

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

RECEIVED

MAY 26 2010

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 #: 003080  
Address: 901 Cherry St. Unit 9 Fort Worth Tx 76102  
Facility or well name: Gissler A #35  
API Number: 30-015-37976 OCD Permit Number: 210535  
U/L or Qtr/Qtr M Section 12 Township 17 Range 30 County: Eddy  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ 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: ERI 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: 5/25/10  
e-mail address: seay04@leas-net Telephone: 575-392-2236

7.  
**OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)  
**OCD Representative Signature:** [Signature] **Approval Date:** 07/08/2010  
**Title:** DIST II Supervisor **OCD Permit Number:** 210535

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:** \_\_\_\_\_

CCCC

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.

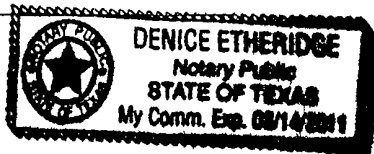
Sincerely,

*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

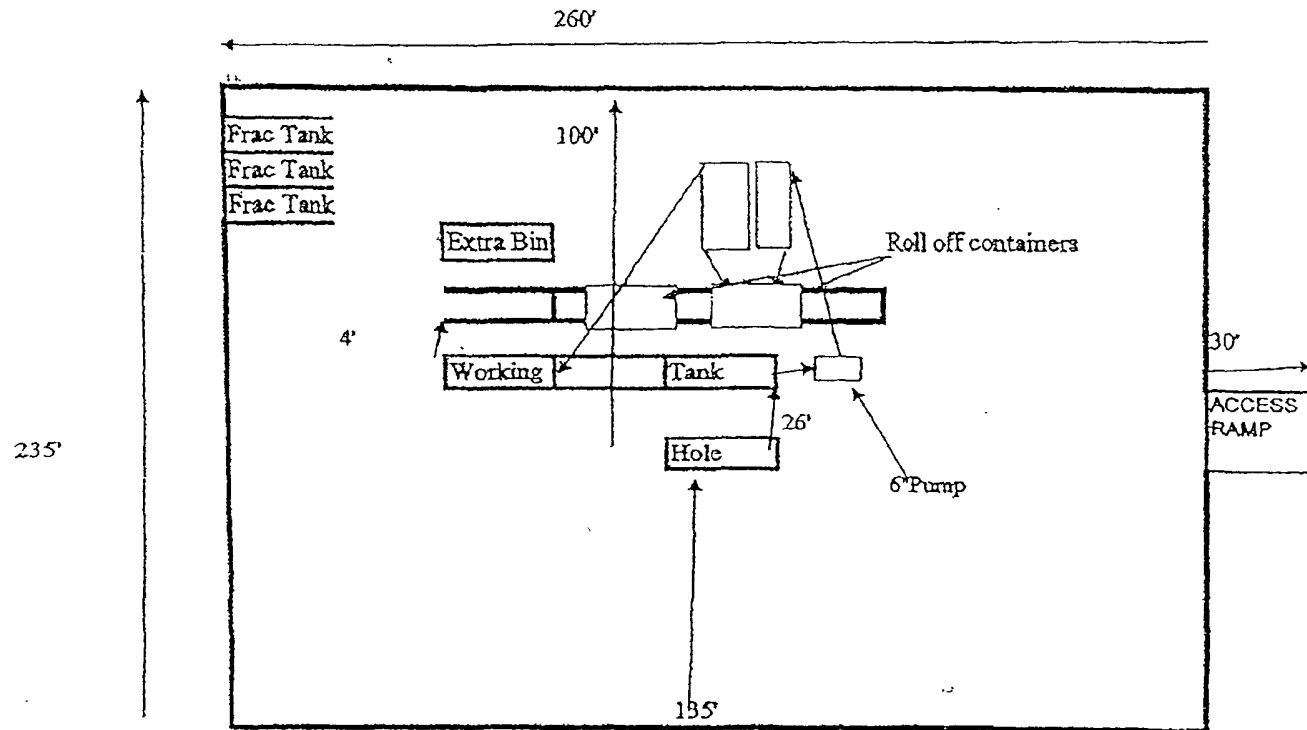


*Denice Etheridge*

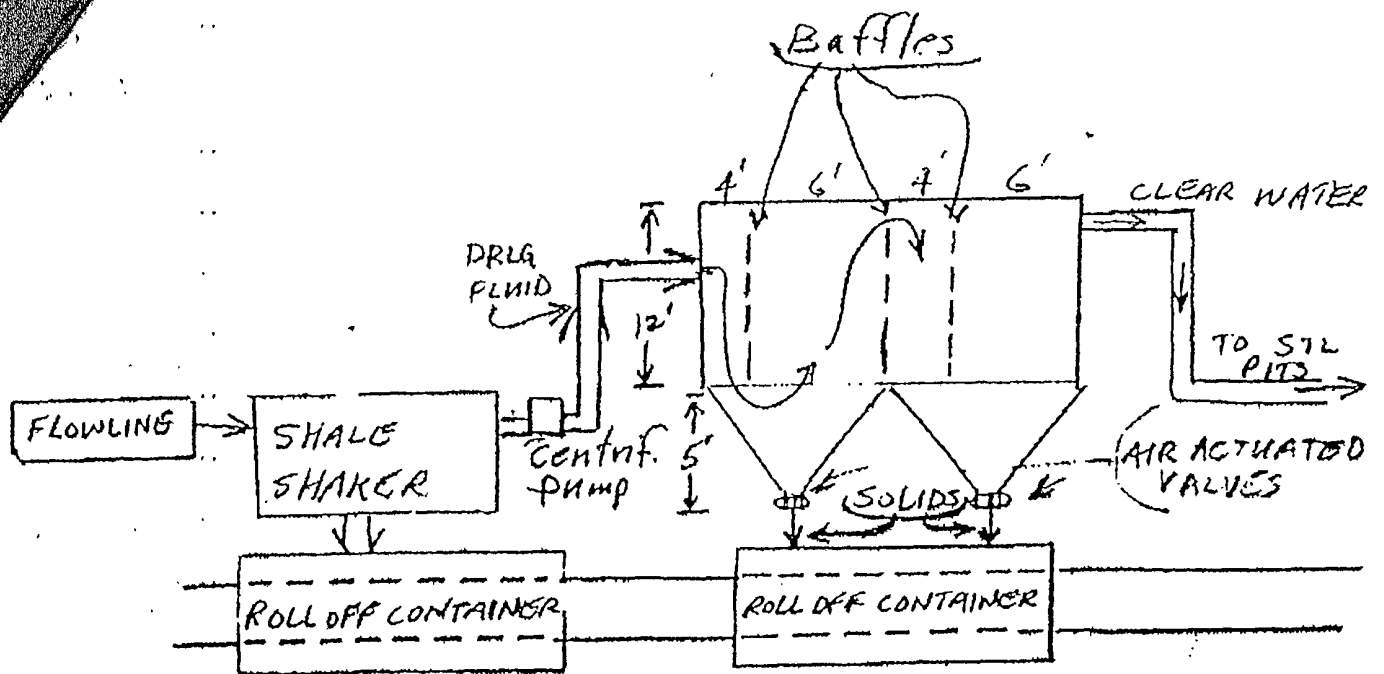
Notary Public

RIG PLAT

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



BURNETT OIL CO., INC. PROPOSED DRILL SITE LAYOUT



### 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).

Form 3160-3  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No 1004-0137  
Expires July 11, 2010

5. Lease Serial No.

NMLC 029338A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No

GISSLER A #35

9. API Well No.

30-015-

10. Field and Pool, or Exploratory

CEDAR LAKE GLORIETA YESO

11. Sec., T., R., M., or Blk. and Survey or Area  
SEC 12, T17S, R30E

12. County or Parish

EDDY CTY

13. State

NEW MEXICO

1a. Type of Work. ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

BURNETT OIL CO., INC.

3a. Address

801 Cherry ST. Unit #9 Fort Worth, TX

3b. Phone No. (include area code)

(817) 332-5108

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

Unit M, 630' FSL, 990' FWL

At proposed prod. zone

SAME AS SURFACE

14. Distance in miles and direction from nearest town or port office\*

Approx 6 miles East &amp; North of Loco Hills, New Mexico

15. Distance from proposed\*

location to nearest  
property or lease line, ft.

330'

(Also to nearest drg. unit line, if any)

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

330'

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3747' GL

16. No. of Acres in lease

120

17. Spacing Unit dedicated to this well

80

19. Proposed Depth

6100' MD

20. BLM/BIA Bond No. on file

NMB# 000197

22. Approximate date work will start\*

JULY 1, 2010

23. Estimated duration

16 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.<br>2. A Drilling Plan.<br>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). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be required by the BLM. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. Signature

  
 Title  
 ENGINEERING MANAGER

Name (Printed/Typed)

MARK JACOBY

Date

5/24/2010

Approved by (Signature)

Name (Printed/Typed)

Date

Title

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 as to any matter within its jurisdiction

(Continued on page 2)

\*(Instructions on page 2)