

JUL 21 2009

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

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: Burnett Oil Co Inc OGRID #: 3080  
Address: 801 Cherry St Unit #9 Fort Worth  
Facility or well name: Gissler B #49  
API Number: 30-015-36824 OCD Permit Number: 209451  
U/L or Qtr/Qtr F Section 11 Township 17 Range 30 County: Eddy  
Center of Proposed Design: Latitude 1650'N Longitude 1650'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: seay04@leaco.net Telephone: 575.392.2234

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)  
OCD Representative Signature: Jaquie Weaver Approval Date: 7/31/09  
Title: Geologist OCD Permit Number: 209451

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: \_\_\_\_\_

## **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**

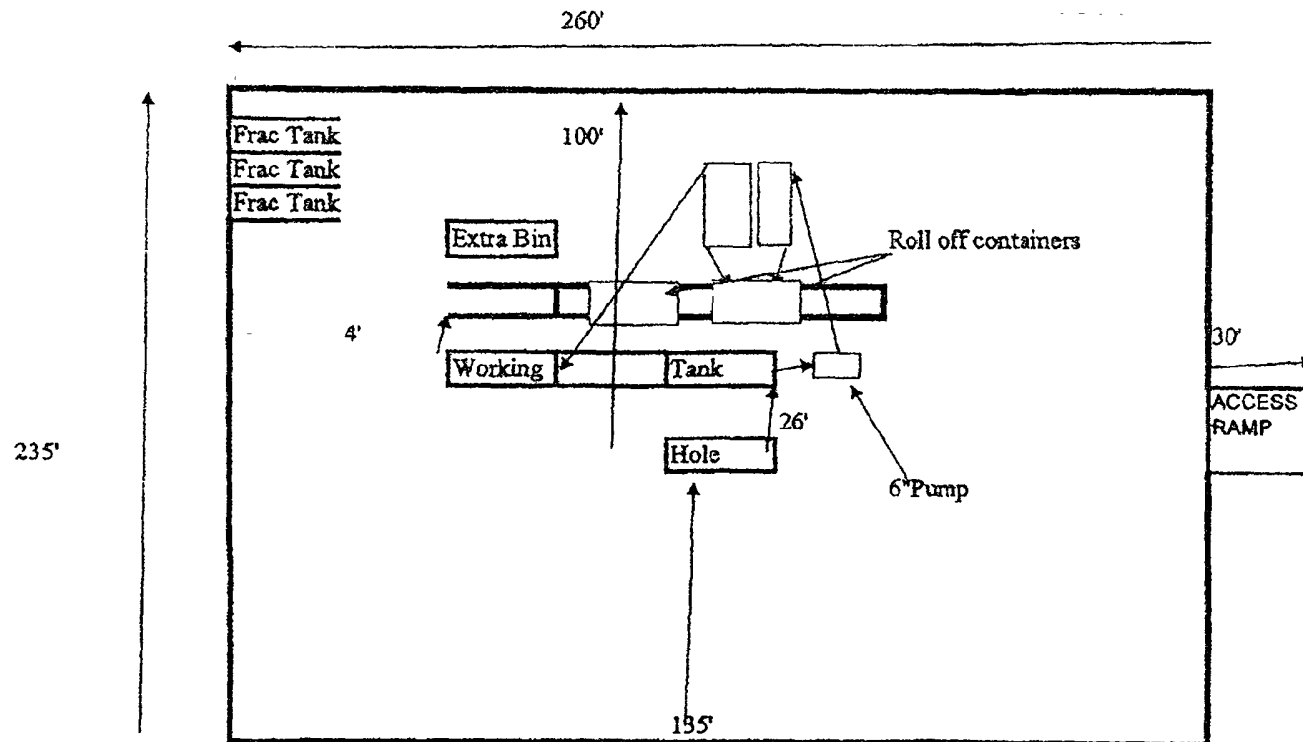
During drilling operations, all cutting, drill solids, drill fluids and all liquids will be hauled off by Closed Loop Specialties to *CRT NM-01-006*

### **GROUNDWATER**

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

RIG PLAT

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



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT

AT 5-08-10410

Form 3160-3  
(August 2007)

## BLM-CARLSBAD FIELD OFFICE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTERFORM APPROVED  
OMB No. 1004-0177  
Expires July 11, 2010

1a. 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, Alutian or Tribe 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 #49
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 F, 1650' FNL, 1650' FWL At proposed pad zone SAME AS ABOVE Roswell Controlled Water Basin.		10. Field and Pool, or Exploratory LOCO HILLS, PADDOCK
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 11, T17S, R30E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest city and line, if any) 330'	16. No. of Acres in lease 1240	12. County or Parish EDDY CTY
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 330'	19. Proposed Depth 6000'	13. State NEW MEXICO
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3733' GL	22. Approximate date work will start* NOVEMBER 15, 2008	17. Spacing Unit dedicated to this well 40
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:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan   | 5. Operator certification   |
| 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) | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature <i>Mark Jacoby</i>	Name (Printed Type) MARK JACOBY	Date 10-14-08
Title ENGINEERING MANAGER		
Approved by <i>J. Stovall</i>	Name (Printed Type) James Stovall	Date 12/2/2008
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

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 or to any member within its jurisdiction.

(Continued on page 2)

\*Instructions on page 2.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Witness Surface Casing

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED.