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State of New Mexico

Form C-144 CLEZ
July 21, 2008

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 87412
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

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APR 17 2009

HOBBSDO

Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NOV 9 2009

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 NMOC 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: Apache Corporation OGRID #: 873 ✓
Address: 6120 S. Yale Ave., Suite 1500 Tulsa, Oklahoma 74136
Facility or well name: EAST BLINEBRY DRINKARD UNIT # 113 ✓
API Number: 30-025-39393 ✓ OCD Permit Number: P1-01042 ✓
U/L or Qtr/Qtr C Section 12 Township 21S Range 37E County: Lea ✓
Center of Proposed Design: Latitude 32.497123' N Longitude 103.116659' W 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: Sundance Incorporated Disposal Facility Permit Number: NM-01-0003
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): Sam Hampton Title: Drilling Engineer
Signature: [Signature] Date: 1/26/2009
e-mail address: sam.hampton@apachecorp.com Telephone: 918 491-4954

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

OCD Representative Signature: _____

Approval Date: 04/21/09

Title: _____

Geologist

OCD Permit Number: _____

PL-01042

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: 10-20-09

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: Sundance

Disposal Facility Permit Number: NM-01-0003

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): Curt Jones

Title: Drilling Engineer

Signature: _____

Date: 10-21-09

e-mail address: curt.jones@apachecorp.com

Telephone: 918-491-4900

Kang W. Hill
DISTRICT 1 SUPERVISOR

NOV 10 2009

Closed Loop Mud System

Drilling muds will circulate through a closed system consisting of steel tanks, mud pumps, piping, to the rotating hood, return piping back to the steel tanks. Solids will be removed from the waste streams to steel pits using these types of equipment.

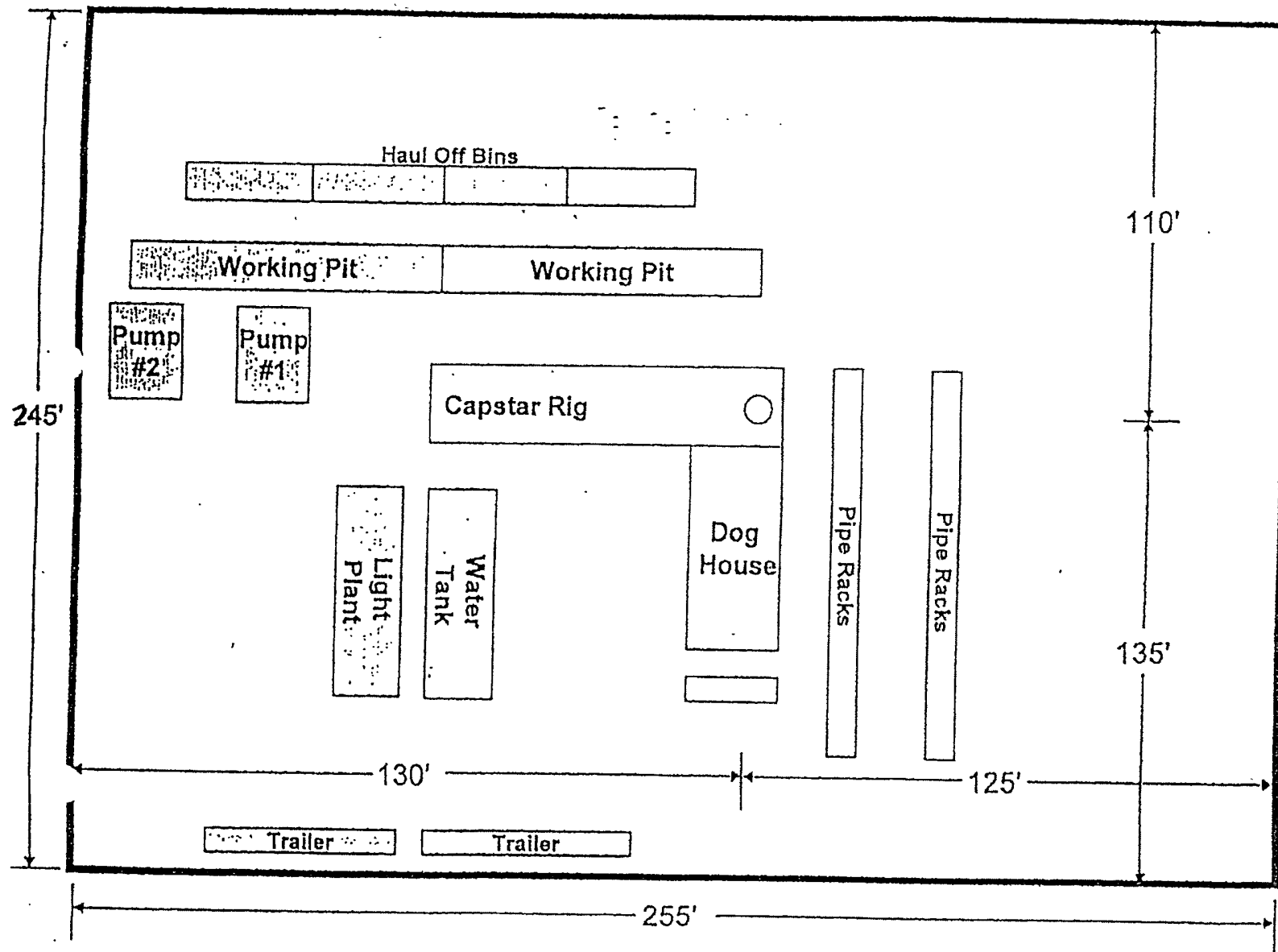
1. Shale shakers will be installed with graduated screens to remove solids from all mud streams.
2. A mud cleaner will be installed to remove finer solid particles. Drilling mud will circulate by pump through the mud cleaner. The pump will generate optimal pressure for the mud cleaner cones to process solids.
3. A centrifuge will pick up effluent from the mud cleaner to process smaller particles.
4. Flocculants will be added to the waste stream entering the centrifuge to flocculate solids. Flocculation increases the efficiency of the centrifuge to remove solids to a smaller size.
5. Roll off bins will installed to handle the solids produced by the shale shaker, mud cleaner, and centrifuge. The solids will drop directly into the bins. Once a bin is full it will be hauled to OCD approved disposal site.

Operation and Maintenance

Personnel with appropriate training and experience will be on-site 24 hours per day to operate and maintain the solids control equipment. If equipment problems occur the repairs or parts replacement will be done by qualified personnel. Personnel will monitor the solids levels in the roll off bins. Trucking companies will be notified to pick up the full bins and move the new bins into place.

Closure Plan

Cuttings and solids will be disposed of at an OCD permitted facility according to OCD guidelines. **Where possible fluids will be recycled.** If unable to use the fluids the fluids will be hauled to an approved disposal facility. Fluids will be temporarily stored in tanks of sufficient volume to maintain the liquids on-site.



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ATS-09-67

Form 3160-3
(August 2007)

APR 17 2009

OCD-HOBBS

HOBBSOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Split Estate

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC 032096 B	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator Apache Corporation		7. If Unit or GA Agreement, Name and No. East Blinbry Drinkard Unit 112723X	
3a. Address Suite 1500, Two Warren Place, 1620 S. Yale Avenue, Tulsa, OK 74136		8. Lease Name and Well No. EBDU # 113	
3b. Phone No. (include area code) 1-(918) 491-4972		9. API Well No. 30-025- 39393	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1275' FNL, & 2500'FWL At proposed prod. zone Same location as surface.		10. Field and Pool, or Exploratory Eunice Blinbry Drinkard	
14. Distance in miles and direction from nearest town or post office* Approximatley 4.5 miles North of Eunice, NM		11. Sec., T. R. M. or Bld and Survey or Area Sec. 12-C, T.21S., R.37E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx 1275 Ft South of Lse NMLC 0332096B Sec 1-21-37	16. No. of acres in lease 1920.00	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, EBDU # 33. Approx 876 Ft. NE of applied for, on this lease, ft.	19. Proposed Depth 7100 Ft.	20. BLM/BIA Bond No. on file CO 1463 Nationwide	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3486 ft per operator	22. Approximate date work will start* 03/01/2009	23. Estimated duration 5 to 14 days	
24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Vernon D. Dyer</i>	Name (Printed/Typed) Vernon D. Dyer	Date 1-22-2009
Title Agent		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed)	Date APR 9 2009
Title FIELD MANAGER	Office CARLSBAD FIELD 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.

APPROVAL FOR TWO YEARS

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)

Capitan Controlled Water Basin

KZ

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

DISTRICT I
1625 N. FRENCH DR., HOBBES, NM 87410

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State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

APR 17 2009

HOBBES

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39393	Pool Code 22900	Pool Name Eunice Bl. Tr. Dr. North
Property Code 35023	Property Name EAST BLINEBRY DRINKARD UNIT	Well Number 113
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3486'

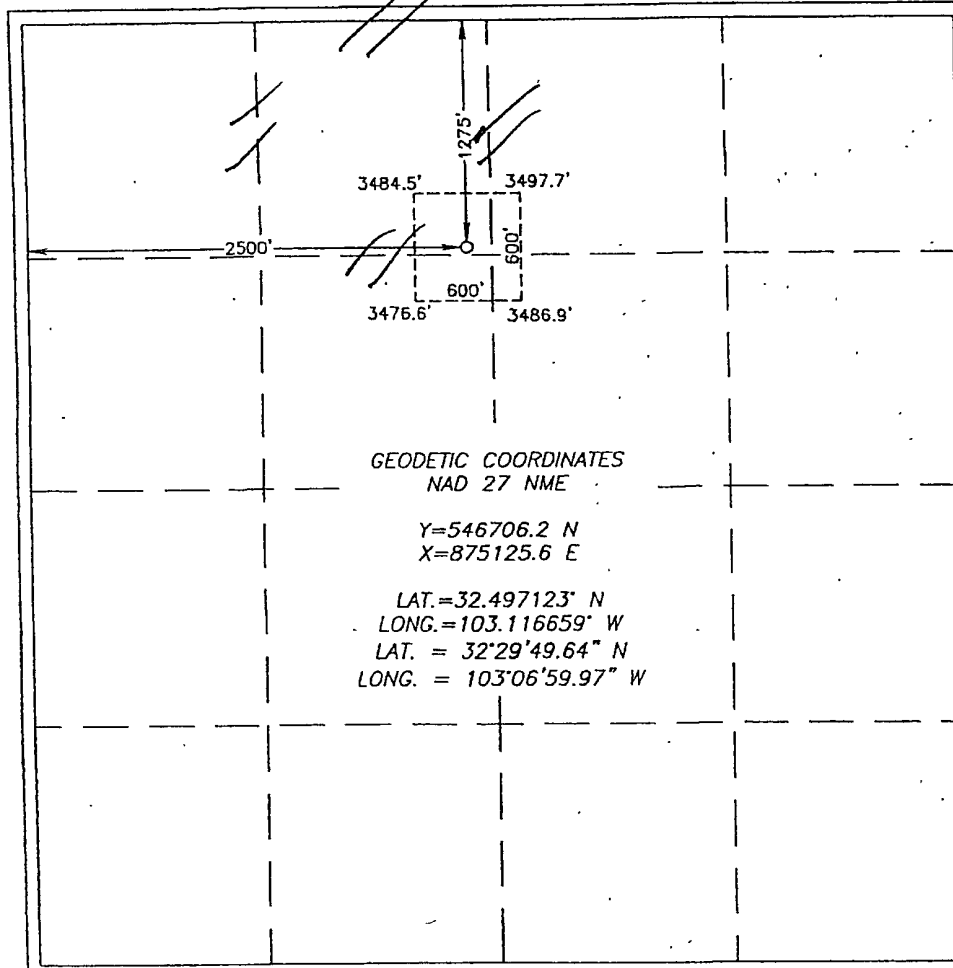
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	21-S	37-E		1275	NORTH	2500	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill	Consolidation Code		Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: **2/3/09**
Printed Name: **SAM HAMPTON**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed: **OCTOBER 08, 2008**
Signature & Seal of Professional Surveyor: *[Signature]*
Certificate No. **GARY EIDSON 12641**
RONALD J. EIDSON 3239

OPERATOR'S COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


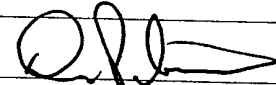
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4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Vernon D. Dyer	Date 1-22-2009
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) Go	Date 4/14/09
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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Conditions of approval, if any, are attached.

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(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

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CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

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1625 N. FRENCH DR., BOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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Santa Fe, New Mexico 87505

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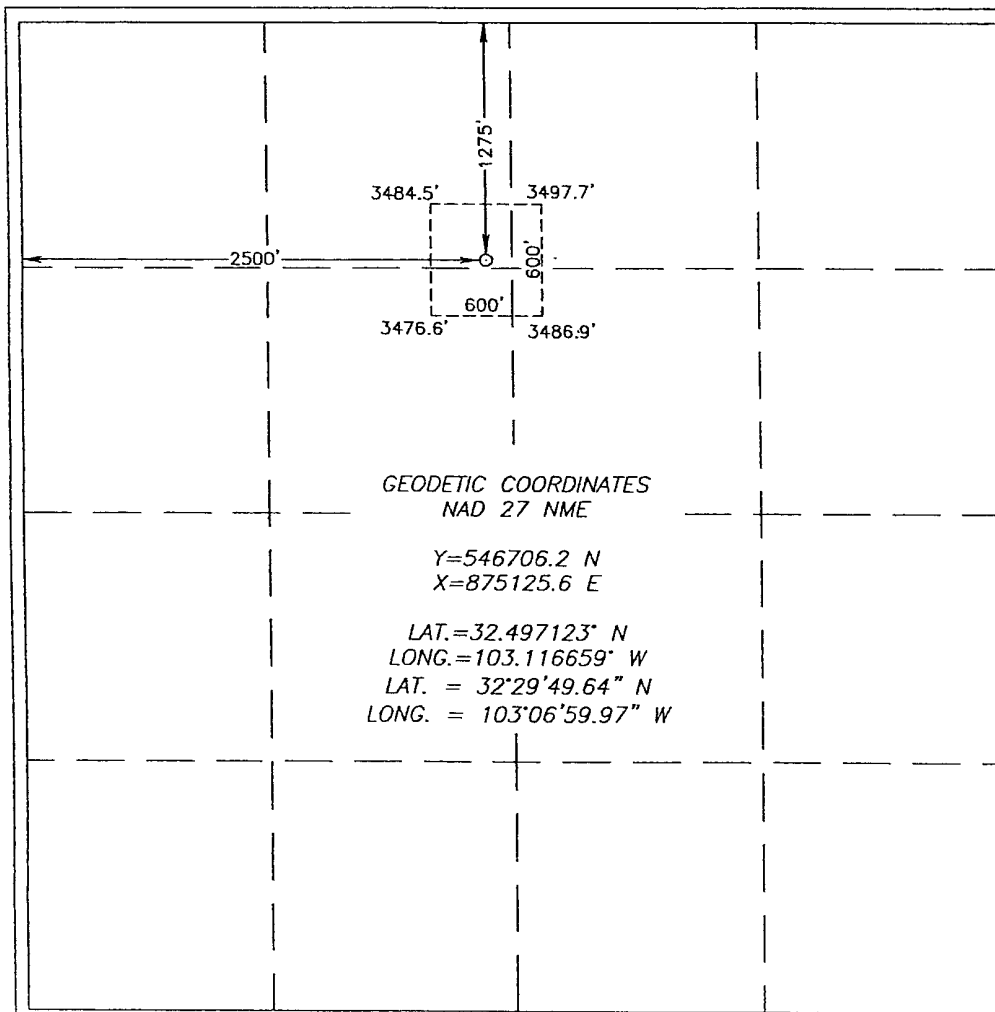
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 2/3/09
Signature Date
SAM HAMPTON
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

[Signature] 10/17/08
Date Surveyed
Signature & Seal of Professional Surveyor
RONALD J. EIDSON
08.11.1560

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239