

District I
1625 N French Dr., Hobbs, NM 88240
District H
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
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 for closure, submit to the appropriate NMOC 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)

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 <u>Mack Energy Corporation</u>	OGRID # <u>013837</u> ✓
Address <u>P.O. Box 960 Artesia, NM 88210-0960</u>	
Facility or well name: <u>Kansas State #2</u>	
API Number <u>30-025-40807</u>	OCD Permit Number: <u>P1-05266</u>
U/L or Qtr/Qtr <u>I</u>	Section <u>26</u> Township <u>18S</u> Range <u>36E</u> County <u>Lea</u>
Center of Proposed Design: Latitude _____ Longitude _____ NAD ☐ 1927 ☐ 1983	
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment	
2	
☒ 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	
3	
Sign: Subsection C of 19.15.17.11 NMAC	
☐ 12" x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
☐ Signed in compliance with 19.15.3.103 NMAC	
4	
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	API Number: _____
5	
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: <u>Controlled Recovery Inc R360</u>	Disposal Facility Permit Number: <u>NM-01-0006</u>
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	
6	
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): <u>Jerry W. Sherrell</u>	Title: <u>Production Clerk</u>
Signature: <u>Jerry W. Sherrell</u>	Date: <u>10/1/12</u>
e-mail address: <u>jerrys@mec.com</u>	Telephone: <u>575-748-1288</u>

OCT 04 2012

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).