

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

MAR 16 2009

Form C-144 CLEZ
July 21, 2008

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: Burnell O.I. Co. Inc OGRID #: 003080
Address: 801 Cherry St. Unit #9 Fort Worth
Facility or well name: Gisela B #48
API Number: 30-015-34787 OCD Permit Number: _____
U/L or Qtr/Qtr 5 Section 8 Township 17 Range 30 County: Ellis
Center of Proposed Design: Latitude N32.84622 Longitude W103.9904 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 W 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: 3/13/09
e-mail address: seay_04@leaco.net Telephone: 575.392.2236

0209181

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: [Signature] **Approval Date:** 3/16/09
Title: _____ **OCD Permit Number:** 0209181

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 indentify 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:** _____

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.

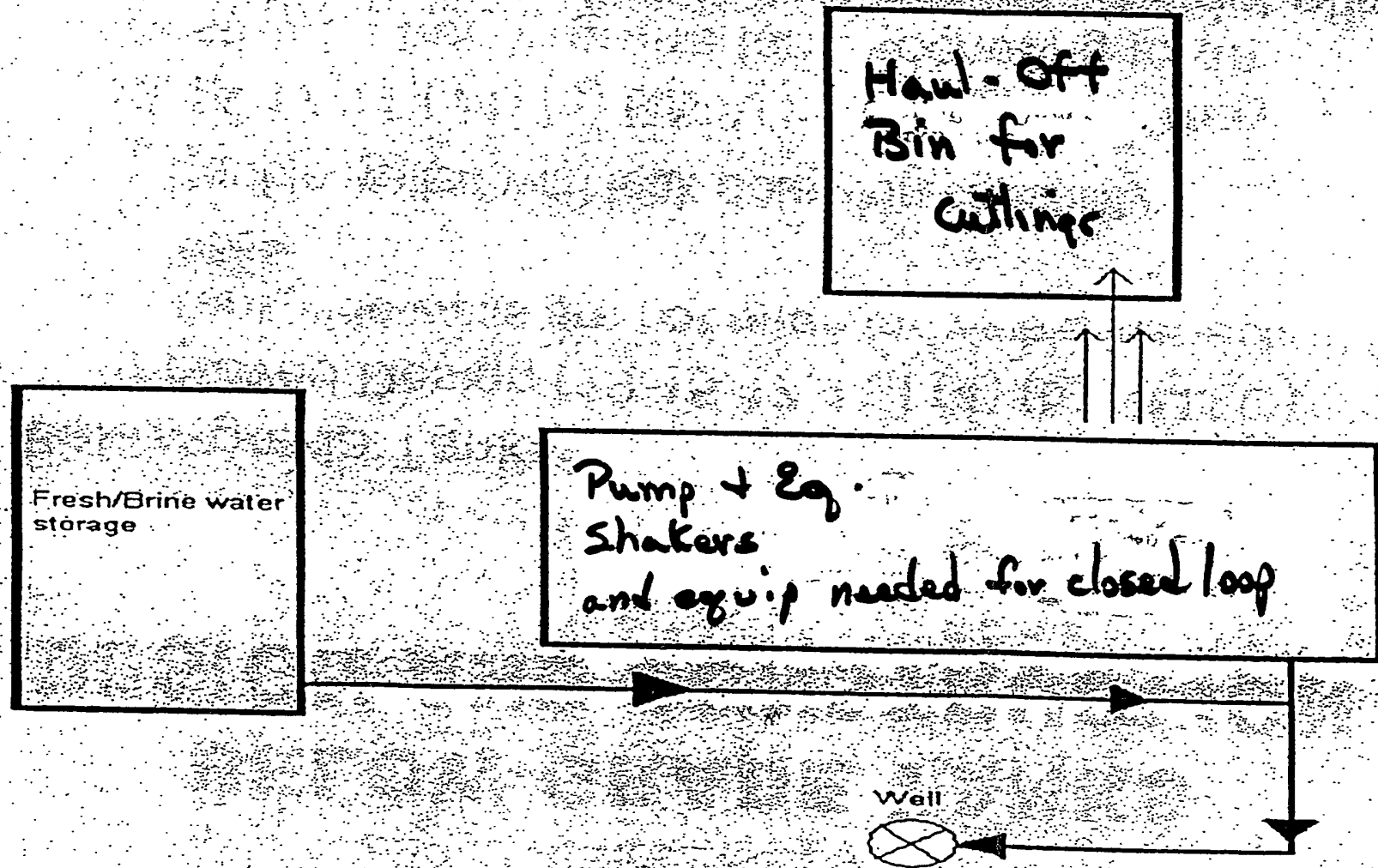
CLOSURE PLAN

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*

CLOSED-LOOP SYSTEM DESIGN AND CONSTRUCTION



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December 22, 2008

New Mexico Oil Conservation Division

RE: Authorized Agent

Eddie Seay is an authorized agent for Burnett Oil Company, Inc. (BOCI) to sign regulatory documents on the behalf of BOCI.

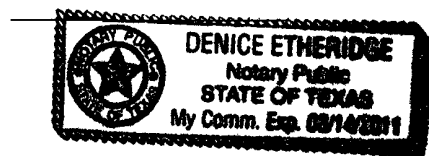
Sincerely,

Mark A. Jacoby

Mark A Jacoby
Engineering Manager

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on December 22, 2008 by Mark Jacoby, Engineering Manager, Burnett Oil Company.
My Commission Expires



Denice Etheridge
Notary Public