

CD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

CD Representative Signature: _____

Approval Date: _____

Title: _____

OCD Permit Number: _____

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: _____

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 one facility was 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

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): _____

Guinn Burks

Title: _____

Reclamation Foreman

Signature: _____

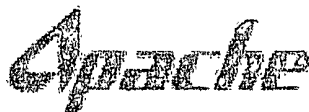
Date: _____

e-mail address: _____

guinn.burks@apachecorp.com

Telephone: _____

432-556-9143



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

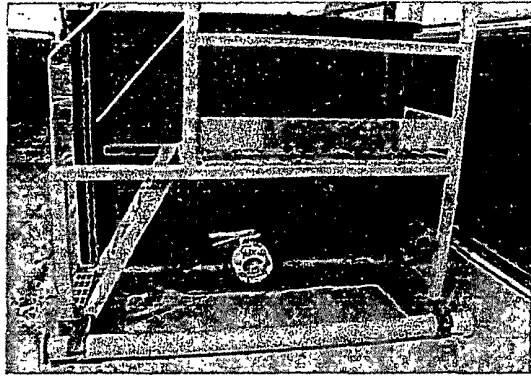
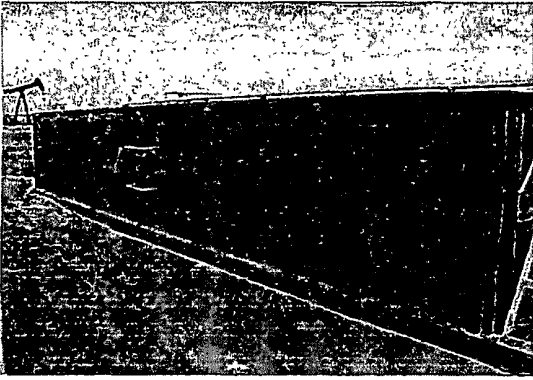
CLOSURE

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

A handwritten signature in cursive script that reads "Guinn Burks".

Guinn Burks
Reclamation Foreman
Apache Corporation



Closed-loop Tank

