

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
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

Form C-101  
June 16, 2008

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

RECEIVED OGD AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Mar Oil and Gas Corporation PO Box 5155 Santa Fe, NM 87502		<sup>12</sup> OGRID Number 151228
<sup>3</sup> Property Code 38123		<sup>5</sup> API Number 30 - 019-20139
<sup>3</sup> Property Name Thorpe A State		<sup>6</sup> Well No. 1
<sup>9</sup> Proposed Pool 1 Pre-Cambrian		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	T11N	R25E		330	North	330	West	Guadalupe

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

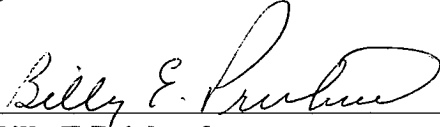
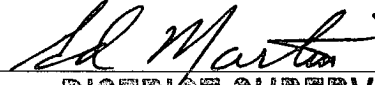
<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4492
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 3500	<sup>18</sup> Formation Pre-Cambrian	<sup>19</sup> Contractor United Drilling	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24#	450	290	0
7 7/8	5 1/2	15.50	3500	500	0

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.  
Mar proposes to drill 12 1/4" surface hole to 450ft with fresh water x 8 5/8" casing set at 450ft x Cement circulated to surface  
2000psi Hydraulic BOP will be used to drill 7 7/8" hole to TD 3500ft x Mud and elogs will determine the running and cementing of 5 1/2" casing at TD.  
KCL mud system will be used from 450ft to TD 3500ft

8 5/8 CASING TO BE SET AT 1,000 FEET.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Billy E. Prichard		Title: DISTRICT SUPERVISOR	
Title: Field Supervisor		Approval Date: 4/27/10	Expiration Date: 4/27/12
E-mail Address: billy@pwllc.net			
Date: 4/14/2010	Phone: 432-934-7680	Conditions of Approval Attached <input type="checkbox"/>	

COLLECT AND SACK SAMPLES FOR  
N.M. MEXICO BUREAU OF MINES, SOCORRO  
AT AT LEAST TEN FOOT INTERVALS

OIL CONSERVATION COMMISSION TO BE NOTIFIED  
WITHIN 24 HOURS OF BEGINNING OPERATIONS

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 15, 2009  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-019-20139</b>		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Wildcat; Pre-Cambrian</b>
<sup>4</sup> Property Code <b>38123</b>	<sup>5</sup> Property Name <b>Thorpe A State</b>		<sup>6</sup> Well Number <b>#1</b>
<sup>7</sup> OGRID No. <b>151228</b>	<sup>8</sup> Operator Name <b>Mar Oil and Gas Corporation</b>		<sup>9</sup> Elevation <b>4492'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>15</b>	<b>T 11 N</b>	<b>R 25 E</b>	<b>D</b>	<b>330</b>	<b>NORTH</b>	<b>330</b>	<b>WEST</b>	<b>GUADALUPE</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>40</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Billy E. Prichard</i> 4/14/10 Signature Date Billy E. Prichard Printed Name	
				<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. March 17, 2010 Date of Survey Signature and Seal of Professional Surveyor: <i>Quint Shields</i> Certificate Number NM-LS NO. 5103	

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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 NMOCD District Office.

**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.

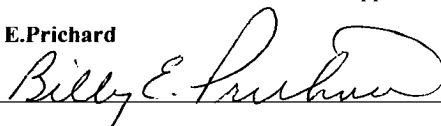
1.  
Operator: **Mar Oil and Gas Corporation** OGRID #: **151228**  
Address: **PO Box 5155 Santa Fe, NM 87502**  
Facility or well name: **Thorpe A State # 1**  
API Number: **New Drill** OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr **D** Section **15** Township **T11N** Range **R25E** County: **Guadalupe**  
Center of Proposed Design: Latitude **N 35 degrees 11'09.7"** Longitude **W 104 degrees 17'01.2"** NAD: ☐ 1927 ☒ 1983  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
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.  
**Signs:** 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: **Fluid - Richardson Fee SWD # 2** Disposal Facility Permit Number: **SWD-262-0**  
Disposal Facility Name: **Solids - Gandy Marley** Disposal Facility Permit Number: **NM01-0019**  
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): **Billy E. Prichard** Title: **Field Supervisor**  
Signature:  Date: **4/14/2010**  
e-mail address: **billy@pwllc.net** Telephone: **432-934-7680**

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: Ed Martin Approval Date: 4/22/10

Title: DISTRICT SUPERVISOR OCD Permit Number: \_\_\_\_\_

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 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: \_\_\_\_\_

9. **Closure Report 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: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

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

10. **Operator Closure Certification:**

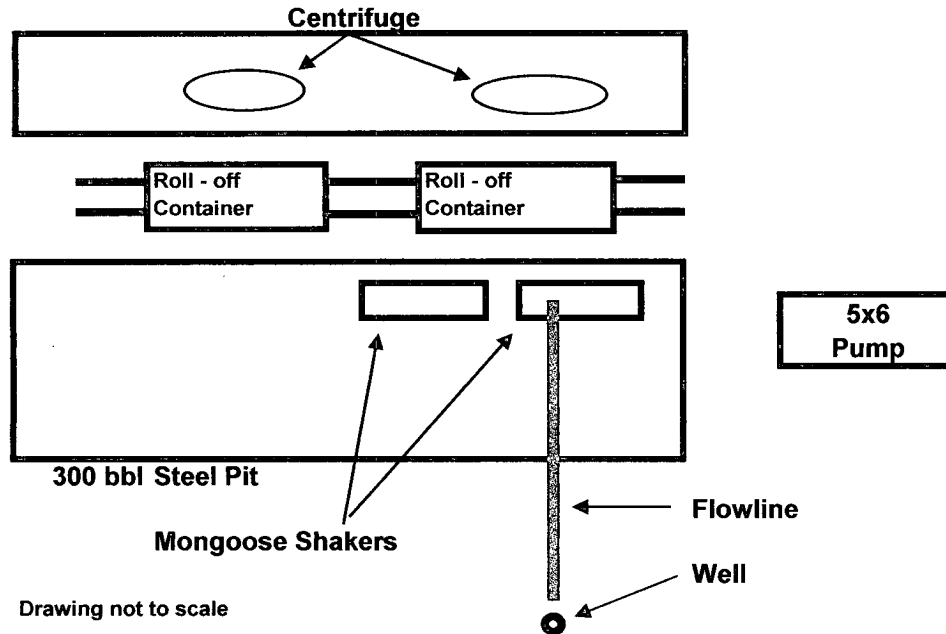
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Mar Oil and Gas Corporation  
Thorpe A State # 1  
UL D, Section 15, T11N, R25E  
Guadalupe County, NM  
New Drill  
Closed Loop System Diagram**



BEP

Drawing not to scale

**Operating and Maintenance Plan**

- Cuttings will be discharged from shaker into roll - off containers
- Centrifuges set directly over roll - off containers and solids are discharges directly in to roll - offs
- Roll - off containers are monitored 24 hours a day by solid control specialist
- Roll - off containers will be replaced as needed

**Closure Plan**

- Drilled solids will be removed as needed in roll - off containers
- Drill solids will be transported to Gandy Marley Permit # NM1-0019
- Drilling fluids will be hauled to suitable off location waste disposal facility