

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Bruzoz 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

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MAY 10 2010

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 it 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.

Operator: Mack Energy Corporation OGRID #: 013837  
Address: P.O. Box 960 Artesia, NM 88210-0960  
Facility or well name: Perch State #1  
API Number: 30-025-37073 OCD Permit Number: PI-02010  
U/L or Qtr/Qtr B Section 30 Township 16S Range 32E County Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

☒ **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

**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

**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: \_\_\_\_\_

**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: Jerry W. Sherrell

Date: 5/10/10

e-mail address: jerrys@mackenergycorp.com

Telephone: 575-748-1288

<b>7</b> <b>OCD Approval:</b> <input type="checkbox"/> Permit Applies on (including closure plan) <input type="checkbox"/> Closure Plan (only)	
OCD Representative Signature: _____	Approval Date: <u>5-11-10</u>
Title: <u>State Rep</u>	OCD Permit Number: <u>91-02010</u>

<b>8.</b> <b>Closure Report (required within 60 days of closure completion):</b> Subsection K of 19.15.17.13 NMAC <i>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.</i>	
<input type="checkbox"/> Closure Completion Date: _____	

<b>9.</b> <b>Closure Reports Regarding Waste Removal Closure for Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</b> <i>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.</i>	
Disposal Facility Name: <u>Controlled Recovery Inc</u>	Disposal Facility Permit Number: <u>NM-01-0006</u>
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? <input type="checkbox"/> Yes (If yes, please demonstrate compliance to the items below) <input type="checkbox"/> NO	
<i>Required for impacted areas which will not be used for future service and operations:</i>	
<input type="checkbox"/> Site Reclamation (Photo Documentation)	
<input type="checkbox"/> Soil Backfilling and Cover Installation	
<input type="checkbox"/> Re-vegetation Application Rates and Seeding Technique	

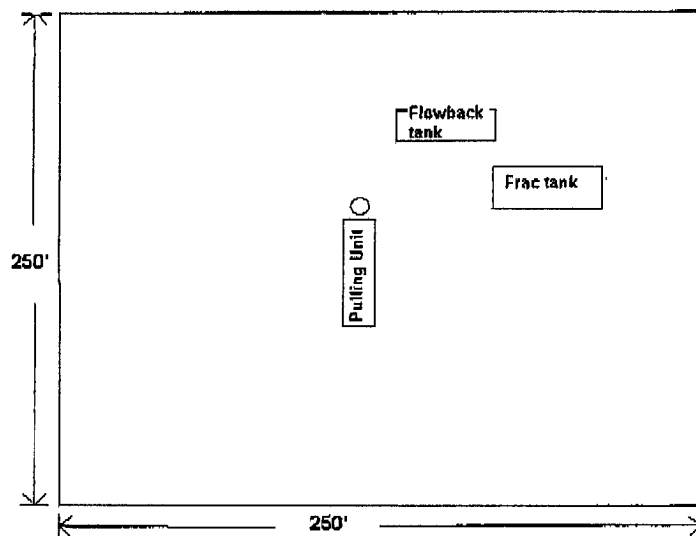
<b>10.</b> <b>Operator Closure Certification:</b> I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.	
Name (Print): _____	Title: _____
Signature: _____	Date: _____
e-mail address: _____	Telephone: _____

### Standard setup for workover operations

Tanks and equipment are of adequate size to hold all fluids during plugging operations.

Daily inspections of all equipment will be performed.

In the event of a leak: Fluids will be removed and remediation procedure started. OGD will be notified within 48 hours of any leak.



Note: Flowback tank is a frac tank