

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

NOV 01 2007

OCD-ARTESIA

Operator Mack Energy Telephone: (505) 748-1288 e-mail address: Jerry Sherrell [jerrys@mackenergycorp.com]
Address: P.O. Box 960, Artesia, NM 88211-0960
Facility or well name Bears Federal #1 API #: 30-015-35409 U/L or Qtr/Qtr lot 16 Sec 5 T-16-S R-29-E
County Eddy Latitude 32.951526N Longitude 104.106213W NAD 1927 X 1983 ☐
Surface Owner. Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 3000 bbl	Below-grade tank Volume: _____ bbl Type of fluid _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) 110'	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 0 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes (20 points) No (0 points) 0
Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) 0
Ranking Score (Total Points) 0	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location. (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments.

Pit closed by Trench Burial, Verbal approval to close given by Mike Bratcher on 10-18-2007

Excavate SW side of pit and line as additional burial trench, excavate 10' of NW and SE and Center of pit, and place in lined trench (12 mil) for second burial trench

Cap entire pit bottom with 20mil plastic and backfill. Lab and results and field sample results attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 ☐.

Date: 11-1-07

Printed Name/Title Signature Jerry W. Sherrell Jerry W. Sherrell

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with local laws and/or regulations.

Approval:

Printed Name/Title _____ Signature _____ Date: NOV 26 2007

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
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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

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.)		WELL API NO. 30-015-35409
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. (FEDERAL) NM-98171
3. Address of Operator P.O. Box 960 Artesia, NM 88211-0960		7. Lease Name or Unit Agreement Name Bears Federal
4. Well Location Unit Letter <u>Lot 16</u> <u>2971</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>East</u> line Section <u>6</u> Township <u>16S</u> Range <u>29E</u> NMPM County <u>Eddy</u>		8. Well Number <u>1</u>
5. Elevation (Show whether DR, RKB, RT, GR, etc.) 3711' GR		9. OGRID Number 013837
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>		10. Pool name or Wildcat Wildcat Wolfcamp Oil
Pit type <u>Drilling</u> Depth Groundwater <u>110'</u> Distance from nearest fresh water well <u>1000'</u> Distance from nearest surface water <u>1000'</u>		
Pit Liner Thickness: <u>12</u> 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 ☐ 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 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.

Notify OCD 24 hours prior to beginning pit closure.

If pit is situated in an agricultural area, all Pit contents MUST be hauled to disposal.

Samples are to be obtained from pit area and analysis submitted to NMOCDD prior to back-filling

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 NMOCDD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 4/11/07

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

APPROVED BY: Jim W. Green DATE 4/13/07
Conditions of Approval (if any): District II Supervisor

Report Date: October 29, 2007
3236

Work Order: 7101907
Mack Energy/Bears Federal #1

Page Number: 1 of 2
Eddy County, NM

Summary Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: October 29, 2007

Work Order: 7101907



Project Location: Eddy County, NM
Project Name: Mack Energy/Bears Federal #1
Project Number: 3236

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
139591	NE 2.0'	soil	2007-10-17	00:00	2007-10-19
139592	NW 15.0'	soil	2007-10-17	00:00	2007-10-19
139593	SE 20.0'	soil	2007-10-17	00:00	2007-10-19
139594	SW 20.0'	soil	2007-10-17	00:00	2007-10-19
139595	Center 15.0'	soil	2007-10-17	00:00	2007-10-19

Sample: 139591 - NE 2.0'

Param	Flag	Result	Units	RL
Chloride		161	mg/Kg	2.00

Sample: 139592 - NW 15.0'

Param	Flag	Result	Units	RL
Chloride		225	mg/Kg	2.00

Sample: 139593 - SE 20.0'

Param	Flag	Result	Units	RL
Chloride		2830	mg/Kg	2.00

Sample: 139594 - SW 20.0'

Param	Flag	Result	Units	RL
Chloride		1180	mg/Kg	2.00

Sample: 139595 - Center 15.0'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296
This is only a summary. Please, refer to the complete report package for quality control data.

Highlander Environmental Corp.
Pit Closure Sampling Report

Job Number: 3236
Client: March Energy
Well Name: Bears Fed #1
API#: 30-015-3409
Depth of Pit: 8-10'
Depth to Groundwater: 110' Orientation of pit (N) S E W

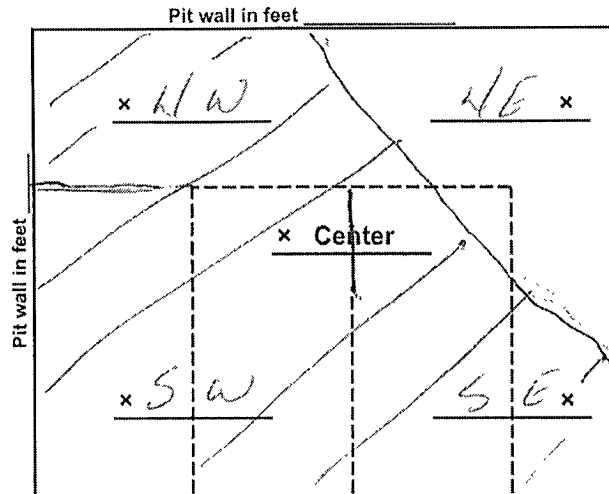
All pit sample depths are below pit bottom (BPB)

Sample Location	Depth (BPB)	Field Chloride Results (mg/Kg)	Lab Chloride Results (mg/Kg)
NE	2	140	161
NW	2	4960	
	5	1760	
	10	360	
	15	240	225
SE	2	5120	
	5	4640	
	10	6720	
	15	3200	
	20	3680	2830
SW	2	9920	
	5	7120	
	10	5440	
	15	560	
	20	1120	1180
Center	2	9760	
	5	7360	
	10	1920	
	15	240	171

DNR- Did not run at lab.
BGS- Below Ground Surface
BPB- Below Pit Bottom

Dig out south west side of pit to 20' into
for Burial Trench - Full 10' out
at SE & NW, then cap entire pit.
Mike Draucher 10-18-09

Highlander Environmental Corp.
Pit Sample Location Plat



x _____ Indicates Sample Location
(Name by quarter i.e. NW, NE etc)



Draw in North Arrow

Depth of pit in feet _____

• Wellhead

Well Pad

Client:

Well

Name:

API#

Mach Energy

Bears Fld #1

30-015-3409