| Subtitit 3 Copies To Appropriate District Office   | State of New Mexico   |                                  |   | Form C-103                                   |  |                                      |  |
|--|---|----------------------------------|---|--|--|--------------------------------------|--|
| <u>District I</u><br>1625 N. French Dr., Hobbs, NM 88240<br>District 11  | Energy, Minerals and Natural Resources  |                                  |   | May 27, 2004 WELL API NO. 30-025-36932       |  |                                      |  |
| 1301 W. Grand Ave., Artesia, NM 88210<br><u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410   | OIL CONSERVATION DIVISION<br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 |                                  |   | 5. Indicate Type of Lease STATE FEE          |  |                                      |  |
| <u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM  | Salita Pe, INVI 87303   |                                  |   | 6. State Oil & Gas Lease No.                 |  |                                      |  |
| 87505 SUNDRY NOTICES AND REPORTS ON WELLS  |   |                                  |   | E-1774  7. Lease Name or Unit Agreement Name |  |                                      |  |
| (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  |   |                                  |   | Miller BW State                              |  |                                      |  |
| PROPOSALS.)  1. Type of Well: Oil Well  Gas Well  Other  |   |                                  |   | 8. Well Number 3                             |  |                                      |  |
| 2. Name of Operator  |   |                                  |   | 9. OGRID Number                              |  |                                      |  |
| Mack Energy Corporation  3. Address of Operator  |   |                                  |   | 013837                                       |  |                                      |  |
| P. O. Box 960 Artesia, NM 88211-0960   |   |                                  |   | Vacuum Grayburg San Andres                   |  |                                      |  |
| 4. Well Location   |   |                                  |   |  |  |                                      |  |
| Unit Letter K  | 1840feet from th  | 170                              | line and                                | 2120   | _feet from the   | West line                            |  |
| Section3   | Township _  |                                  | <u> </u>                                | NMPM   | County   | Lea                                  |  |
| I 1. Elevation (Show whether DR, RKB, RT, GR, etc.) 4064' GR   |   |                                  |   |  |  |                                      |  |
| Pit or Below-grade Tank Application or Closure   |   |                                  |   |  |  |                                      |  |
| Pit type Drilling Depth Groundwater 95 Distance from nearest fresh water well 1000' Distance from nearest surface water 1000'  |   |                                  |   |  |  |                                      |  |
| Pit Liner Thickness: 12 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   REMEDIAL WORK   ALTERING CASING   COMMENCE DRILLING OPNS.   P AND A   PULL OR ALTER CASING   MULTIPLE COMPL   CASING/CEMENT JOB  |   |                                  |   |  |  |                                      |  |
| OTHER: Pit Closure   |   | $\bowtie$                        | 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 proposes to close Drilling pit as follows:   |   |                                  |   |  |  |                                      |  |
|  |   |                                  |   |  |  |                                      |  |
| <ol> <li>Remove fluids from pit.</li> <li>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.</li> <li>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</li> </ol> |   |                                  |   |  |  |                                      |  |
| 4. Cover with a minimum 3' of na   |   |                                  |   |  | ر في المار الم | £ .                                  |  |
| 5. Contour pit to prevent erosion  | and ponding of rainwat  | ter.                             |   |  |  |                                      |  |
|  |   |                                  |   |  | OCD CLASSIC  | Noceived                             |  |
| I hereby certify that the information grade tank has been/will be constructed o  | above is true and comple  | ete to the best<br>CD guidelines | of my knowledge :<br>, a general permit | and belief. I<br>or an (attacl               | further certify that<br>ned) alternative OCD-  | any pit or below-<br>approved plan [ |  |
| SIGNATURE / cmy/u  | ! Shenell   |                                  | luction Clerk                           |  | DATE_9/  | <u>′13/06</u>                        |  |
| Type or print name Jerry W. Sherr<br>For State Use Only  | ell , N   |                                  | ss:jerrys@macke                         |  | 1 cicphone i   | No. (505)748-1288                    |  |
| APPROVED BY: Your 1<br>Conditions of Approval (if and):  | J. Wink   | TITLE_                           | IELD REPRESEN                           | ITATIVE II                                   | <b>/STAFF MANAG</b><br>DATE_   | EF                                   |  |