



ALLSTATE ENVIRONMENTAL SERVICES, LLC



P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182
Contractors License #94195

30-015-34143

February 24, 2006



COG Operating, LLC.
550 W. Texas Ave., Suite 1300
Midland, Texas 79701

Dear Sir/Ma'am

Included in this mailing are two copies of the closure report for the Willow State #7 in Eddy County, New Mexico. One copy is for your records and the other is for the OCD.

Any concern or questions regarding this site may be addressed to Mark Meadows, General Manager, Allstate Environmental Services, at 432-682-3547 or his e-mail address at mark@basinbroadband.com

Sincerely,

Mark Meadows
General Manager
Allstate Environmental Services

Cc: Allstate Environmental Services - file

Substitit 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. 30-015-34143
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-2613
7. Lease Name or Unit Agreement Name Willow State
8. Well Number 7
9. OGRID Number 013837
10. Pool name or Wildcat Fren Paddock

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type Drilling Depth Groundwater 116' Distance from nearest fresh water well 1000' Distance from nearest surface water 1000'

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

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 Chevron USA Inc.

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

4. Well Location
Unit Letter P 330 feet from the South line and 330 feet from the East line
Section 16 Township 17S Range 31E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3841' GR

RECEIVED
OCT 31 2005
OCD-ARTESIA

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Pit Closure ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: _____ ☐

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.

Mack Energy Corporation proposes to close Drilling pit as follows:

1. Remove fluids from pit.
2. A Deep Trench pit will be constructed next to existing reserve pit and lined with a 12 mil liner, the contents will be stirred and stiffened with earthen material and placed in this pit and liner will be folded over the mud and cuttings.
3. Cover liner with 20 mil liner with excess of 3' on all sides as per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines..
4. Cover with a minimum 3' of native soil.
5. Contour pit to prevent erosion and ponding of rainwater.

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 10/28/2005
Type or print name Jerry W. Sherrell E-mail address: jerry@mackenergycorp.com Telephone No. (505)748-1288
For State Use Onl

APPROVED BY: _____ TITLE Field Supervisor DATE NOV 1 2005
Conditions of Approval (if any): _____

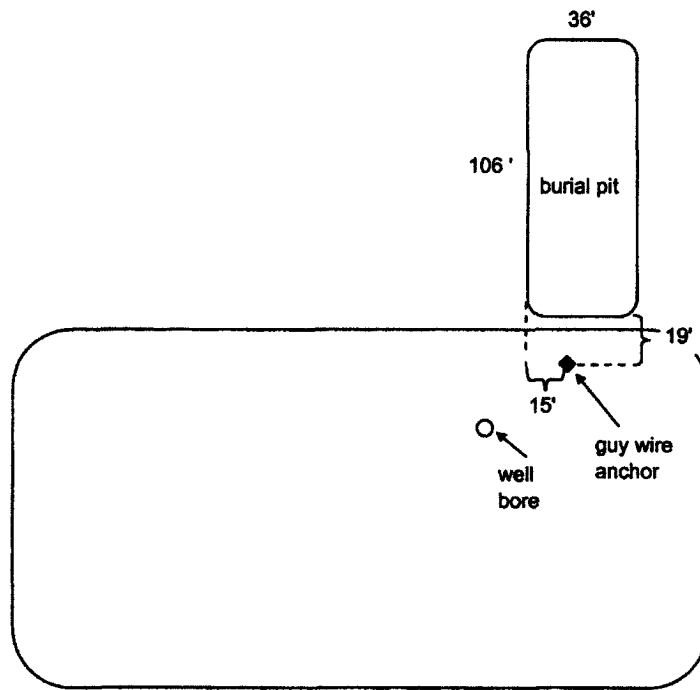
Accepted for record - NMOCD

12/20/06

Mack Energy Pit Closure Site Sketch

Willow State #7

February 20, 2006



Closure Began : February 10, 2006
Closure Completed : February 10, 2006

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 Willow State #7 lease in Eddy County on February 10, 2006. As described in the Form C-103 for this 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 February 21, 2006.