

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

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

PER OCD RULE 19.15.17: Form C-144clez is no longer required to be submitted, but the operator still has to use and to report to the OCD that Closed-Loop System is being used. Put this statement on all intents: During this procedure we plan to use the Closed-Loop System and haul contents to the required disposal.

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure.

Please be advised that approval of this request does not relieve the operator of liability should an environmental spill occur. Nor does approval relieve the operator of its responsibility to comply with any applicable regulations or ordinances.

Operator: APACHE CORPORATION UGRID #: 873  
Address: 303 VETERANS AIRPARK LN., STE. 3000 MIDLAND TEXAS 79705  
Facility or well name: ELLIOTT EM 20 FEDERAL #3  
API Number: 30-025-41443 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr E Section 20 Township 22 S Range 37 E County: LEA, NM  
Center of Proposed Design: Latitude 32.379956 N Longitude 103.187808 W NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

**FOR RECORD ONLY**

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: SUNDANCE INCORPORATED Disposal Facility Permit Number: NM-01-0003  
Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-0006  
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

OCT 15 2013

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): SORINA L. FLORES Title: SUPERVISOR OF DRILLING SERVICES

Signature: *Sorina L Flores* Date: MARCH 21, 2013

e-mail address: sorina.flores@apachecorp.com Telephone: 432-818-1167

7.

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

OCD Representative Signature: \_\_\_\_\_ Approval Date: \_\_\_\_\_

Title: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_

**FOR RECORD ONLY**

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): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



**DESIGN PLAN, OPERATING & MAINTENANCE PLAN, & CLOSURE PLAN  
FOR OCD FOR C-144**

**ELLIOTT EM 20 FEDERAL #3**

**DESIGN PLAN**

Fluid & cuttings coming from drilling operations will pass over the Shale Shaker with the cuttings going to the Sundance Inc / CRI haul off bin and the cleaned fluid returning to the working steel pits.

Equipment includes:

- 2 – 500 bbl steel frac tanks (fresh water for drilling)
- 2 – 180 bbl steel working pits
- 3 – 75 bbl steel haul off bins
- 2 – Pumps (6-1/2" x 10" PZ 10 or equivalent)
- 1 – Shale shaker
- 1 – Mud cleaner – QMAX MudStripper

**OPERATING AND MAINTENANCE PLAN**

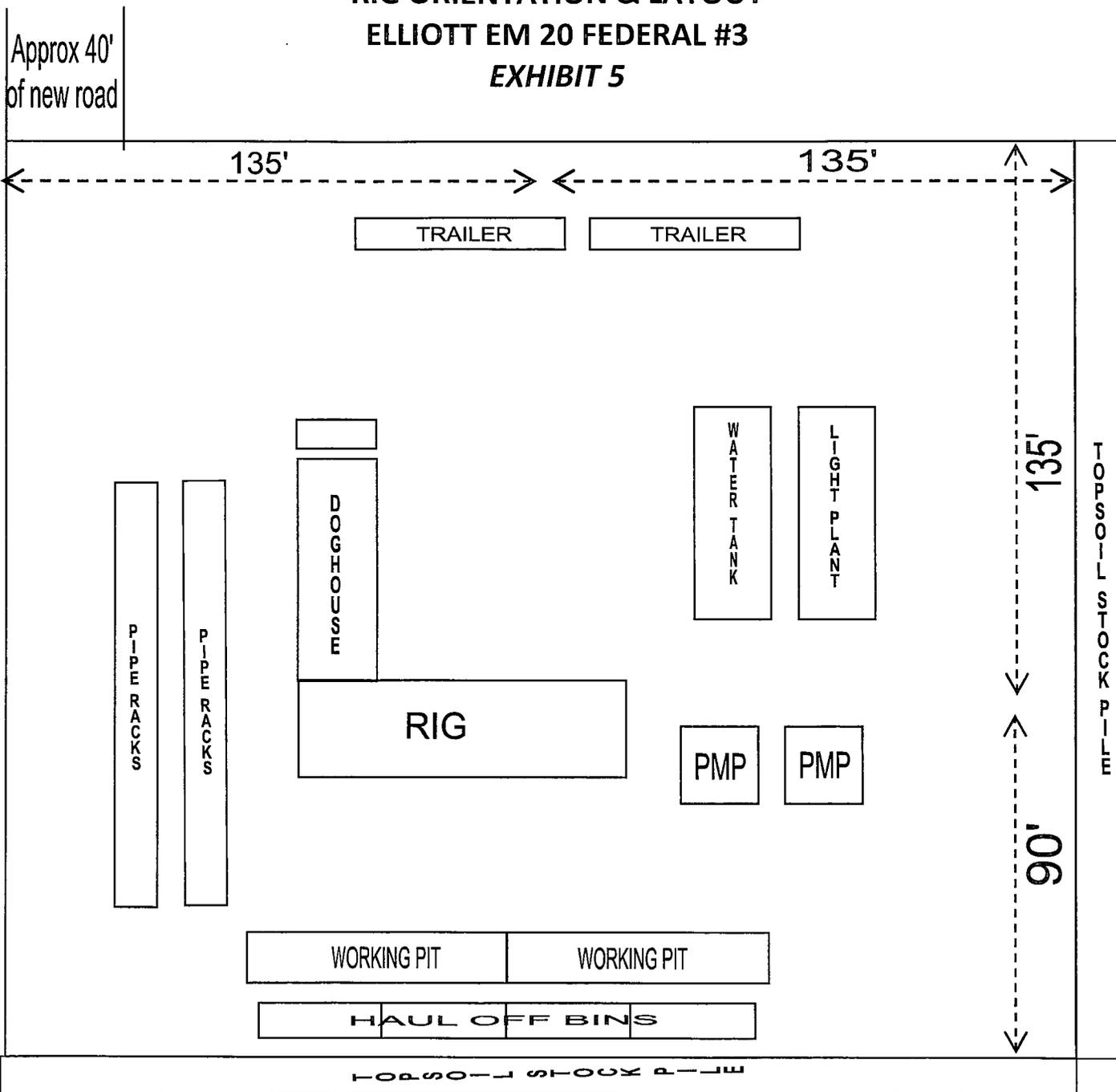
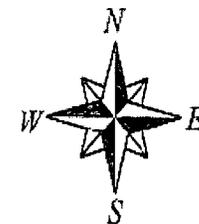
Inspection to occur every tour for proper operation of system and individual components. If any problems are found they will be repaired and/or corrected immediately.

**CLOSURE PLAN**

All haul bins containing cuttings will be removed from location and hauled to Sundance Incorporated (NM-01-0003) disposal site located 3 miles East of Eunice, NM on the Texas border / Controlled Recovery, Inc's (NM-01-0006) disposal site located near mile marker 66 on Highway 62/180.

Sorina L. Flores  
Supv of Drilling Services

RIG ORIENTATION & LAYOUT  
ELLIOTT EM 20 FEDERAL #3  
EXHIBIT 5



V DOOR

Approx 40'  
of new road

135'

135'

135'

90'

TRAILER

TRAILER

PIPE RACKS

PIPE RACKS

DOGHOUSE

WATER TANK

LIGHT PLANT

RIG

PMP

PMP

WORKING PIT

WORKING PIT

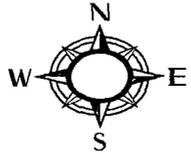
HAUL OFF BINS

TOPSOIL STOCKPILE

TOPSOIL STOCKPILE

# Apache

Drilling Location  
H2S Safety Equipment Diagram  
Exhibit 3A



Elliott EM 20 Federal #3

APPROX 40'  
new road

H2S Warning Sign  
~ 200' but no  
more than 500'  
from well location

Primary briefing  
area w/SCBA



TRAILER

TRAILER

Windstock indicators

Prevaling Wind: vary SW to NE

H2S monitor w/alarm

Secondary  
Egress

