

HOBBS OCD

DEC 05 2012

Submit 2 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 October 25, 2007

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

RECEIVED

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

WELL API NO. 30-025-30009
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-1250
7. Lease Name or Unit Agreement Name Palomino State
8. Well Number 1
9. OGRID Number 013837
10. Pool name or Wildcat Vacuum; Grayburg San Andres

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.)
1. Type of Well: [X] Oil Well [] Gas Well [] Other
2. Name of Operator Mack Energy Corporation
3. Address of Operator P.O. Box 960 Artesia, NM 88211-0960
4. Well Location Unit Letter C 330 feet from the North line and 1650 feet from the West line
Section 36 Township 17S Range 35E NMPM County Lea
1. Elevation (Show whether DR, RKB, RT, GR, etc.) 3899' GR

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: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS [] P AND A []
CASING/CEMENT JOB []
[X] Location is ready for OCD inspection after P&A

- [X] All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
[X] Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
[X] A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- [X] The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
[X] Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
[X] If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
[X] All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
[X] All other environmental concerns have been addressed as per OCD rules.
[X] Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 12/3/12

TYPE OR PRINT NAME Jerry W. Sherrell E-MAIL: jerrys@mackenergycorp.com PHONE: (575)748-1288
For State Use Only

APPROVED BY: Makenzie Brown TITLE Compliance Officer DATE 12/6/2012
Conditions of Approval (if any):

DEC 06 2012