

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

**S** 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 14 2007

OCD-AK

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: Lion Federal #1 API # 30-015-35438 U/L or Qtr/Qtr I Sec 14 T-21-S R-21-E  
County: Eddy Latitude 32.951526N Longitude 104.106213W NAD: 1927 X 1983 ☐  
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

<b>Pit</b> 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	<b>Below-grade tank</b> 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.) 215'	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points) 0</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points) 0	100 feet or more	(0 points)
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.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No</td><td>(0 points) 0</td></tr></table>	Yes	(20 points)	No	(0 points) 0		
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.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td>1000 feet or more</td><td>(0 points) 0</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points) 0
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points) 0						
<b>Ranking Score (Total Points)</b> 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 11-5-2007
Level bottom of pit, lay felt or sand to protect liner, cap entire pit bottom with 20 mil plastic and backfill with minimum of 4' of soil.

*Pit closed 11/13/07*

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: 11-13-07

Printed Name/Title Signature *Jerry W. Shendell*

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:

Printed Name/Title \_\_\_\_\_ Signature *Signed By Mike Bratcher* NOV 21 2007

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 86401  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
NOV 4 2007  
OCD-ARTESIA  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
May 27, 2004

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. 30-015-35438
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		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. NMNM-112877
3. Address of Operator P. O. Box 960 Artesia, NM 88211-0960		7. Lease Name or Unit Agreement Name Lion Federal
4. Well Location Unit Letter <u>I</u> <u>2490</u> feet from the <u>South</u> line and <u>815</u> feet from the <u>East</u> line Section <u>14</u> Township <u>21S</u> Range <u>21E</u> NMPM County <u>Eddy</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4555' 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 Box Canyon Permo-Penn
Pit type <u>Drilling</u> Depth Groundwater <u>215'</u> Distance from nearest fresh water well <u>1000'</u> Distance from nearest surface water <u>500'</u>		
Pit Liner Thickness: _____ 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.

32,477.30  
104.768235

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: 9/21/07

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

For State Use Only

APPROVED BY: Gerry Guya TITLE: Compliance Officer DATE: OCT 9 2007  
Conditions of Approval (if any):

## Groundwater

8

215'

Orientation of pit    N    S    E    W

\* unable go any deeper, hit hard rock.

Highlander Environmental Corp.  
Pit Sample Location Plat


Pit wall in feet \_\_\_\_\_

x SW NW x

x Center x

x SE NE x

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

 Draw in North Arrow

Depth of pit in feet \_\_\_\_\_

Pit wall in feet \_\_\_\_\_

• Wellhead

Well Pad

Client: Mack Energy Corp.

Well Name: Lion Federal #1

API# 30-015-35438

## Summary Report

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

Report Date: November 13, 2007

Work Order: 7110733



Project Location: Eddy County, NM  
Project Name: Mack Energy/Lion Federal #1  
Project Number: 3281

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
142116	NE 2.0'	soil	2007-11-05	00:00	2007-11-07
142117	NW 2.0'	soil	2007-11-05	00:00	2007-11-07
142118	SE 2.0'	soil	2007-11-05	00:00	2007-11-07
142119	SW 2.0'	soil	2007-11-05	00:00	2007-11-07
142120	Center 2.0'	soil	2007-11-05	00:00	2007-11-07

Sample: 142116 - NE 2.0'

Param	Flag	Result	Units	RL
Chloride		4760	mg/Kg	2.00

Sample: 142117 - NW 2.0'

Param	Flag	Result	Units	RL
Chloride		2440	mg/Kg	2.00

Sample: 142118 - SE 2.0'

Param	Flag	Result	Units	RL
Chloride		4820	mg/Kg	2.00

Sample: 142119 - SW 2.0'

Param	Flag	Result	Units	RL
Chloride		4840	mg/Kg	2.00

Sample: 142120 - Center 2.0'

Trace Analysis, 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.*

Report Date: November 13, 2007  
3281

Work Order: 7110733  
Mack Energy/Lion Federal #1

Page Number: 2 of 2  
Eddy County, NM

Param	Flag	Result	Units	RL
Chloride		1790	mg/Kg	2.00