<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 District III
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1230 S. St. Francis Dr. Sonto Fo. NM 87505 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

March 12, 2004 For drilling and production facilities, submit to appropriate NMOCD District Office.

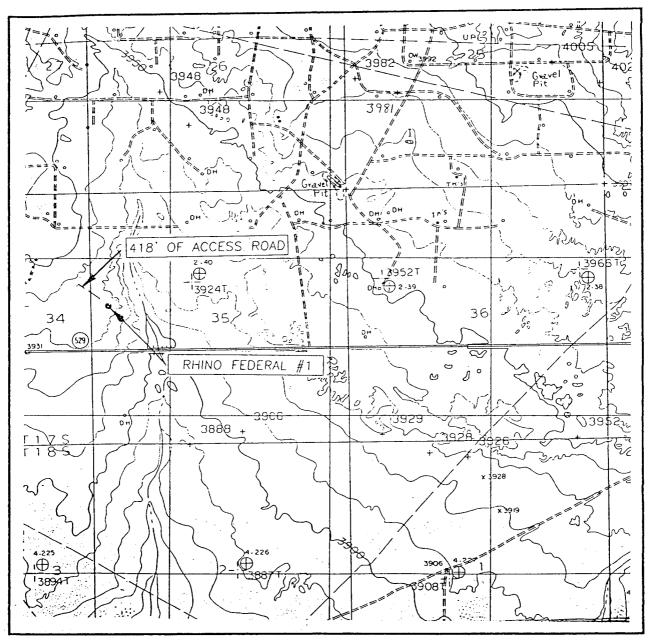
For downstream facilities, submit to Santa Fe

Form C-144

Pit or Below-Grade Tank Registration or Closure
Is pit or below-grade tank covered by a "general plan"? Yes No of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

| Type of action. Registration of a pit of  | closure of a pit of below-grad   | ie tank 🔲                                  |  |
|---|--|--|--|
| Operator: Mack Energy Corporation Telephone: (505)748-1288 e-mail address: jerrys@mackenergycorp.com  |  |  |  |
| Address: P.O. Box 960, Artesia, NM 88211-0960   |  |  |  |
| Facility or well name: Rhino Federal #1 API # 30-025  | 5-36605 U/Lor Otr/Otr E Sec 35 T 1   | 7S <sub>P</sub> 32E                        |  |
| County: Lea Latitude Longitude  | NAD: 1927   1983   Surface Ou  | unon Fordered M State M Painter M In His a |  |
| County: Lea Latitude Longitude NAD: 1927 1983 Surface Owner Federal X State Private Indian  |  |  |  |
| Pit   | Below-grade tank   |  |  |
| Type: Drilling Production Disposal  | Volume:bbl Type of fluid:  Construction material:  Double-walled, with leak detection? Yes  If not, explain why not, |  |  |
| Workover Emergency  |  |  |  |
| Lined Unlined   |  |  |  |
|   |  |  |  |
| Liner type: Synthetic Thickness 12 mil Clay Volume 2000 bbl   |  |  |  |
| bbi   |  |  |  |
| Depth to ground water (vertical distance from bottom of pit to seasonal high  | Less than 50 feet  | (20 points)                                |  |
| -   | 50 feet or more, but less than I 00 feet   | (10 points)                                |  |
| water elevation of ground water.)   | 100 feet or more   | ( 0 points) O Points                       |  |
|   |  | O Points                                   |  |
| Wellhead protection area: (Less than 200 feet from a private domestic   | Yes  | (20 points)                                |  |
| water source, or less than 1000 feet from all other water sources.)   | No   | (-0-points) (Points                        |  |
| ,   | (6)  | 1,7.                                       |  |
| Distance to surface water: (horizontal distance to all wetlands, playas,  | Less than 200 feet   | (20 points)                                |  |
| irrigation canals, ditches, and perennial and ephemeral watercourses.)  | 200 feet or more, but less than 1000 feet  | (10 points) - 3                            |  |
| series of the series of the personnel and opinionelal watercourses.)  | 1000 feet or more  | O points) Points                           |  |
|   |  | Points                                     |  |
|   | Ranking Score (Total Points)   | OCOUS CO 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:                     |  |  |  |
| 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 Ver  |  |  |  |
| 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.  |  |  |  |
| 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 \(\sime\), a general permit \(\time\), or an (attached) alternative OCD-approved plan                          |  |  |  |
| Date: 6/10/04   |  | 10   |  |
| Printed Name/Title Jerry W. Sherrell/Production Clerk Signature Lerry W. Sherrell   |  |  |  |
| Your certification and NMOCD approval offhis application/closure does not relieve the operator of liability should the contents of the sit or took                              |  |  |  |
| other wise changer public health of the environment. Not does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or  |  |  |  |
| regulations.  |  |  |  |
| Approval:   |  |  |  |
| - (//6/10/  |  |  |  |
| Date: 6/1/1/0 PETROL FUN.   |  |  |  |
| Printed Name/TitleSignatureSignature  |  |  |  |
|   |  |  |  |
|   |  | [  |  |

## LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10
DOG LAKE, N.M.

| SEC. <u>35</u> TWP. <u>17-S</u>  | RGE. <u>32-E</u> |  |
|----------------------------------|------------------|--|
| SURVEY N.M.F                     | P.M.             |  |
| COUNTYLE                         | 4                |  |
| DESCRIPTION 2310' FNL & 330' FWL |                  |  |
| ELEVATION 3                      | 935'             |  |
| OPERATOR MACK ENERGY CORPORATION |                  |  |
| LEASE RHINO FEDERAL              |                  |  |
| U.S.G.S. TOPOGRAPHIC MAP         |                  |  |

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505) 393-3117 Attached to Form 3160-3 Mack Energy Corporation Rhino Federal #1 2310 FNL & 330 FWL SW/4 NW/4, Sec 35 T17S R32E Lea County, NM

## 9. Well Site Layout:

- A. The drill pad layout, with elevations staked by John West Engineering, is shown in Exhibit #6. Dimensions of the pad and pits are shown. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required.
- B. Diagram below shows the proposed orientation of reserve pit, working pit. There is a possibility that the pits will be moved around depending on Caliche in the area. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.
- C. The reserve pit will be lined with high quality plastic sheeting (5-7 mil thickness).

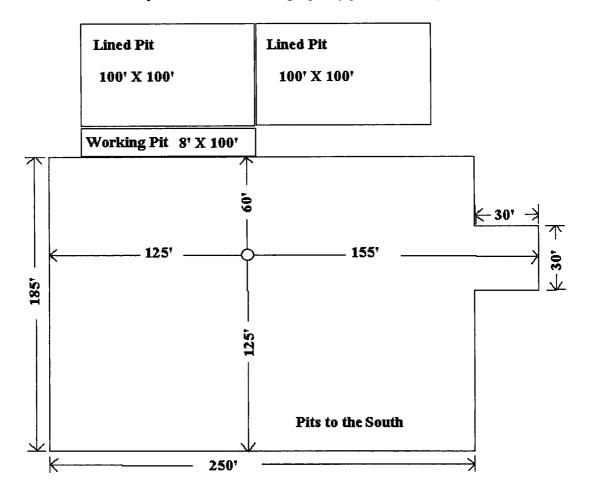


Exhibit #6

Surface Use Plan Page 8