<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 District H 1301 W Grand Avenue, Artesia, NM 88210 District III

1 000 Rio Brazos Road, Aztec, NM 8741 0 District IV 1220 S St. Francis Dr , Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

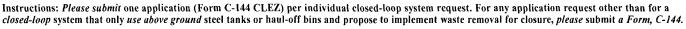
Form C-144 CLEZ July 21, 2008

For closed-loop systems that only use *above* ground steel tanks or *haul-off bins* and propose to implement waste removal. or closure, submit to the appropriate NMOCD District Office

Closed-Loop System Permit or Closure Plan Application

(that only above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Permit Closure Type of action:



Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.			
Operator Mack Energy Corporation	OGRID#_	013837	
Address P.O. Box 960 Artesia, NM 88210-0960	OORID#_		
Facility or well name Colts Federal #3			
	OCD Permit Number		
API Number .30-015-36262 U/L or Qtr/Qtr 9 Section 5 Towns	hip 16S Range 29E	County Eddy	
Center of Proposed Design: Latitude	Longitude	NAD: \$\int 1927 \int 1983	
Surface Owner: Federal State Tribal Trust or Indian Allotment			
Closed-loop System: Subsection H of 19.15.17.11 NAIAC Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A Above Ground Steel Tanks or Haul-off Bins			
Sign: Subsection C of 19.15.17.11 NMAC 12" x 24", 2" lettering, providing Operator's name, site location Signed in compliance with 19.15.3.103 NMAC	on, and emergency telephone numbers		
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached Design Plan -based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:			
Previously Approved Operating and Maintenance Plan Al	PI Number:	\	
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required. Disposal Facility Name:			
Operator Application Certification:			
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.			
Name (Print): Jerry Sherrell	Title: Produc		
Signature: Jung W. Sherall	Date: 1/30		
e-mail address: jerrys@mackenergycorp.com	Telephone: <u>57</u>	5-748-1288	

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Oil Conservation Division

OCD Approval: Permit Applies on (including closure plan) Closure Plan (only)		
OCD Representative Signature W. CUM	. Approval Date: 2-2-09	
Title: DISTRICT I SUPERVISOR	Approval Date: 2-2-09 OCD Permit Number: 020965	
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.		
Closure Completion Date:		
Closure Reports Regarding Waste Removal Closure for Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. Disposal Facility Name: Controlled Recovery Inc Disposal Facility Permit Number: NM-01-0006		
Disposal Facility Name:		
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below) \(\sigma\) NO		
Required for impacted areas which will not be used for future service and operations: Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique		
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.		
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	

Mack Energy Closed Loop System Design Plan

Equipment list,

- 2-414 Swaco Centrifuges
- 2-4 screen Mongoose shale shakers
- 2- CRI Bins with track system
- 2-500 BBL frac tanks for fresh water
- 2-500 BBL frac tanks for brine water

Operations and Maintenance

Closed Loop equipment will be inspected daily by each tour and any necessary maintenance performed.

Any leak in system will be repaired and /or contained immediately.

OCD notified within 48 hours.

Remediation process started.

Closure Plan

During drilling operations all liquids, drilling fluids and cuttings will be hauled off by CRI(Controlled Recovery Inc. Permit NM-01-0006).