

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

RECEIVED

5. Lease Serial No.
NMNM 2748
6. If Indian, Allottee or Tribe Name
NMOCD ARTESIA

DEC 14 2009

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 page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

BURNETT OIL CO., INC.

3a. Address 801 CHERRY STREET, SUITE 1500

3b. Phone No. (include area code)

UNIT #9 FORT WORTH, TX. 76102-6881

(817) 332-5108

4. Location of Well (Postage, Sec., T., R., M., or Survey Description)

UNIT J. 2475' FSL, 2475' FEL, SEC 11, T17S, R30E

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

8. Well Name and No.
GISSLER B #559. API Well No.
30-015-37243 S110. Values Plus or Minus and
QN-GB-SA11. County or Parish, State
Eddy County, N.M.**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input checked="" 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.)

TO AMEND APPROVED CASING CASING PROGRAM FOR THIS PLANNED NEW WELL.

Surface Hole size will be 12-1/4". Surface casing will be 8-5/8" 24# J55 ST&C. Depth will be approx 350' (Per approved COA.)
Surface casing design will 1.125 Collapse, 1.00 for Burst and 1.80 for tension.
Cement to surface: 150 Sx Thixotropic + 2% CaCl, yield 1.64, tail w/250 Sx Class C +2% CaCl Yield 1.35, Circulate to surface.

Production casing hole size will be 7-7/8". Production casing will be 5-1/2" 15.50# J55 R3 LT&C. Depth will be approx 4500'.
Production casing design will be 1.125 Collapse, 1.00 for Burst and 1.80 for tension.
Cement to surface: Single stage job 1500 Sx Class C w/additives, yield 1.97. Circulate to surface.

THIS IS BEING FAX DUE TO PROBABLE SPUD ON THURSDAY 12/10/2009.
CASING PROGRAM CHANGED TO CUT SOME OF DRILLING EXPENSE.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

FAX 817

332-2438

JIM ARLINE

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

Name (Printed/Typed)

MARK A. JACOBY

Title ENGINEERING MANAGER

Signature

Mark A. Jacoby

Date

12/08/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

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.

(Instructions on page 2)

APPROVED

DEC - 8 - 2009

Petroleum Engineer

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Is/ Roger Hall

PECOS DISTRICT
CONDITIONS OF APPROVAL
Change in Casing Sundry

OPERATOR'S NAME:	Burnett Oil Company, Inc.
LEASE NO.:	NMNM 02748
WELL NAME & NO.:	Gissler B #55
SURFACE HOLE FOOTAGE:	2475' FSL & 2475' FEL
BOTTOM HOLE FOOTAGE:	2475' FSL & 2475' FEL
LOCATION:	Section 11, T. 17 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Grayburg** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. **The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

**Possible brine and water flows in the Salado and Artesia Groups.
Possible loss of circulation in the Grayburg and San Andres Formations.**

1. The **8-5/8 inch** surface casing shall be set **at approximately 350 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **5-1/2 inch** production casing is:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

RGH 120809