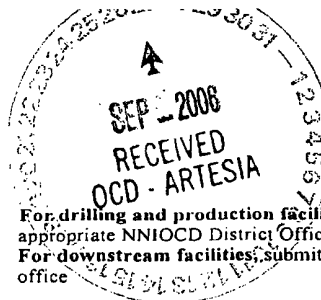


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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 ☐

Operator: <u>Mack Energy Corporation</u> Telephone: <u>(505) 748-1288</u> e-mail address: <u>jerrys@mackenergycorp.com</u>		
Address: <u>P.O. Box 960 Artesia, NM 88211-0960</u>		
Facility or well name: <u>Pecos Federal #1</u>	API #: <u>30-015-34075</u>	U/L or Qtr/Qtr <input type="checkbox"/> See <u>12</u> T <u>18S</u> R <u>23E</u>
County: <u>Eddy</u>	Latitude _____	Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
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 type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>3000</u> 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.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	(0 points) 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 Points
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 Points
Ranking Score (Total Points)		0 Points

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:

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: 9/26/06

Printed Name/Title: Jerry W. Sherrell/Production Clerk

Signature: 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 any other federal, state, or local laws and/or regulations.

Approval: Jerry W. Sherrell

Printed Name/Title: District II Supervisor

Signature: [Signature]

Date: 9/28/06

Submit 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. 30-015-34075-35232
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM-97849 Federal
7. Lease Name or Unit Agreement Name Pecos Federal
8. Well Number 1
9. OGRID Number 013837
10. Pool name or Wildcat Penasco Draw; Wolfcamp

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type Drilling Depth Groundwater 440' 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-104) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
Mack Energy Corporation

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

4. Well Location
Unit Letter O 660 feet from the South line and 1980 feet from the East line
Section 12 Township 18S Range 23E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3894' GR

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	P AND A <input type="checkbox"/>
CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Pit Closure <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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.

If pit is situated in an agricultural area pit contents MUST be hauled.

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 2/8/07

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

APPROVED BY: Jim W. Green TITLE District II Supervisor DATE 2/13/07
Conditions of Approval (if any):



30-015-35232
~~34675~~

Mack Energy Corp.

Eddy County, NM (NAD 27 NME)

Pecos Federal #1

Pecos Federal #1

OH

Plan: Plan #1

Standard Planning Report

01 November, 2006



Scientific Drilling Planning Report



Date: EDM 2003.14 Single User Db
Client: Mack Energy Corp.
Project: Eddy County, NM (NAD 27 NME)
Site: Pecos Federal #1
Well: Pecos Federal #1
Wellbore: OH
Design: Plan #1

Well Pecos Federal #1
WELL @ 3910.0ft (Original Well Elev)
WELL @ 3910.0ft (Original Well Elev)
Grid
Minimum Curvature

Project: Eddy County, NM (NAD 27 NME)

Map System: US State Plane 1927 (Exact solution)
Geo Datum: NAD 1927 (NADCON CONUS)
Map Zone: New Mexico East 3001

System Datum: Mean Sea Level

Site: Pecos Federal #1

Site Position: Northing: 639,261.70 ft Latitude: 32° 45' 25.351 N
From: Map Easting: 404,916.60 ft Longitude: 104° 38' 33.456 W
Position Uncertainty: 0.0 ft Slot Radius: ft Grid Convergence: -0.17 °

Well: Pecos Federal #1, 660' FSL & 1980' FEL

Well Position +N-S 0.0 ft Northing: 639,261.70 ft Latitude: 32° 45' 25.351 N
 +E-W 0.0 ft Easting: 404,916.60 ft Longitude: 104° 38' 33.456 W
Position Uncertainty 0.0 ft Wellhead Elevation: 3,910.0 ft Ground Level: 3,894.0 ft

Wellbore: OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	2006-11-01	8.65	60.60	49,288

Design: Plan #1

Audit Notes:

Version: Phase: PLAN Tie On Depth: 0.0

Vertical Section:	Depth From (TVD) (ft)	+N-S (ft)	+E-W (ft)	Direction (°)
	0.0	0.0	0.0	0.00

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,297.0	0.00	0.00	4,297.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,052.4	90.65	0.00	4,774.4	482.9	0.0	12.00	12.00	0.00	0.00	
8,529.8	90.65	0.00	4,735.0	3,960.0	0.0	0.00	0.00	0.00	0.00	PBHL-Pecos Fed #1

Scientific Drilling Planning Report



EDM 2003.14 Single User Db	Local Coordinates	Well Pecos Federal #1
Mack Energy Corp.	TVD Reference	WELL @ 3910.0ft (Original Well Elev)
Eddy County, NM (NAD 27 NME)	MD Reference	WELL @ 3910.0ft (Original Well Elev)
Pecos Federal #1	North Reference	Grid
Pecos Federal #1	Survey Calculation Method	Minimum Curvature
OH		
Plan #1		

Depth (ft)	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Vertical (ft)	Horizontal (ft)	True (ft)	Plan (ft)
6,000.0	90.65	0.00	4,763.7	1,430.4	0.0	1,430.4	0.00	0.00	0.00
6,100.0	90.65	0.00	4,762.6	1,530.4	0.0	1,530.4	0.00	0.00	0.00
6,200.0	90.65	0.00	4,761.4	1,630.4	0.0	1,630.4	0.00	0.00	0.00
6,300.0	90.65	0.00	4,760.3	1,730.4	0.0	1,730.4	0.00	0.00	0.00
6,400.0	90.65	0.00	4,759.2	1,830.4	0.0	1,830.4	0.00	0.00	0.00
6,500.0	90.65	0.00	4,758.0	1,930.4	0.0	1,930.4	0.00	0.00	0.00
6,600.0	90.65	0.00	4,756.9	2,030.4	0.0	2,030.4	0.00	0.00	0.00
6,700.0	90.65	0.00	4,755.8	2,130.4	0.0	2,130.4	0.00	0.00	0.00
6,800.0	90.65	0.00	4,754.6	2,230.4	0.0	2,230.4	0.00	0.00	0.00
6,900.0	90.65	0.00	4,753.5	2,330.3	0.0	2,330.3	0.00	0.00	0.00
7,000.0	90.65	0.00	4,752.3	2,430.3	0.0	2,430.3	0.00	0.00	0.00
7,100.0	90.65	0.00	4,751.2	2,530.3	0.0	2,530.3	0.00	0.00	0.00
7,200.0	90.65	0.00	4,750.1	2,630.3	0.0	2,630.3	0.00	0.00	0.00
7,300.0	90.65	0.00	4,748.9	2,730.3	0.0	2,730.3	0.00	0.00	0.00
7,400.0	90.65	0.00	4,747.8	2,830.3	0.0	2,830.3	0.00	0.00	0.00
7,500.0	90.65	0.00	4,746.7	2,930.3	0.0	2,930.3	0.00	0.00	0.00
7,600.0	90.65	0.00	4,745.5	3,030.3	0.0	3,030.3	0.00	0.00	0.00
7,700.0	90.65	0.00	4,744.4	3,130.3	0.0	3,130.3	0.00	0.00	0.00
7,800.0	90.65	0.00	4,743.3	3,230.3	0.0	3,230.3	0.00	0.00	0.00
7,900.0	90.65	0.00	4,742.1	3,330.3	0.0	3,330.3	0.00	0.00	0.00
8,000.0	90.65	0.00	4,741.0	3,430.3	0.0	3,430.3	0.00	0.00	0.00
8,100.0	90.65	0.00	4,739.9	3,530.3	0.0	3,530.3	0.00	0.00	0.00
8,200.0	90.65	0.00	4,738.7	3,630.3	0.0	3,630.3	0.00	0.00	0.00
8,300.0	90.65	0.00	4,737.6	3,730.3	0.0	3,730.3	0.00	0.00	0.00
8,400.0	90.65	0.00	4,736.5	3,830.2	0.0	3,830.2	0.00	0.00	0.00
8,500.0	90.65	0.00	4,735.3	3,930.2	0.0	3,930.2	0.00	0.00	0.00
8,529.8	90.65	0.00	4,735.0	3,960.0	0.0	3,960.0	0.00	0.00	0.00

PBHL-Pecos Fed #1

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
- Shape									
PBHL-Pecos Fed #1	0.00	0.00	4,735.0	3,960.0	0.0	643,221.70	404,916.60	32° 46' 4.537 N	104° 38' 33.592 W
- plan hits target									
- Point									

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,869.7	4,745.0	Top Pay		-0.58	360.00
	4,810.0	Base Pay		-0.58	360.00

Scientific Drilling
Planning Report



Database	EDM 2003.14 Single User Db	Well Name	Well Pecos Federal #1
Company	Mack Energy Corp.	Well Elev	WELL @ 3910.0ft (Original Well Elev)
Project	Eddy County, NM (NAD 27 NME)	Well Elev	WELL @ 3910.0ft (Original Well Elev)
State	Pecos Federal #1	Grid	Grid
Well	Pecos Federal #1	Minimum Curvature	Minimum Curvature
Well	OH		
Design	Plan #1		

Plan				
Station		Local Coordinates		Comments
Station	Station	Station	Station	
(ft)	(ft)	(ft)	(ft)	
4,297.0	4,297.0	0.0	0.0	KOP - build 12.00"/100'
5,052.4	4,774.4	482.9	0.0	EOC - hold 90.65°

Mack Energy Corp.

Project: Eddy County, NM (NAD 27 NME)
 Site: Pecos Federal #1
 Well: Pecos Federal #1
 Wellbore: OH
 Design: Plan #1



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	4297.0	0.00	0.00	4297.0	0.0	0.0	0.00	0.00	0.0	
3	5052.4	90.65	0.00	4774.4	482.9	0.0	12.00	0.00	482.9	
4	8529.8	90.65	0.00	4735.0	3960.0	0.0	0.00	0.00	3960.0	PBHL-Pecos Fed #1

WELL DETAILS: Pecos Federal #1

+N-S	+E-W	Northing	Ground Level:	3894.0	Latitude	Longitude	Slot
0.0	0.0	639261.70	Easting	404816.60	32° 45' 25.351 N	104° 38' 33.456 W	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N-S	+E-W	Northing	Easting	Latitude	Longitude	Shape
PBHL-Pecos Fed #14735.0	3960.0	0.0	643221.70	404816.60	32° 46' 4.537 N	104° 38' 33.592 W	Point	

PROJECT DETAILS: Eddy County, NM (NAD 27 NME)

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1884
 Zone: New Mexico East 3001

System Datum: Mean Sea Level

Plan: Plan #1 (Pecos Federal #1/OH)

Created By: Julie Pilla Date: 01-Nov-06
 Checked: Date:
 Reviewed: Date:
 Approved: Date:

