

HOBBS OCDDistrict I
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 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

JULY 02 2012

State of New Mexico
Energy Minerals and Natural ResourcesDepartment
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 for closure, submit to the appropriate NMOCD District Office

RECEIVED**Closed-Loop System Permit or Closure Plan Application**

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

Type of action Permit Closure

Instructions: Please submit one application (Form C-144.CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

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.

1. Operator:	Mack Energy Corporation			OGRID #	013837
Address:	P.O. Box 960 Artesia, NM 88210-0960				
Facility or well name:	Mescalero State Com #1				
API Number:	30-025-40604			OCD Permit Number:	9104875
U/L or Qtr/Qtr	O	Section	11	Township	12S
Range	34E	County	Lea		
Center of Proposed Design	Latitude	Longitude			NAD <input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983
Surface Owner:	<input type="checkbox"/> Federal	<input checked="" type="checkbox"/> State	<input type="checkbox"/> Private	<input type="checkbox"/> Tribal Trust or Indian Allotment	
2. <input checked="" type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NAIAAC					
Operation: <input checked="" type="checkbox"/> Drilling a new well <input type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input type="checkbox"/> P&A					
<input checked="" type="checkbox"/> Above Ground Steel Tanks or <input type="checkbox"/> Haul-off Bins					
3. Sign: Subsection C of 19.15.17.11 NMAC					
<input type="checkbox"/> 12" x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers					
<input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC					

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 G 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 API 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 identify 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: Controlled Recovery Inc Disposal Facility Permit Number: NM-01-0006

Disposal Facility Name Disposal Facility Permit Number

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?

 Yes (If yes, please provide the information below) No

Required for impacted areas which will not be used for future service and operations

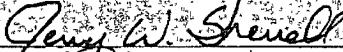
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

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 W. Sherrell

Title: Production Clerk

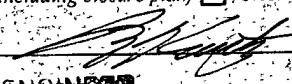
Signature: 

Date: 7/3/12

e-mail address: jerryw.sherrell@mec.com

Telephone: 575-748-1288

OCD Approval: Permit Applies on (including closure plan) Closure Plan (only)

OCD Representative Signature: 

Approval Date: 07/31/12

Title:

PETROLEUM ENGINEER

OCD Permit Number: 2104875

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.I.7 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 identify 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:

Disposal Facility Permit Number:

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) 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).