State of New Mexico Energy Minerals and Natural Resources Department

Form C-144 CLEZ 21-Jul-08

IO1 W. Grand Avenue, Artesia, NM 88210 strict III
IOO Rio Brazos Road, Aztec, NM 87410 strict IV

120 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For closed-loop systems that only use above ground steel tanks or haul off bins and purpose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

	<u>Closed-Lo</u>	oop System Pern	nit or Closure	Plan Applicati	<u>ion</u>			
(that o	nly use above ground ste	el tanks or haul-off i	oins and propose	to implement wa	ste remova	al for closure)		
	Type of a	ction:	2 Permit	☐ Clos	ure			
Instructions: Please submit or closed-loop system that only ease be advised that approval prironment. Nor does approve	use above ground steel tank of this request does not reli	es or haul-off bins and eve the operator of lia	<i>propose to implen</i> bility should operat	ent waste removal ions result in pollut	for closure, ion of surfac	, <i>please submit a Form C-</i> ce water, ground water o	r the	
perator	Apache Corp	ooration		OGRID#		873	-	
Idress: 303 Veterans Airpark Lane, Ste 3000, Midland, TX 79705								
icility or Well Name:								
ા Number:	30-015-00855		OCD Permit N		1291			
/L or Qtr/Qtr	H Section	10 Township	18 S	Range 2	7E c	County: Eddy		
enter of Proposed Design:	 Latitude	<u></u>	Longitude			NAD: 1927	1983	
ırface Owner:	Federal State	Private		ıst or Indian Allot	ment			
Closed-loop System: Speration: Orilling a new	well Workover of Dr	rilling (Applies to activit ul-off Bins	ties which require p	rior approvall of a p	ermit or not	tice of intent)	✓ P&A	
Operating and Main Closure Plan (Please Previously approved Desi	plication Attachment Checking items must be attached upon the appropriate requintenance Plan - based upon a complete Box 5) - based upon	rements of 19.15.17.1: the appropriate require on the appropriate rec API Number:	ease indicate, by a 1 NMAC ements of 19.15.17	.12 NMAC				
aste Removal Closure For Clostructions: Please identify the cilities are required. sposal Facility Name: sposal Facility Name: ill any of the proposed closed— Yes (If yes, please provident)	facility or facilities for the Sundance S Controlled Rec	disposal of liquids, dril ervices overy lac.	ling fluids and drill Dispo	cuttings. Use attac sal Facility Permit No sal Facility Permit No	chment if mo umber: umber:	ore than two NM-01-0003 NM-01-0006		
Re-vegetation Plan - bas	ch will not be used for future esign Specifications based ed upon the appropriate rec pased upon the appropriate	upon the appropriate quirements of Subsecti	requirements of Su on I of 19.15.17.13	. NMAC	.17.13 NMA	AC		
perator Application Certific	cation:							
ereby certify that the informa				-	_			
Name (Print)	Guinn Bu	ırks	Title:	F		tion Foreman		
Signature:	Quen A	Jurks	Date: _			3/2012		
e-mail address:	guinn.burks@apac	checorp.com	Telephone		432-5	556-9143	1	

CD Approval:	Permit Application (including closure plan)	Closure Plan (only)						
CD Representative Signa	ature:		Approval Date: 05/08/2012					
tle:	155 ASUPEWISE	OCD Pe	ermit Number: 212 9//					
structions: Operators are i	within 60 days of closure completion): Subsect equired to obtain an approved closure plan prior to to be submitted to the division within 60 days of the	implementing any closure	activities and submitting the closure report.					
e 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 ction of the form until an approved closure plan has been obtained and the closure activities have been completed.								
Closure Completion Date:								
	Waste Removal Closure For Closed-loop Syste the facility or facilities for where the liquids, drilling							
sposal Facility Name:		Disposal facility Permit Number:						
sposal Facility Name:		Disposal facility Permit Number:						
ere the closed-loop system	operations and associated activities performed on o	r in areas that will not be us	sed for future service and operations?					
Yes (If yes), plea	ase demonstrate compliance to the items below)	1 1 No						
equired for impacted areas v	which will not be used for future service and operation	ns:						
Site Reclamatio	n (Photo Documentation)							
Soil Backfilling	and Cover Installation							
Re-vegetation A	Application Rates and Seeding Technique							
).								
perator Closure Certifica	tion:							
ereby certify that the inform	nation and attachments submitted with this closure	report is true, accurate and	complete to the best of my knowledge					
d belief. I also certify that t	he closure complies with all applicable closure requir	rements and conditions spe	cified in the approved closure plan.					
Name (Print)	Guinn Burks	Title:	Reclamation Foreman					
Signature:		Date:						
e-mail address:	guinn.burks@apachecorp.com	Telephone:	432-556-9143					



CLOSED LOOP SYSTEM DESIGN, OPERATION, MAINTENANCE, AND CLOSURE PLAN FOR PLUGGING AND ABANDONDMENT OPERATIONS

This document is intended to provide design requirements as well as operating, maintenance and closure instructions for closed-loop (plugging fluids) systems, ensuring compliance with the New Mexico Title 19, Chapter 15, Part 17 rules and regulations. Plugging units operating for Apache Corporation in New Mexico shall be rigged up with a closed-loop system consistent with this design and should be operated, maintained, and closed in a manner consistent with this document.

DESIGN

The closed-loop system shall be designed and constructed to ensure the confinement of oil, gas, or water and to prevent uncontrolled releases.

The steel tank(s) shall be a minimum of 90 barrels and constructed and in a condition such that no leaks or uncontrolled release would be expected. The tank(s) shall be placed to receive all of the fluid as it returns from the well bore and entry from the flow line shall be such that splash is minimized. The tank(s) shall be connected with steel lines where applicable from the wellhead to the tank. It shall have a separate off load valve to which a vacuum truck can be attached for unloading.

The steel tanks(s) shall comply with any applicable requirements specified in 19.15.17 NMAC. Additionally, the appropriate well signs shall be in place to comply with 19.15.17 NMAC.

OPERATION and MAINTENANCE

The closed-loop system shall be operated and maintained at all times in such a manner as to prevent contamination of fresh water and protect the public health and the environment. While Apache Corporation relies on various third party vendors to provide, operate and maintain the closed-loop system, in the end it is the Apache Corp on-site representative who must take responsibility for the effective operation of the system. At the end of the plugging activities, all return fluids should be disposed of in a licensed disposal facility in New Mexico.

Know which and approved disposal facility is closest to your location and verify that they are capable and prepared to receive the fluids from your well. Track all loads sent during the plugging of the well and up to the time the rig is moved off of the location.

Current approved facilities are;

Controlled Recovery Inc.

(877) 505-4274

Sundance Incorporated

(575) 394-2511

Ensure that the closed-loop system meets the design criteria listed above and is properly installed and fully functional prior to commencing any operations which require circulation.

Inspect the active system tanks at least every tour to ensure no fluid is leaking onto the location. Check any valves and interconnecting pipes for leaks. Correct any leaks as soon as possible upon detection.

Monitor and know the fluid level in the containment tank and call for a vacuum truck with enough lead time to allow for delays. Ensure that the truck driver knows which approved disposal he will be transporting the fluid to for off loading.

Make every effort to operate and maintain the closed-loop system in a manner that puts no fluid or well bore discharges in contact with the location or surrounding area.

In the event of a spill over five (5) barrels, take immediate action to contain the spill and make the following notifications;

EHS Apache Hotline

(800) 874-3262

NMOCD District Office

In the event of oil reaching water, include the following notification;

Environmental Protection Agency (EPA) National Response Center

CLOSURE

Upon completion of plugging the well, all connecting lines will be drained into the tank and all remaining fluid in the tank will be removed by a vacuum truck and taken to an approved facility for disposal. All equipment will then be removed so location remediation can begin.

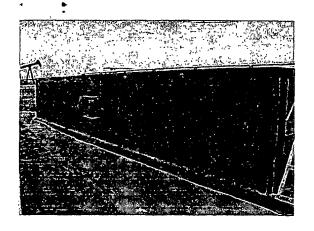
Prepared by

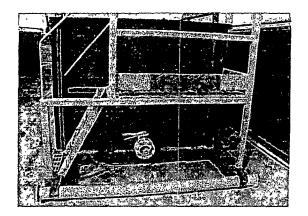
Guinn Burks

Reclamation Foreman

<u>Guinn Burks</u>

Apache Corporation





Closed-loop Tank

