

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. 30-025-36606
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMLC-058698B
7. Lease Name or Unit Agreement Name Rhino Federal
8. Well Number 2
9. OGRID Number 013837
10. Pool name or Wildcat Tamano Delaware

Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>
Pit type <u>Drilling</u> Depth Groundwater <u>155'</u> Distance from nearest fresh water well <u>3 miles</u> Distance from nearest surface water <u>1200'</u>
Pit Liner Thickness: <u>12</u> 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation
3. Address of Operator P. O. Box 960 Artesia, NM 88211-0960
4. Well Location Unit Letter <u>E</u> <u>1650</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>35</u> Township <u>17S</u> Range <u>32E</u> NMPM County <u>Lea</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3919' GR

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: Pit Closure <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 May 19, 2005 Allstate Environmental Services started closure procedures. Closure of the pits was completed May 31, 2005.

Attachments:

Closure summary

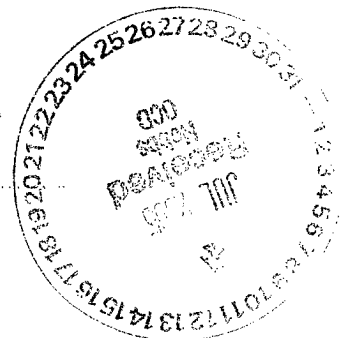
Diagram of well site and pit location

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

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 7/8/2005

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

APPROVED BY: Chris Williams ORIGINAL SIGNED BY CHRIS WILLIAMS DATE _____
Conditions of Approval (if any): OC DISTRICT SUPERVISOR/GENERAL MANAGER



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 Rhino Federal #2 lease in Lea County on May 19, 2005. As described in the Form C-103 for the Rhino Federal #2 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 May 31, 2005.

Mack Energy Pit Closure Site Sketch

Rhino Federal #2

June 9, 2005

