

Submitt 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-33780
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-4070
7. Lease Name or Unit Agreement Name Southern Cross 16 State
8. Well Number 3
9. OGRID Number 013837
10. Pool name or Wildcat Penasco Draw; Permo Penn (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Mack Energy Corporation

3. Address of Operator
P. O. Box 960 Artesia, NM 88211-0960

4. Well Location
 Unit Letter H 1980 feet from the North line and 660 feet from the East line
 Section 16 Township 18S Range 24E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3767' GR

Pit or Below-grade Tank Application or Closure

Pit type Drilling Depth Groundwater 516' Distance from nearest fresh water well 4000' Distance from nearest surface water 1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: _____ <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <u>Pit Closure</u> <input checked="" type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On August 19, 2005 Allstate Environmental Services started closure procedures. Closure of the pits was completed August 26, 2005.

Attachments:
 Closure summary
 Diagram of well site and pit location

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 9/26/2005
 Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (505)748-1288
 For State Use Onl

APPROVED BY: Mike Burrows TITLE Asst. Dir. DATE 9/30/05
 Conditions of Approval (if any):

Closure Summary

Pursuant to Pit and Below-Grade Tank Guidelines as published November 1, 2004 by the New Mexico Oil Conservation Division.

Allstate Environmental Services was contracted by Mack Energy Corp. to commence closure activities of the drilling pits at the Southern Cross 16 #3 lease in Eddy County on August 19, 2005. As described in the Form C-103 for the Southern Cross 16 #3 lease, the fluids in the pit were removed and disposed of. The contents were then stiffened and buried per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines. Closure of the pits was completed August 26, 2005.

Mack Energy Pit Closure Site Sketch
Southern Cross 16 State #3 Lease
September 7, 2005

