

ALLSTATE ENVIRONMENTAL SERVICES, LLC



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

95 30-015-34497 RECEIVED RECEIVED ARTESIA

July 5, 2006

New Mexico Oil Conservation Division District2 1301 Grand Avenue Artesia, New Mexico 88210

Dear Sir/Ma'am

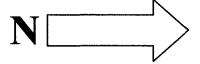
Included in this mailing is the closure report for COG Operating Corp. Mesquite State Well #16 lease. As indicated in the summary the pit closure work was begun on June 28, 2006 and completed on July 5, 2006.

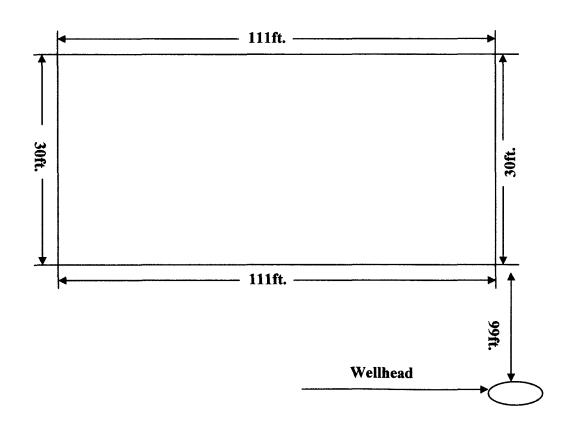
Any concern or questions regarding this site may be addressed to Randy Offield, Allstate Environmental Services, at 432-682-3547 or his e-mail address at allstateenviro@sbcglobal.net

Sincerely
Mark Meadows for Randy Offield-Owner
Allstate Environmental Services

Cc: COG Operating Corp-Artesia, N.M. Allstate Environmental Svcs. file

COG Operating
Mesquite State #16
Eddy County, New Mexico 88220
June, 2006







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COG Operating LLC

MESQUITE STATE #16 API#: 30-015-34497 EDDY COUNTY, NM

99 feet from well head

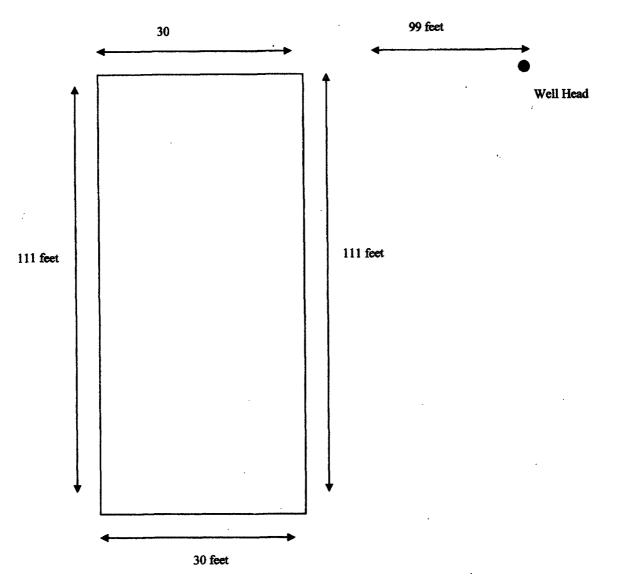
30 feet wide

111 feet long

CLOSURE BEGAN:

6-28-06

CLOSURE COMPLETED: 7-5-06



Subtitit 3 Copies To Appropriate District	State of New Mexico		Form C-103	
Office District I	Energy, Minerals and Natural Resources		THE PERIOD	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District 11			WELL API NO. 30-015-34497	
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION		5. Indicate Type of Lease	
District III 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.		STATE STATE	
District IV	Santa Fe, NM 87505		6. State Oil & Gas Lease No.	
1220 S. St. Francis Dr., Santa Fe, NM 87505	1113 Le' 14141		E-742	
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		7. Lease Name or Unit Agreement Name Mesquite State 8. Well Number 16 9. OGRID Number 229137 I 0. Pool name or Wildcat		
PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other			8. Well Number 16	CEME
2. Name of Operator				PEC 1700
COG Operating LLC			229137	WAY TEST
3. Address of Operator		I 0. Pool name or Wildcat		
550 W. Texas, Suite 1300 Midlar	id, TX 79701		Empire; Yeso, East-	966100
2. Name of Operator COG Operating LLC 3. Address of Operator 550 W. Texas, Suite 1300 Midland, TX 79701 4. Well Location Unit Letter L 2310 feet from the South line and 330 feet from the West line				
Unit Letter	root from the			73.1.1
Section				CountyEddy
I 1. Elevation (Show whether DR, RKB, RT, GR, etc.) 3647 GR				
Pit or Below-grade Tank Application		······································		
Pit type Drilling Depth Groundy	vator 110' Distance from nearest fresh w	ater well 1000' Dist	iance from nearest surfac	e water 1000'
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 3000 bbls; Construction Material				
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data				
NOTICE OF II	NITENTION TO:	CLID	CECHENT DED	ODT OE:
PERFORM REMEDIAL WORK	NTENTION TO: PLUG AND ABANDON	REMEDIAL WOR	SEQUENT REP	UKT UF. ALTERING CASING [
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILL				AND A
PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB				
OTHER: Pit Closure OTHER: OTH				
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. Damana Shi da Gana nita				
1. Remove fluids from pit. 2. A Door Transhait will be constructed north to the existing recovery sit and lived with a 12 will live at the existing recovery.				
2. A Deep Trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner, the contents will be encapsulated 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 costific that the information			11 11 0 50 1	
grade tank has been/will-be constructed of	above is true and complete to the best or closed according to NMOCD guidelines D	t of my knowledge a	and belief. I further cer or an (attached) alternat	rtify that any pit or below-
	7 (1 /W			_
SIGNATURE June W.		oduction Clerk		DATE 5/11/2006
Type or print name Jerry W. Sherr	rell E-mail addre	ess: DKuykendail@co	nchoresources.com Tel	ephone No. (432) 685-4372
For State Use Only	$\alpha \alpha \alpha$			•
APPROVED BY:	Y Trent n			NAME & 8886
Conditions of Approval (if about	TITLE_		······································	MAYE 1 2 2006
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	A			1/20/06
Accepted for record - NMOCD				