

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

OCD Representative Signature: Kerry M. Hill Approval Date: JUN 10 2011

Title: DISTRICT 1 SUPERVISOR

OCD Permit Number: P1-03346

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: _____

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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: _____

**Chesapeake Operating, Inc.'s Closed Loop System
WEST TEAS SEVEN RIVERS UNIT # 932
Unit H, Sec. 11, T-24-S R-31-E
Lea Co., NM
API #: 30-025-31035**

Equipment & Design:

Chesapeake Operating, Inc. is to use a closed loop system in our request to plug and abandon this well.

(1) 500 bbl frac tank will be on location.

Operations & Maintenance:

During each and every tour, the rig's crew will inspect and monitor closely the fluids contained within the frac tank and visually monitor any spill which may occur.

Within 48 hours should a spill, release or leak occur, the NMOCD District I office in Hobbs (575-393-6161) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur.

Closure:

After operations are completed, fluids will be hauled and disposed to Controlled Recovery, Inc.'s location.

The permit number for Controlled Recovery, Inc. is: NM-01-0006.

The alternative disposal facility will be Sundance Disposal.

Their permit # is: NM-01-0003.