow solids to fall down through 6" air actuated valves into roll-off containers. Clear water goes out back to drilling fluid steel pits. Solids are hauled to disposal. Leftover liquid will be hauled to disposal.

BURNETT OIL CO. Inc

Operation and Maintenance
Closed Loop equipment will be inspected daily by each tour and any necessary maintenance performed
Any leak in system will be repaired and/or contained immediately
OCD notified within 48 hours
Remediation process started

Closure Plan
During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI (Controlled Recovery Incorporated Permit R-9166).



BURNETT OIL CO., INC.

BLOWOUT PREVENTER &
CHOKE MANIFOLD DIAGRAM
2000 PSI WORKING PRESSURE
SERIES 600 FLANGES

DRILLING EXHIBIT E

6666

BURNETT OIL CO., INC. EMERGENCY NOTIFICATION LIST

Burnett's New Mexico Office	**(575) 677-2313**
Belton Mathews BOCI District Superintendent	**CELL # (575) 703-9601**
BURNETT OIL HOME OFFICE (817) 332-5108	
Mark Jacoby BOCI ENGINEERING MANAGER	CELL # (817) 312- 2751

EDDY COUNTY SHERIFF	**911**	**OR**	**(575) 746-9888**
NEW MEXICO STATE POLICE			(575) 746-2701

Loco Hills Fire Department (VOLUNTEER ONLY)	911 OR (575) 677 2349
For Medical and Fire	(575) 746-2701 (ARTESIA)

Flight For Life Air Ambulance	(LUBBOCK)	(806) 743-9911
Aerocare Air Ambulance	(LUBBOCK)	(806) 747-8923
Med Flight Air Ambulance	(ALBUQ)	(505) 842-4433
S B Med Svc Air Ambulance	ALBUQ)	(505) 842-4949

US Bureau of Land Management Carlsbad	(575) 361-2822	(575) 234-5972
New Mexico Oil Conversation Division	ARTESIA	(575) 748-1283
New Mexico Emergency Response Commission	24 HR	(575) 827-9126
New Mexico State Emergency Operation Center		(575) 476-9635
Local Emergency Planning Committee (Artesia)		(575) 746-2122
National Emergency Response Center (Washington, DC)		(800) 424-8802

Boots & Coots IWC	(800) 256-9688
Cudd Pressure Control	(432) 570-5300
Halliburton Svc	(575) 746-2757
B J Svc	(575) 746-2293

THIS MUST BE POSTED AT THE RIG WHILE ON LOCATION.

Burnett Office 87 SQUARE LAKE ROAD (CR #220), Loco Hills, New Mexico 88255
(Loco Hills, New Mexico (2 MILES East of Loco Hills On US Hwy 82 TO C#220 Then North On CR# 220 Approx One Mile To Office.).

DRILLING EXHIBIT A

6666

BURNETT OIL CO., INC. OPERATOR CERTIFICATION
ALL VERTICAL CEDAR LAKE YESO/ LOCO HILLS PADDOCK WELLS
FEDERAL LEASE # LC029338A, LC029339A, LC030570A, LC055264, LC055958, NM2746, NM2747 NM2748, NM05067 & NM074939
Section 8, 11, 12, 13, 14, 23, 24 & 25, Township 17 South, Range 30 East, Eddy County, N.M

Operator's Representative:
Burnett Oil Co., Inc. field representative responsible for compliance with the approved surface use and operations plan is:

Mr. Belton Mathews, District Supt.
P.O. Box 188
Loco Hills, New Mexico 88255
Office phone: (575) 677-2313
Home phone: (575) 746-8647
Cellular phone: (575) 703-9601

I hereby certify that I, or persons under my direct supervision have inspected the drill site and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Burnett Oil Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 11/14/2008

By: Mark A. Jacoby
Mark A. Jacoby
Engineering Manager