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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

NMOC D ARTESIA
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 NMOC 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: 901 Cherry St. Unit 9 Fort Worth Tx 76102
Facility or well name: Gissler B # 51
API Number: 30.015.37240 OCD Permit Number: _____
U/L or Qtr/Qtr B Section 11 Township 17 Range 30 County: Edley
Center of Proposed Design: Latitude 32.85344 N Longitude 103.9389 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 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 numbers
☒ Signed in compliance with 19.15.3.103 NMAC

4. Closed-loop Systems Permit Application: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items is required for 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: 12/2/09
e-mail address: seay04@leaco.net Telephone: 575-392-2236

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

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

DENIED
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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: 11/22/09

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: CRI Disposal Facility Permit Number: NM-01-006

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

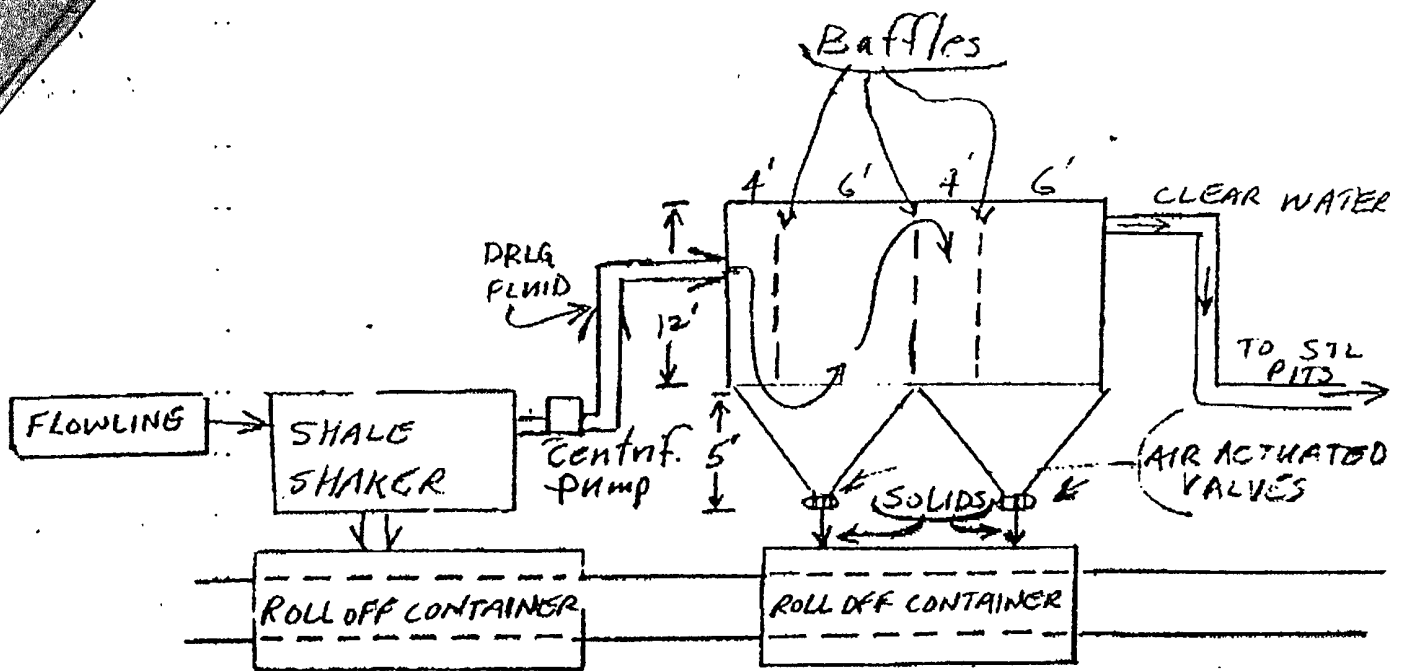
10. **Operator Closure Certification:**

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): Eddie W. Seay Title: Agent

Signature: Eddie W. Seay Date: 12/2/09

e-mail address: seay.04@leaco.net Telephone: 575-342-2234



OPERATIONAL & MAINTENANCE:

Drilling fluid coming out of wellbore will go through flowline across shale shaker. Solids will drop into roll-off bins. Drilling fluid will be pumped into containers with baffles as drawn above. Baffles slow fluid velocity to allow solids to fall down through 6" air actuated valves into roll-off containers. Clear water goes out back to drilling fluid storage pits. Solids are hauled to disposal. Leftover liquid will be hauled to disposal.

BURNETT OIL CO. INC

Operation and Maintenance

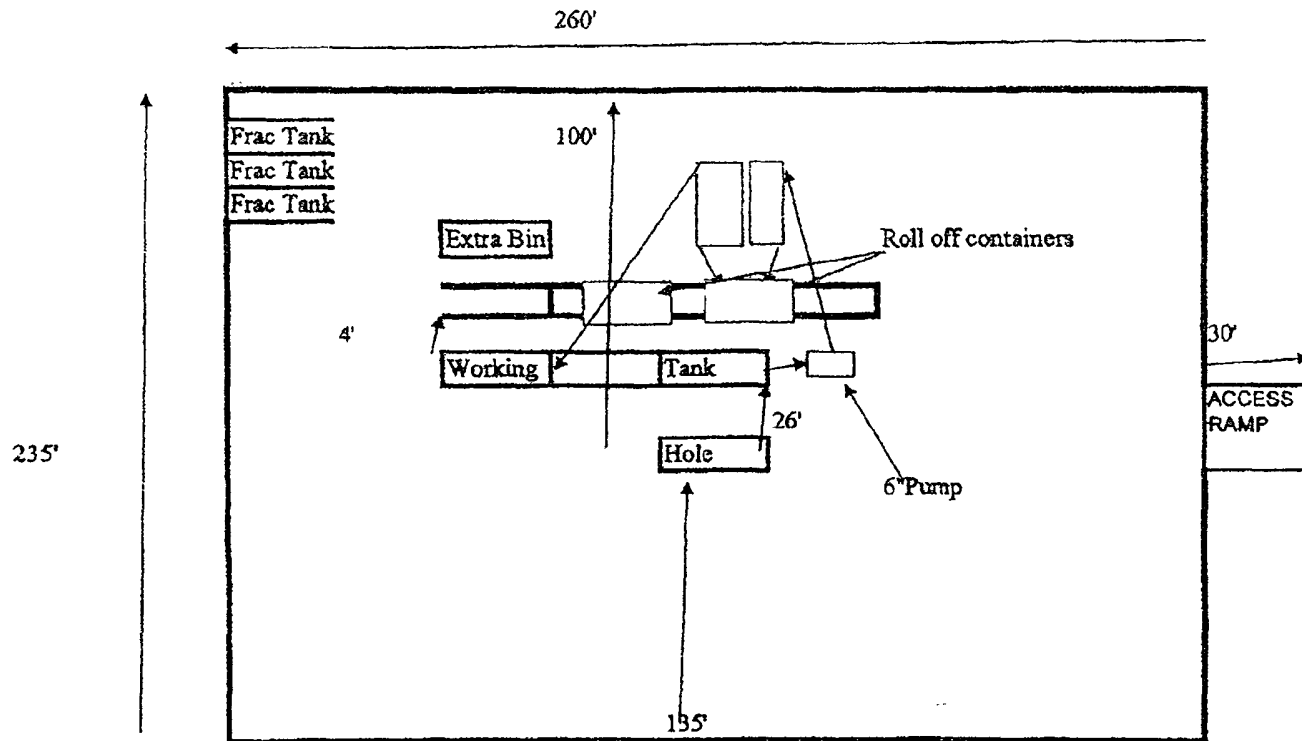
Closed Loop equipment will be inspected daily by each tour and any necessary maintenance performed
Any leak in system will be repaired and/or contained immediately
OCD notified within 48 hours
Remediation process started

Closure Plan

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI (Controlled Recovery Incorporated Permit R-9166).

RIG PLAT

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



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Tuesday, December 08, 2009 3:03 PM
To: 'jha@burnettoil.com'
Cc: Dade, Randy, EMNRD
Subject: C-144 Form Submittals

Jim Arline
Burnett Oil Company
801 Cherry St. Unit 9
Fort Worth TX 76102

Dear Mr. Arline,

As discussed in our phone conversation earlier today, the Form C-144 that has been submitted for the Gissler B 51, Gissler B 52, and the Gissler B 53 will not be approved. The reason for not approving these forms as submitted is that they are marked Permit and Closure. All three wells were drilled without the C-144 permit being submitted to and approved by NMOCD. Also, the forms were signed by your agent. If an agent signs the C-144, it must be accompanied by a copy of a notarized Power of Attorney (Limited) issued by the operator to that agent. Otherwise, the forms must be signed by a company employee. At this time, OCD will require a separate C-144 be submitted for the permit and for the closure of the closed loop system for these wells.

Please insure in the future that an approved C-144 is in place prior to drilling the well.

Thank you for your cooperation in this matter.

Mike Bratcher

NMOCD DISTRICT 2
1301 W. GRAND AVE.
ARTESIA, NM 88210
575-748-1283 EXT.108
mike.bratcher@state.nm.us