HOBBS OCD

JAN 2 4 2013

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

District H
1301 W. Grand Avenue, Artesia, NM 88210
District III
1 000 Rio Brazos Road, Aztec, NM 8741 0

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. or closure, submit to the appropriate NMOCD District Office.

RECEIVED

Closed-Loop System Permit or Closure Plan Application

(that only 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

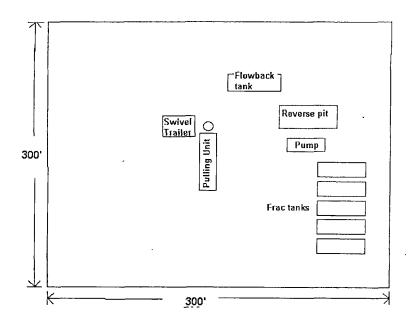
Operator Mack Energy Corporation	closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form. C-144.		
Operator: Mack Energy Corporation OGRID # 013837 Address: P.O. Box 960 Artesia, NM 88210-0960 Facility or well name; Magnic State #2 API Number: 30-025-27056 OCD Permit Number: P.O. Box 960 Artesia, NM 88210-0960 Facility or well name; Magnic State #2 API Number: 30-025-27056 OCD Permit Number: P.O. Box 960 Artesia, NM 88210-0960 Surface Owner: Federal State Tribal Trust or Indian Allotment Surface Owner: Federal State Tribal Trust or Indian Allotment Surface Owner: Federal State Tribal Trust or Indian Allotment Closed-loop System: Subsection H of 19.15.17.11 NAIAC 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 Sign: Subsection C of 19.15.17.11 NMAC In 2"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signe: Subsection C of 19.15.17.11 NMAC In 2"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signe: Subsection C of 19.15.17.11 NMAC In 2"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signe: Subsection C of 19.15.17.11 NMAC In 2"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signe: Subsection C of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - 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: API Number: Disposal Facility Permit Number: NM-01-0006 Disposal Facility Name: Controlled Recovery Inc Disposal Facility Permit Number: NM-01-0006 Disposal Facility Name: Controlled Recovery Inc Disposal Facility Name: Controlled Recovery Inc Disposal Facility Name: Subsection H of 19.15.17.13 NMAC Operator Application Certification: Thereby certify that the informati	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.		
Address: P.O. Box 960 Artesia, NM 88210-0960 Facility or well name. Magpie State #2 API Number: 30-025-27056 OCD Permit Number: 91-05 [6.34] API Numbe	013937		
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API Number: 30-025-27056 OCD Permit Number: Pl-05 (0.34) U/l. or Qit/Qir H Section 26 Township 188 Range 34E County Lea Center of Proposed Design: Latitude Longitude NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment Consed-loop System: Subsection H of 19.15.17.11 NAIAC Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A			
U/L or Qttr/Qtr H Section 26 Township 188 Range 34E County Lea Center of Proposed Design: Latitude Longitude NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment Cosed-loop System: Subsection H of 19.15.17.11 NAIAC	Facility or well name: Magpie State #2		
Center of Proposed Design: Latitude	API Number: 30-025-27056 OCD Permit Number: 47-05 (0.3(0)		
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Above Ground Steel Tanks or Haul-off Bins Sign: 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	Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)		
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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: Previously Approved Operating and Maintenance Plan API Number: 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 indentify 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: Disposal Facility Permit Number: Mill 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 he used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation 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 I of 19.15.17.13 NMAC Site Reclamation Plan based upon the appropriate requirements of Subsection Clerk Signature: Design Plan based upon the appropriate requirements of Subsection Clerk Date: 1/23/13			
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Name (Print): Jerry W. Sherrell Signature: Date: 1/23/13			
Signature: Juny W. Shenell Date: 1/23/13			
	Name (Print): Title: Production Clerk		
e-mail address: jerrys@mec.com Telephone: (575)748-1288			
	e-mail address: jerrys@mec.com Telephone: (575)748-1288		

OCD Approval: Permit Applies on (including closure plan) Closure Plan (only)		
OCD Representative Signature:	Approval Date: JAN 2 4 2013	
Title: Petroleum Engineer	OCD Permit Number: <u>P1-05la36</u>	
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:	
Closure Reports 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: Controlled Recovery Inc	Disposal Facility Permit Number: NM-01-0006	
Disposal Facility Name:		
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) \(\sum_{NO}\)		
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		
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:	

Standard setup for workover operations

Tanks and equipment are of adequate size to hold all fluids and cuttings during workover operations.

Daily inspections of all equipment will be performed.
In the event of a leak: Fluids will be removed and remediation procedure started. OCD will be notified within 48 hours of any leak.



Note: Flowback tank is a frac tank, Reverse pit is a steel open top tank measuring 20' L x 7' W x 6' D.