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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

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State of New Mexico

Energy Minerals and Natural Resources

Department

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAY 24 2010

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Form C-144 CLEZ
July 21, 2008

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 Walter Lynch No. 10
API Number: 30-025-39550 OCD Permit Number: P1-014181
U/L or Qtr/Qtr A Section 1 Township 22-S Range 37-E County Lea
Center of Proposed Design: Latitude 32°25'31.57" N Longitude 103°07'19.25" 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: 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

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): David Catanach Title: Agent for Apache Corporation
Signature: David Catanach Date: 10-16-09
e-mail address: drcatanach@netscape.com Telephone: (505) 690-9453

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

OCD Representative Signature: _____

Approval Date: 10/23/09

Title: _____

Geologist

OCD Permit Number: _____

P1-01418

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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: 5-4-10

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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-D1-0003

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

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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): Samuel Shoun

Title: Drilling Engineer

Signature: _____

Date: 5/19/10

e-mail address: Samuel.Shoun@apexcorp.com

Telephone: 984 91 4500

ELG 5-27-10

CONTACT LIST

Company Personnel

Title	Name	Office Phone	Cell 1	Cell 2	Home
Drilling Mgr.	Ross Murphy	918/491-4834	918/504-7877		918/749-9454
Drlg. Supt.	Randy Poeling	580/225-9490 Ext 4327	580/821-2335		
Geologist	Patrick Disher	918/491-4936			
Drilling Engineer	Glenn Bone	918/491-4907	918/633-1109		918/250-6392
	Curt Jones	918/491-4828	918/688-9586		918/488-9707
Drlg. Consultant	John Musgrove		(580) 799-5956		
	Henry Dupont				
Purchasing	Tom O'Neal	918/491-4904	918/671-2499		918/355-4577
Safety Mgr.	David Woolf	918/491-4952	918/640-6068		
Open Wells Help	Larry Rader	918/491-4811	918/691-6859		

Service Companies

Service	Vendor / Service Co.	Contact Name	Contact Numbers
Drilling Contractor	Unit rig 36	Allen Martin-Supt	Mobile (580) 515-4054
Location Constr. & Main.			
Mud & Chemicals	Anchor	Carl Devorce Rocky Moore	See attached list
Loss Circulation Mat'ls.	Anchor or Turbo Chem		
Mud Loggers	Per Geology		
Bits	Smith/Reed/Hughes/Sec		
Electric Line Loggers	Per Geology		
Cementing	Halliburton	Don Atchison	866/357-3438 Cell 580-515-1018
Float Equip & Cent.	Weatherford/Halliburton		
Casing Crews	Per bid		
Directional Drilling	Leam Drilling Services	Mike Stewart	405/627-2744
Centrifuge	Per bid		
Rotating Head	Per bid		
Shock Sub	Per bid		
Drlg. Jars	Per bid		
Mud Motors	Per bid		
Hydraulic Survey Tool	N/A		
Gyro Survey Tool	Per bid		
Stabilizers	Per bid		
Rentals	Per bid		
PVT & Gas Detection	Pason		
Consultant Log Anal.	N/A		
Tubular returns	Tuboscope	Charlotte Darling	580/225-9490
Wellhead	Call Elk City		580/225-9490
Well Control Specialist	GSM	Bob Grace	806/358-6894
Telephone/Sattellite	Digital Networks	Larry Nolan	(405) 213-8119
Rental DP	Quail	Todd Desormeaux	(432) 366-1491
Trailer & Misc.	Hoppes	Eugene Keeling	(580) 303-0597
H2S Monitoring	N/A		
Liner Hanger	N/A		