

30-015-38372

**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.).

Jackson A 38  
Drilling Exhibit A

## HYDROGEN SULFIDE (H<sub>2</sub>S) CONTINGENCY PLAN

ASSUMED 100 PPM ROE = 3000'

### Emergency Procedures

**In the event of a release of gas containing H<sub>2</sub>S, The first responder(s) must**

- \* Isolate the area and prevent entry by other persons into the 100 PPM ROE.
- \* Evacuate any public places encompassed by 100 PPM ROE.
- \* Be equipped with H<sub>2</sub>S monitors and air packs in order to control release.
- \* Use the "buddy system" to ensure no injuries occur during the response.
- \* Take precautions to avoid personal injury during this operation.
- \* Have received training in the following:
  1. H<sub>2</sub>S detection
  2. Measures for protection against this gas
  3. Equipment used for protection and emergency response.

### Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>.) Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the New Mexico State Police may become involved. NM State Police shall be the incident command on scene of any major release. Take care to protect downwind whenever there is an ignition of gas.

### **Characteristics of H<sub>2</sub>S and SO<sub>2</sub>**

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	NA	1000 ppm

### **Contacting Authorities**

Burnett Oil Co., Inc. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind and direction, location of release, etc. **Be sure all is written down and ready to give to contact list (Drilling Exhibit A.) Directions to the site are below.** Burnett's response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan.

**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**

**BURNETT OIL CO., INC.**

*Drilling Exhibit B  
Jackson A 38*

well. The maximum anticipated bottomhole 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.
- 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 Hagerman Cutoff (**CR 217**) go north on CR 217 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 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 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 and C1 for the location of nearest existing Tank Battery facility for this Federal lease. The existing Gissler B5 Tank Battery is East and South of the well and on this Federal Lease.

- a. This battery is on Federal lease NMNM2748 and is a 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. Flowline from the new well pad site is on this Federal leases. (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" or 4" 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 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 and D1** show 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. **WE DO PLAN TO BURY THE FLARE LINE AS SHOWN ON THE SURFACE EXHIBIT D.**
- a. **FLAG NORTHWEST CORNER FORTY FEET (40') IN TO AVOID EXISTING CHINABERRY TREE AND THE ROOT SYSTEM.**
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. **THIS WELL IS TO USE BLM PERMIAN BASIN CULTURAL RESOURCE MITIGATION FUND ARCHAEOLOGICAL MOA.**
13. **Bond Coverage:**
- Current Bond is BLM Bond # NMB000197. The Surety Bond is #B000863. Both are effective May 21, 2004 and remain in place.

**BURNETT OIL CO., INC. OPERATOR CERTIFICATION**  
**ALL VERTICAL CEDAR LAKE YESO/ LOCO HILLS PADDOCK WELLS, GRAYBURG SAN**  
**ANDRES WELLS**

FEDERAL LEASE # LC029338A, LC029339A, LC030570A, LC055264, LC055958, NM2746,  
NM2747 NM2748, NM05067 & NM074939

Section 1, 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: 9/1/10

By

Mark A. Jacoby  
Mark A. Jacoby  
Engineering Manager

CCCC

August 23, 2010

New Mexico Oil Conservation Division  
1301 Grand Avenue  
Artesia, New Mexico 88210  
Attn: Randy Dade

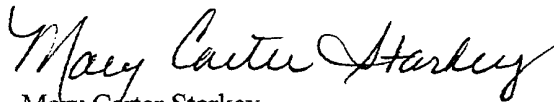
Re: H2S Rule 118 Contingency Plan. Federal Lease NMLC029339A  
Jackson A #38, Unit J, 2310' FSL, 2160' FEL  
Sec. 12, T17S, R30E- Eddy County, New Mexico

Dear Mr. Dade:

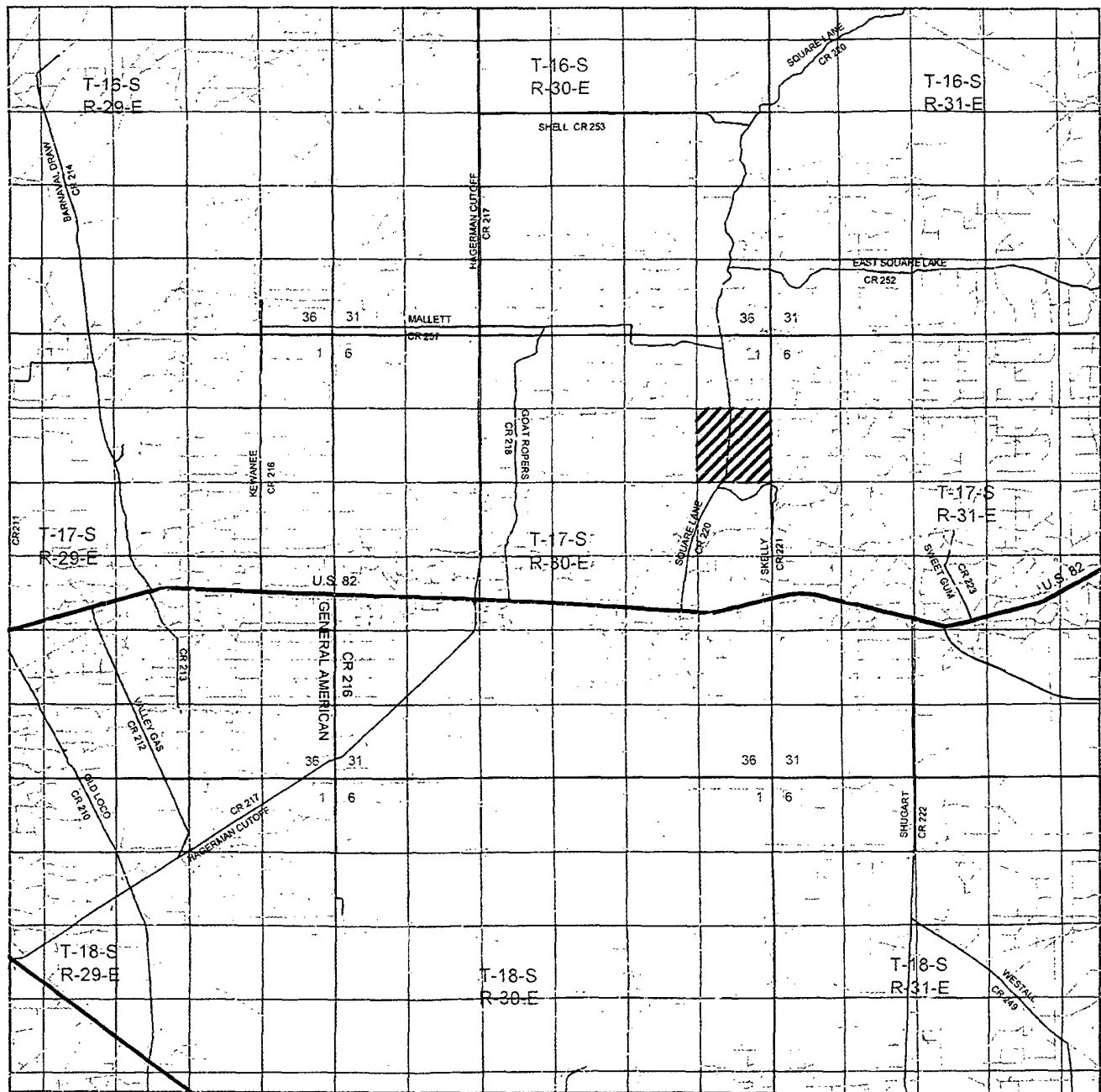
Please accept this letter as our notice we do not believe the referenced plan is required for the referenced well. We have calculated the hazard volume as follows: highest H2S quantity 10,000 PPM, and using a production rate of 225 MCFGPD the 100 PPM radius is 181' and the 500 PPM radius is 83'. This footage does not give off our well locations.

Please contact our Mr. Mark Jacoby or the undersigned if you require additional information.

Sincerely,



Mary Carter Starkey  
Regulatory Coordinator

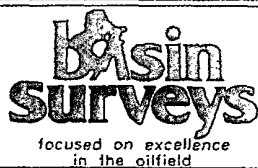


# JACKSON "A" #38

Located 2310' FSL and 2160' FEL

Section 12, Township 17 South, Range 30 East,  
N.M.P.M., Eddy County, New Mexico.

*Surface Exhibit A*



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

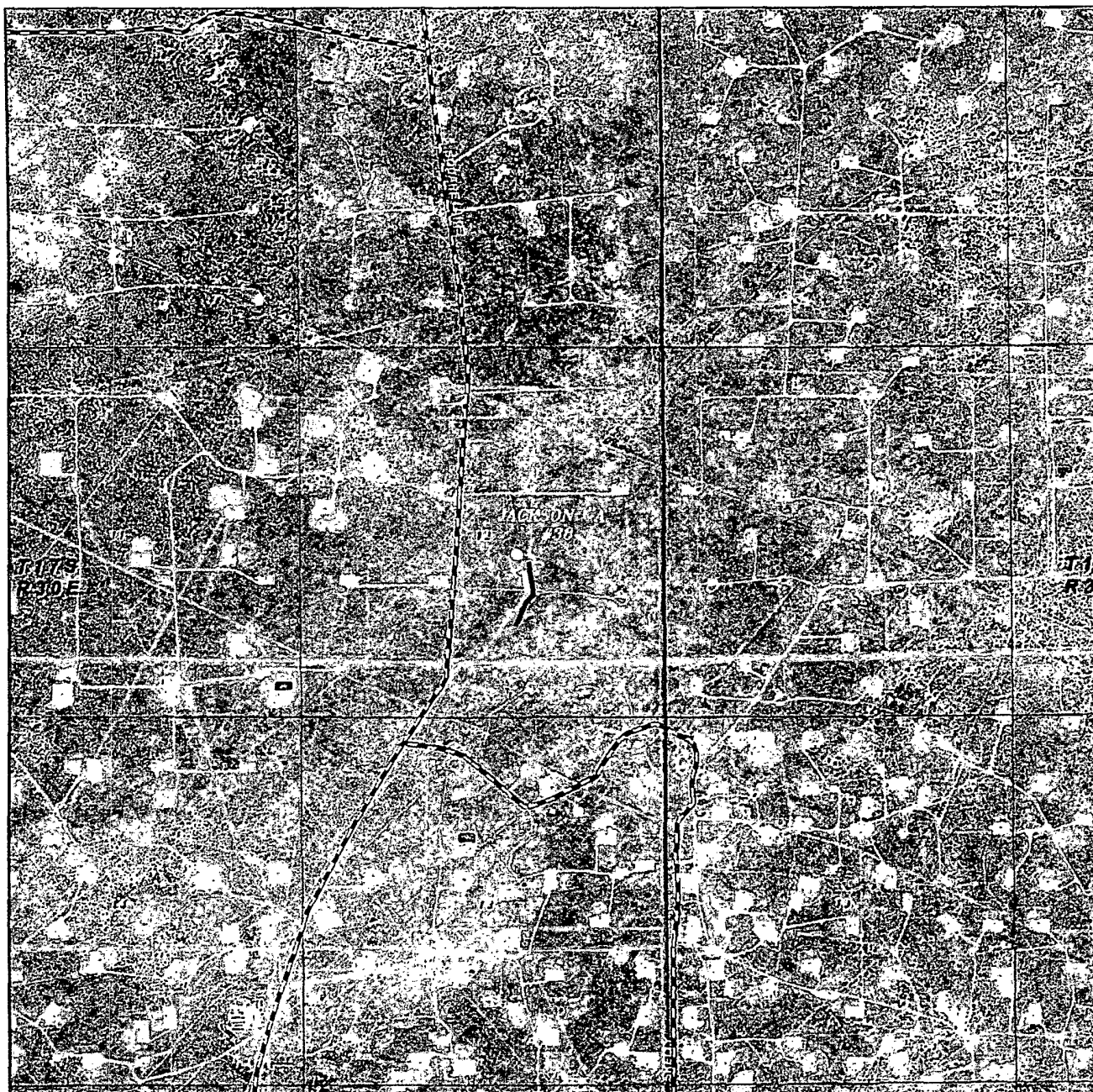
W.O. Number: JMS 23270

Survey Date 08-31-2010

Scale: 1" = 2 Miles

Date: 09-03-2010

**BURNETT OIL  
COMPANY, INC.**



# JACKSON "A" #38

Located 2310' FSL and 2160' FEL

Section 12, Township 17 South, Range 30 East,  
N.M.P.M., Eddy County, New Mexico.

*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

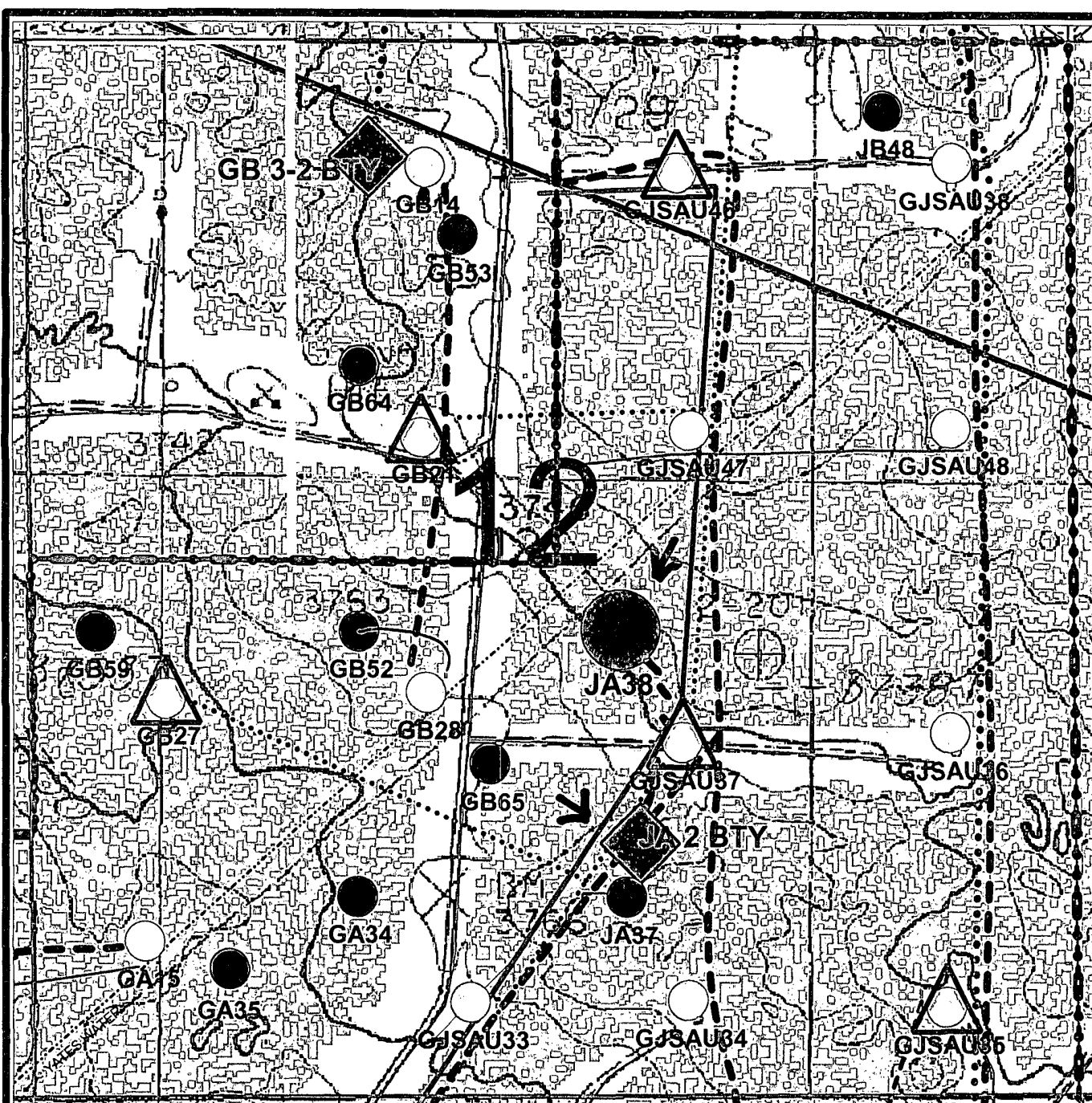
W.O. Number: JMS 23270

Scale: 1" = 2000'

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

**BURNETT OIL**  
**COMPANY, INC.**





750 0 750 1500 2250 ft

### Well Names

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

Burnett Oil Co., Inc. 6666		
Jackson A38 Proposed Well Location (Map Reflects Burnett Operated Wells Only) Eddy County, New Mexico		
Author: CLK, Eng Tech	Date: August 13, 2010	Scale: 1" = 750'

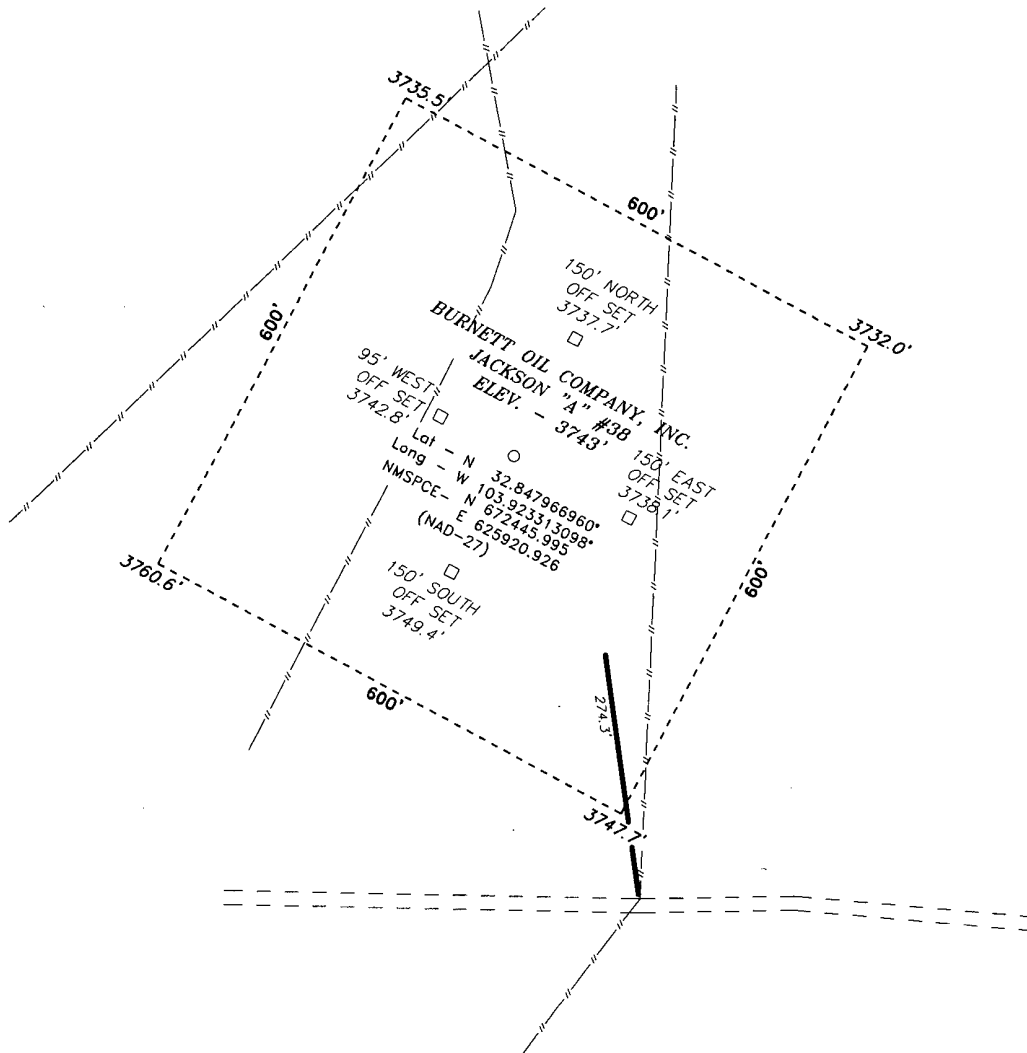


### Jackson A38

T17S, R30E, Sect 12, Unit J, NMNM029339A  
 2310' FSL, 2310' FEL, GB3-2 Battery  
 Lat/Long: 32.848035, -103.923852

----- Flowline 1300'

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF SQUARE LAKE AND HWY 82,  
GO NORTH ON SQUARE LAKE FOR 2.2 MILES TO  
LEASE ROAD, ON LEASE ROAD GO EAST 0.2 MILES  
TO PROPOSED LEASE ROAD.

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

**BURNETT OIL COMPANY, INC.**

REF: JACKSON "A" #38 / WELL PAD TOPO

THE JACKSON "A" #38 LOCATED 2310'  
FROM THE SOUTH LINE AND 2160' FROM THE EAST LINE OF  
SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

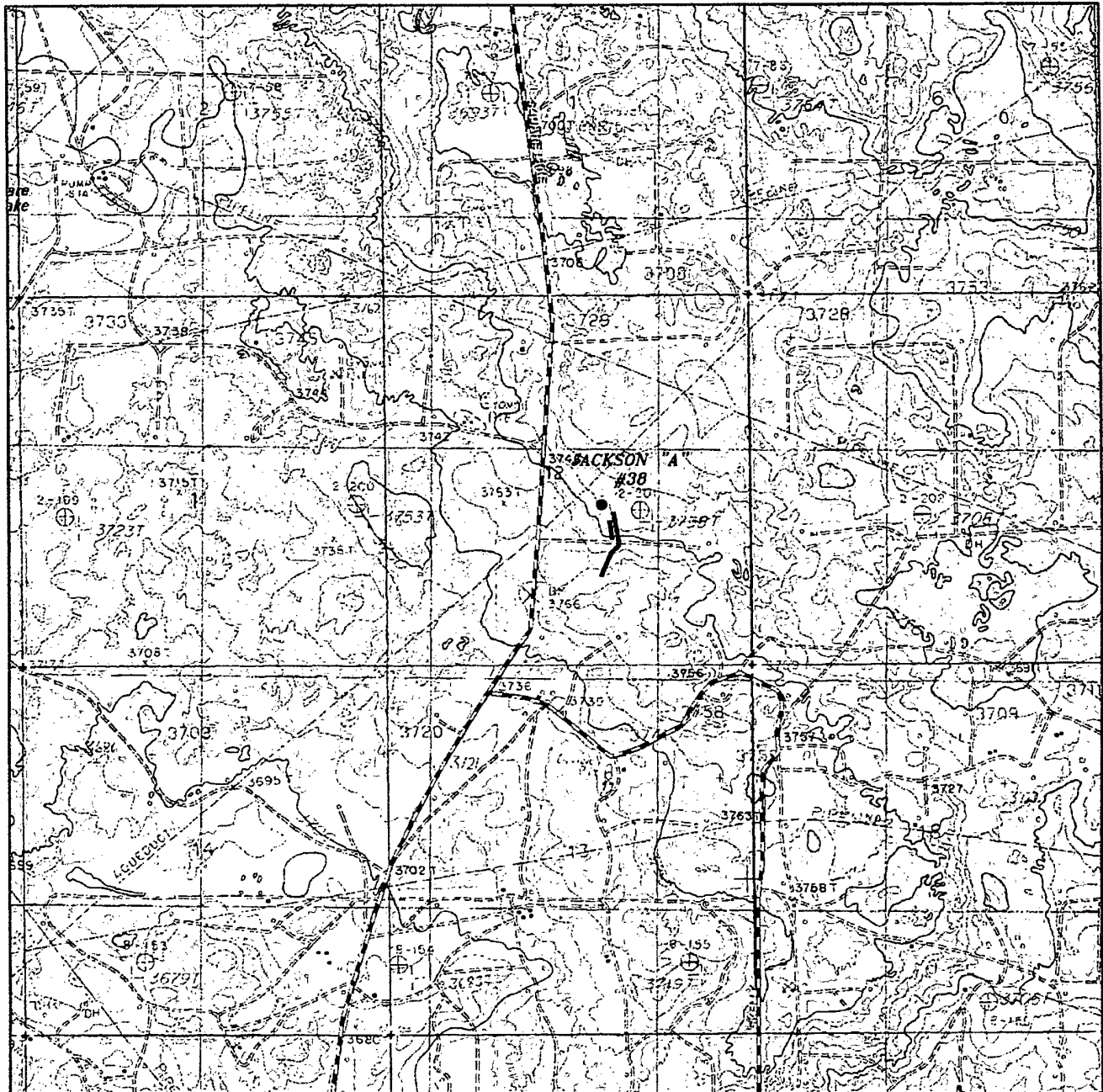
**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23270 Drawn By: J. SMALL

Date: 09-03-2010 Disk: JMS 23270

Survey Date: 08-31-2010

Sheet 1 of 1 Sheets



# JACKSON "A" #38

Located 2310' FSL and 2160' FEL

Section 12, Township 17 South, Range 30 East,  
N.M.P.M., Eddy County, New Mexico.

Surface Exhibit A2



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 23270

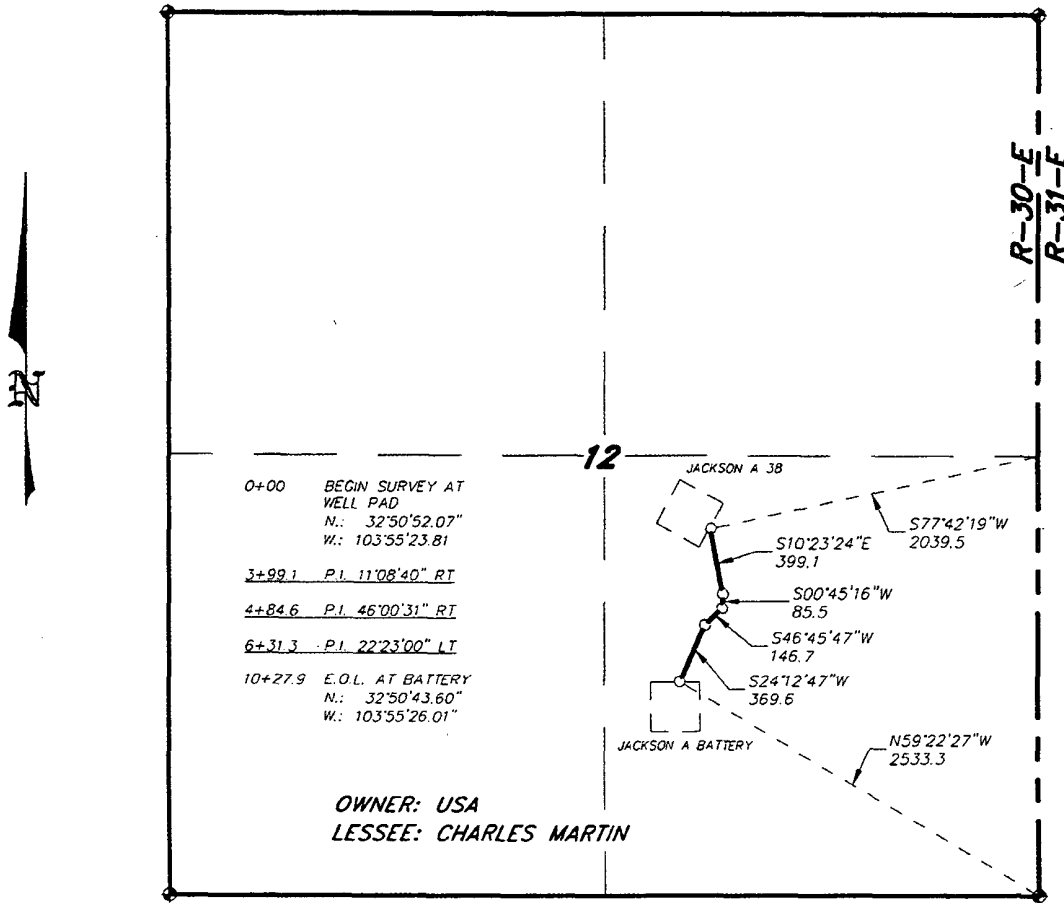
Survey Date: 08-31-2010

Scale: 1" = 2000'

Date: 09-03-2010

BURNETT OIL  
COMPANY, INC.

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 12, 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 12 = 1027.9 FEET = 62.30 RODS = 0.19 MILES = 0.71 ACRES

Jackson A 38  
Surface Exhibit C1

I HEREBY CERTIFY THAT THIS PLAT 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, P.S. No. 7977  
TEXAS P.L.S. No. 5074

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23270 Drawn By: J. M. SMALL

Date: 09-03-2010 Disk: JMS 23270

1000 0 1000 2000 FEET

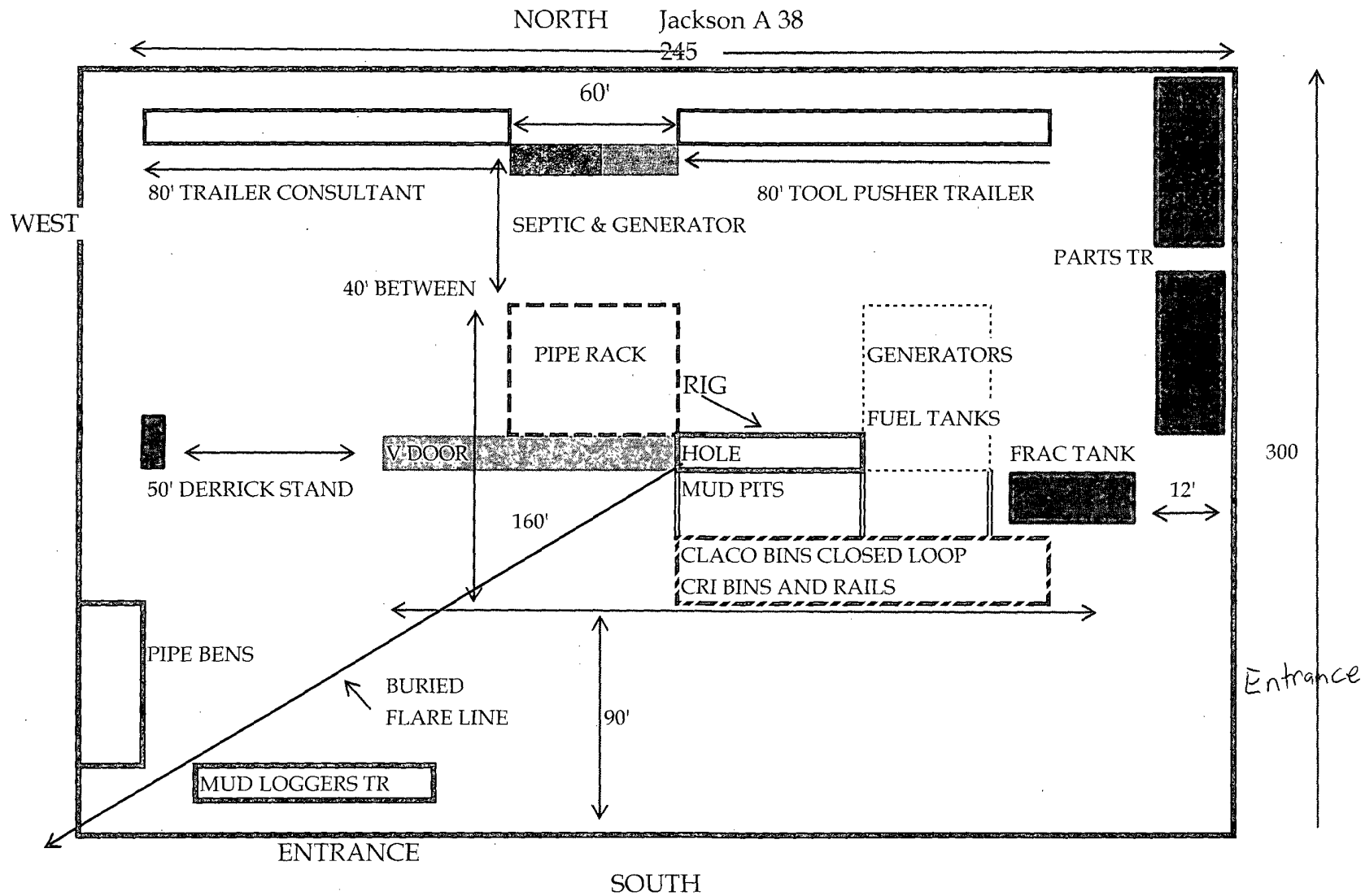
**BURNETT OIL COMPANY, INC.**

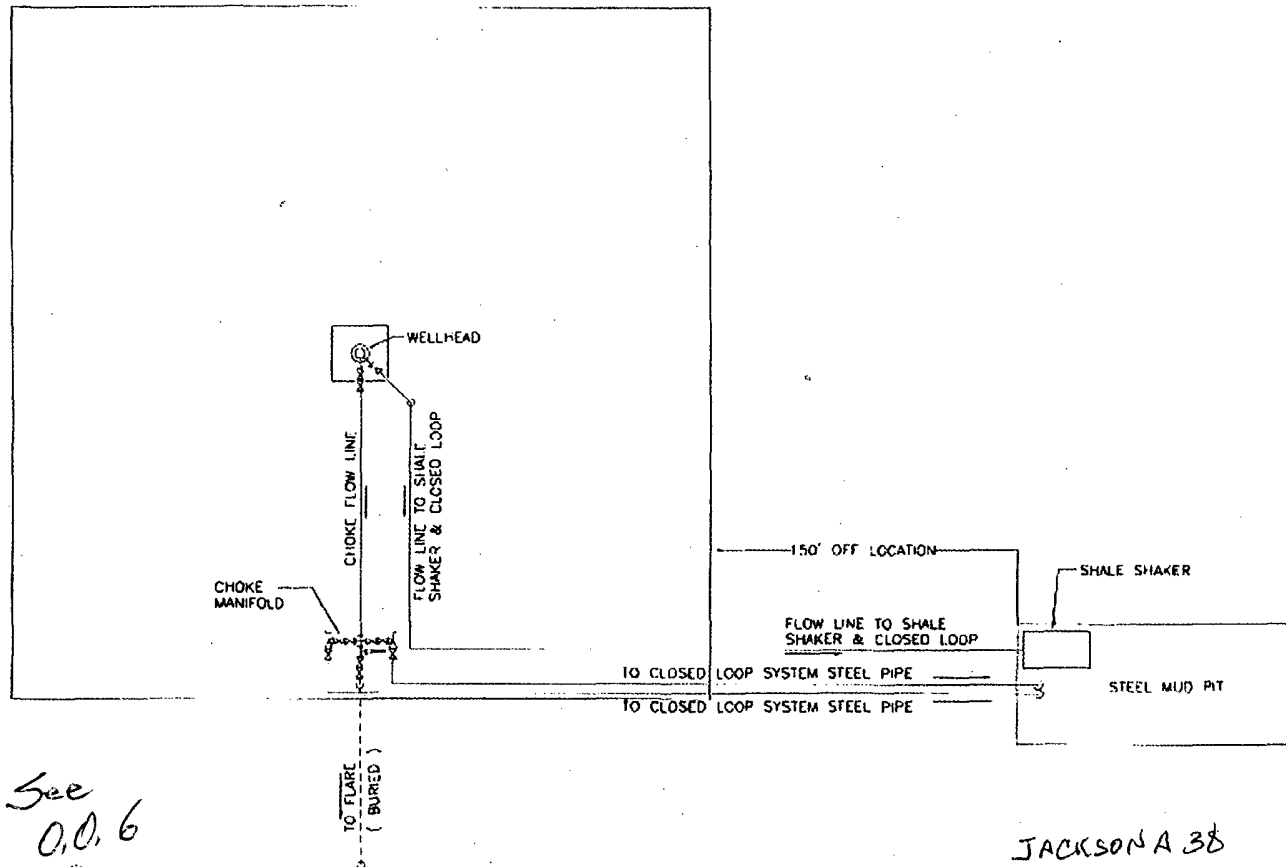
REF: PROPOSED FLOWLINE TO THE JACKSON "A" #38

A FLOWLINE CROSSING USA LAND IN  
SECTION 12, TOWNSHIP 17 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 08-31-2010 Sheet 1 of 1 Sheets

# BURNETT OIL CO., INC. PLANNED DRILL SITE LAYOUT, UNITED RIG #29





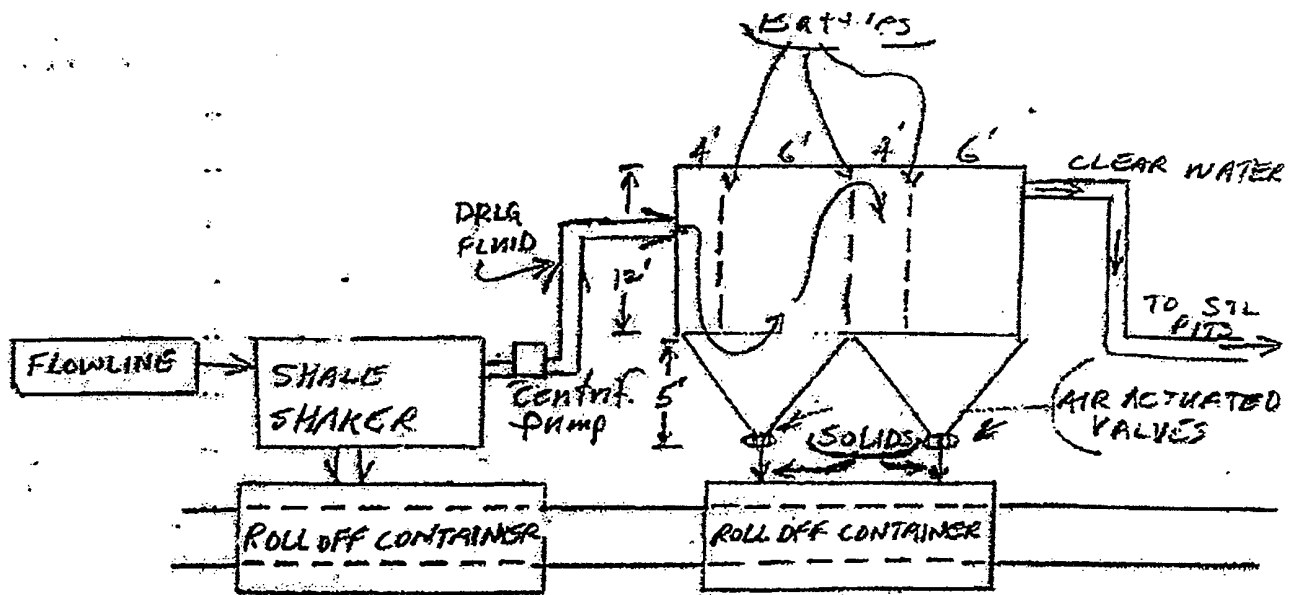
See  
O.O. 6  
for  
requirements  
Mud/gas separator

BUNETT OIL COMPANY, INC.  
DRILLING OPERATIONS  
WELL PAD PLAN LAYOUT

JACKSON A 38  
Drilling  
EXHIBIT E1

EPS PROJECT NUMBER - 10-028  
DATE: JANUARY 29, 2010

DRAWING SAVED AS C:\DRAWINGS\2010\dmg\10-028\10-028-02.dwg



#### OPERATIONAL & MAINTENANCE

DRILLING FLUIDS FROM THE WELLBORE WILL GO THROUGH FLOWLINE ACROSS SHALE SHAKER. SOLIDS WILL DROP INTO ROLL-OFF CONTAINERS WITH BAFFLES AS DRAWN ABOVE. BAFFLES SLOW FLUID VELOCITY TO ALLOW SOLIDS TO FALL DOWN THROUGH 6" AIR ACTUATED VALVES INTO ROLL- OFF CANTAINERS. CLEAN WATER GOES OUT BACK TO THE DRILLING FLUID STEEL PITS. SOLIDS ARE HAULED TO DISPOSAL. ANY LEFTOVER LIQUID WILL BE HAULED TO DISPOSAL.

BURNETT OIL CO., INC.

#### Operations 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 cutting will be hauled off via CRO (Controlled Recovery Incorporated Permit R-9166.)

JACKSON A 38  
SURFACE EXHIBIT D1