

JUL 21 2009

Form C-144 CLEZ
July 21, 2008

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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, NM 87505

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Burnett Oil Co Inc OGRID #: 003080
 Address: 801 Cherry St. Unit #9 Fort Worth
 Facility or well name: Gissler B #47
 API Number: 30-015-36849 OCD Permit Number: 209452
 U/L or Qtr/Qtr K Section 8 Township 17 Range 30 County: Ellis
 Center of Proposed Design: Latitude 37°01'5 Longitude 101°23'01 W NAD: 1927 1983
 Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2. **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
 Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.3.103 NMAC

4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
 Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)
 Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
 Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-006
 Disposal Facility Name: _____ Disposal Facility Permit Number: _____
 Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
 Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
 Name (Print): Eddie W Seay Title: Agent
 Signature: Eddie W Seay Date: 7/15/09
 e-mail address: seay_04@leaco.net Telephone: 575-392-2236

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)

OCD Representative Signature: Jacqui Bremer Approval Date: 7/31/09

Title: Geologist OCD Permit Number: 209452

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?
 Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:

Site Reclamation (Photo Documentation)
 Soil Backfilling and Cover Installation
 Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

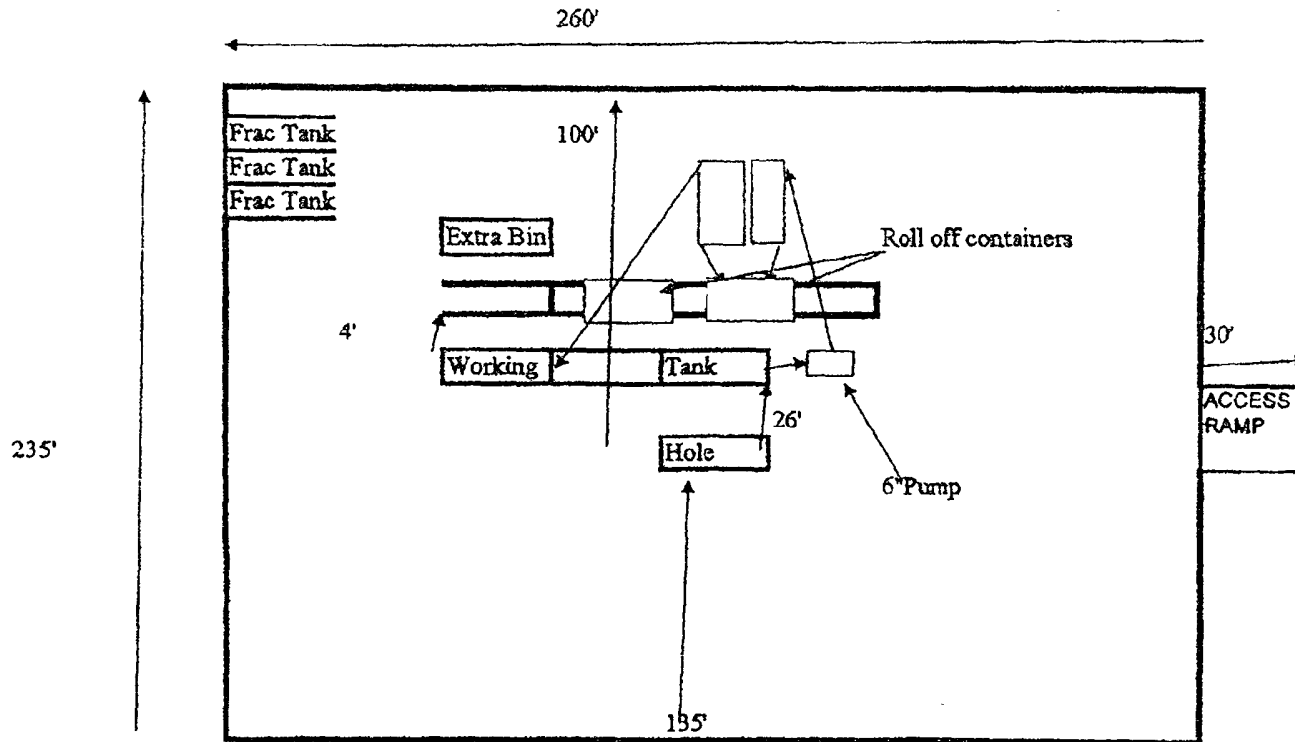
Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

RIG PLAT

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



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT

CLOSED LOOP DESIGN PLAN

EQUIPMENT

2-250 bbl tanks for holding fluids
2-solids bins with track system
3-500 bbl tanks for fresh water
3-500 bbl tanks for brine water

OPERATION AND MAINTENANCE

System will be maintained 24 hours by solids control personnel that will stay on location.
Any and all leaks will be repaired and/or contained immediately.
OCD will be notified within 48 hours of remediation process started.
Will adhere to Rule 116.

CLOSURE PLAN

During drilling operations, all cutting, drill solids, drill fluids and all liquids will be hauled off by Closed Loop Specialties to *CRT NM-01-006*

GROUNDWATER

Per OCD information and State Engineer data, the groundwater occurs at a depth of *300 to 400 ft*

Form 3160-3
(April 2007)

OPERATOR'S COPY RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 6 5 2009

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

| | | |
|--|--|--|
| a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No NM 2748 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Trust Name |
| 2. Name of Operator BURNETT OIL CO., INC. | | 7. If Unit or CA Agreement, Name and No |
| 3a. Address 801 Cherry ST. Unit #9 Fort Worth, | | 8. Lease Name and Well No GISSLER B #47 |
| 3b. Phone No. (include area code) (817) 332-5108 | | 9. API Well No 30-015- |
| 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 | | 10. Field and Pool, or Exploratory LOCO HILLS, GLORIETA YESO |
| 14. Distance in miles and direction from nearest town or post office* Approx 6 miles East & North of Loco Hills, New Mexico | | 11. Sec., T., R., M., or BLM, and Survey or Area SEC 8, T17S, R30E |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest orig. well line, if any) 330' | 16. No. of Acres in lease 440 | 12. County or Parish EDDY CTY |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 330' | 17. Spacing Unit dedicated to this well 40 | 13. State NEW MEXICO |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3677' GL | 19. Proposed Depth 6000' | 20. BLM/BIA Bond No. on file NMB# 000197 |
| 22. Approximate date work will start* JANUARY 15, 2009 | | 23. Estimated duration 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:

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

| | | |
|---------------------------------------|--|---------------------------|
| 25. Signature <i>Mark A Jacoby</i> | Name (Printed/Typed) MARK JACOBY | Date 11/14/2008 |
| Title ENGINEERING MANAGER | | |

| | | |
|---|--|-------------------------|
| Approved by (Signature) <i>James A. Ames</i> | Name (Printed/Typed) James A. Ames | Date 12-30-08 |
| 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

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached