District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
APR 0 3 2012
RECEIVED

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
Revised August 1, 2011

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: Endeavor Energy Resources, LP OGRID #: 190595

Address: 110 N. Marienfeld, Ste 200 Midland, TX 79701

Facility or well name: Red Bull Burton "35" # 1

API Number: 30-025-40510 OCD Permit Number: P1-04383

U/L or Qtr/Qtr A Section 35 Township 25S Range 33E County: Lea

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 19.15.16.8 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 indentify 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: R 9166

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): Jan South Title: Regulatory Analyst

Signature: Jan South Date: 03/29/2012

e-mail address: JSouth@eeronline.com Telephone: (432)262-4014

APR 0 4 2012

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

OCD Representative Signature: _____ **Approval Date:** APR 0 4 2012

Title: PETROLEUM ENGINEER **OCD Permit Number:** P1-04383

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): Jan South Title: Regulatory Analyst

Signature: _____ Date: 3-29-2012

e-mail address: JSouth@eeronline.com Telephone: (432)262-4014

Endeavor Energy Resources, LP
Burton 35 # 1
Closed Loop System

Design

Drilling mud will circulate through a closed loop system of steel pits on the surface, mud pumps, piping on the surface. Drilling solids will be removed from the mud with the use of shale shakers and other solid removal equipment. Roll off bins and rails will be installed next to the steel pits so that solids removed from the solids removal equipment fall directly in to the bins. Once a bin is full, it is picked up by a truck and hauled to disposal. An empty bin is moved under the solids control equipment along the rail so that the solids control equipment can operate continuously.

Operations and Maintenance

Drilling rig personnel will monitor the operation and maintenance of the solids control equipment 24 hours a day while drilling. If equipment problems are identified the solids control equipment will repaired or replaced. Drilling rig personnel will monitor the level of solids in the roll-off bins and arrange for trucks to pick up the bins when they are filled.

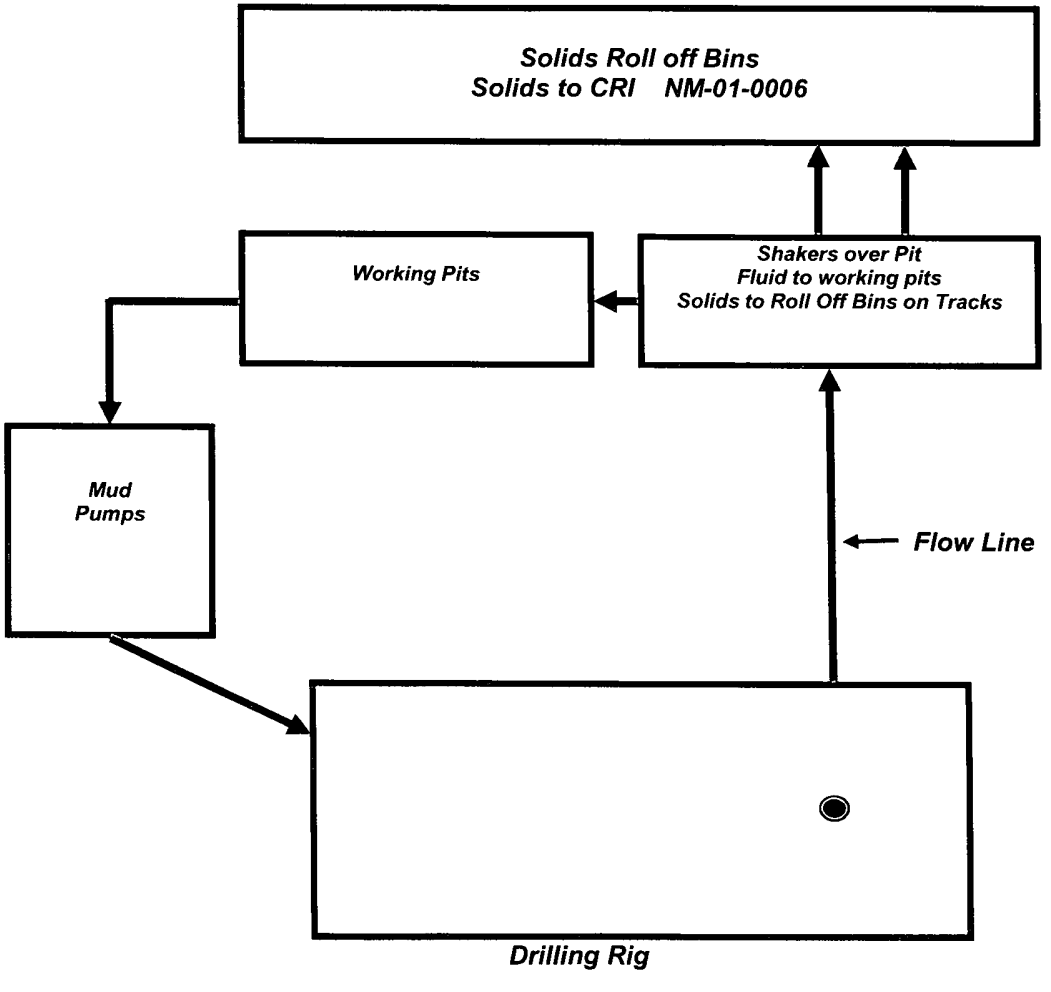
Closure Plan

Cuttings and other solids will be hauled off to permitted landfill according to NMOCD guidelines. Liquids will be re-used to the extent possible, but if liguids need to be disposed of, they will also be hauled to a permitted disposal facility.

For the Burton 35 # 1 well, both solids and liquid water will be taken to the CRI facility ***NM-01-0006*** located between Hobbs and Carlsbad , New Mexico

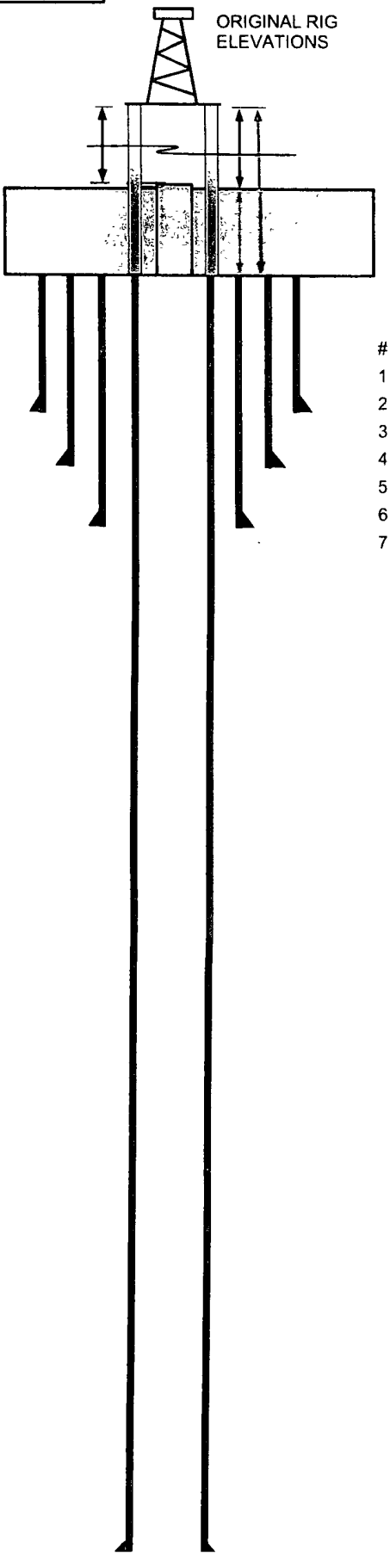
Closed Loop Equipment Design

Burton 35 # 1
660 FNL x 660 FEL
Section 35, T25S, R33E
Lea County, NM



Well Name & Number	Burton "35" #1
Location	Sec 35,T25S,R33E,LEA CO,NM

Tips



Block:	0		AFE No :	0
OCS-G #	0		Well Classificaton:	0
			Total Depth:	0
Surface Location:		0	PBTD	0
	Latitude	0	Profie:	0
	Longitude:	0	Contractor:	#REF!
Well Status:	0		Rig	0
Operator:	0		Owership	0
BHP:	0		Spud Date:	0
			Other:	
BHT:	0			

#	Description	Depth	OD	ID	Drift
1	Riser:	0	0		
2	Conductor:	0	0		
3	Surface:	0	0		
4	Intermediate.	0	0		
5	Long String:	0	0		
6	Liner (1).	0	0		
7	Liner (2):	0	0		

Completions Equipment

Description	Depth	OD	ID
Wolfcamp Gas 12,500'-13,900' Six stage frac			