

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

<p>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.)</p>		<p>WELL API NO. 30-015-33330</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Mack Energy Corporation</p>		<p>6. State Oil & Gas Lease No. NMLC-065729</p>
<p>3. Address of Operator P. O. Box 960 Artesia, NM 88211-0960</p>		<p>7. Lease Name or Unit Agreement Name Red Lake Sand Unit</p>
<p>4. Well Location Unit Letter <u>G</u> <u>2310</u> feet from the North <u>2310</u> line and <u>2310</u> feet from the East <u>2310</u> line Section <u>20</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>Eddy</u></p>		<p>8. Well Number <u>51</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3625' GR</p>		<p>9. OGRID Number 013837</p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/></p>		<p>10. Pool name or Wildcat Red Lake Shores; Grayburg</p>
<p>Pit type <u>Drilling</u> Depth Groundwater <u>180'</u> Distance from nearest fresh water well <u>3 miles</u> Distance from nearest surface water <u>2000'</u></p>		
<p>Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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

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

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.

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

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 12/16/2004
Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (505)748-1288
For State Use Onl

APPROVED BY: [Signature] TITLE Wild Sup ID DATE DEC 20 2004
Conditions of Approval (if any):