

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

Permit

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

¹ Operator Name and Address Mar Oil and Gas Corporation PO Box 5155 Santa Fe, New Mexico 87502		² OGRID Number 151228
⁴ Property Code 38123		³ API Number 30-019-20140
⁵ Property Name Thorpe A State		⁶ Well No. 002

⁷ Surface Location

UL - Lot D	Section 15	Township 11N	Range 25E	Lot Idn	Feet from 370	N/S Line North	Feet From 395	E/W Line West	County Guadalupe
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⁸ Pool Information

Santa Rosa Tar Sand	
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary Rotary	¹² Lease Type State	¹³ Ground Level Elevation 4490
¹⁴ Multiple N	¹⁵ Proposed Depth 470	¹⁶ Formation SRTS	¹⁷ Contractor Macks Drilling	¹⁸ Spud Date As soon as approved
Depth to Ground water 90-100		Distance from nearest fresh water well 1500ft		Distance to nearest surface water 1500ft

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	12 1/4	9 5/8	36#	120	40	Surface
	8 3/4	7	23#	350	50	Surface

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
None			

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: **Billy E. Prichard**

Title: **Foreman**

E-mail Address: **billy@pwllc.net**

Date: **11/9/11**

Phone: **432-934-7680**

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: **11/30/2011**

Expiration Date: **11/30/2013**

Conditions of Approval Attached

Mar Oil and Gas Corporation
Drilling Plan
Thorpe A State # 2
370 FNL X 395 FWL
Unit Letter "D", Section 15, T11N, R25E
Guadalupe County, New Mexico

1. Move in Mack Drilling Company.
2. Drill 12 1/4" hole to 120 feet with air.
3. Run and set 9 5/8" externally coated 36# K55 casing at 120 feet and cement with 40 sacks of Class "C" cement. Cement will be circulated to surface.
4. Drill 8 3/4" hole to 350 feet with air.
5. Run and set 7" externally coated 23# J55 casing at 350 feet and cement with 50 sacks of Class "C" cement. Cement will be circulated to surface.
6. Drill 6 1/4" hole to a total depth of 470 feet. TD will be determined by sample analysis. Possible core from 400-470 feet
7. Well will be equipped with wire brush attached tubing and rods for conventional completion

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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

¹ API Number 30-019-20140		² Pool Code	³ Pool Name
⁴ Property Code 38123	⁵ Property Name Thorpe A State		⁶ Well Number 2
⁷ OGRID No. 151228	⁸ Operator Name Mar Oil and Gas Corporation		⁹ Elevation 4490'

¹⁰ 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	T 11 N	R 25 E	D	370	NORTH	395	WEST	GUADALUPE

¹¹ 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
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁷ 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.

Billy E. Prichard 11/15/11
Signature Date
Billy E. Prichard
Printed Name

¹⁸ 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.

November 4, 2011

Date of Survey

Signature and Seal of Professional Surveyor:

Jim Shultz
Certificate Number NM LS NO. 5103

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State of New Mexico
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Department
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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.

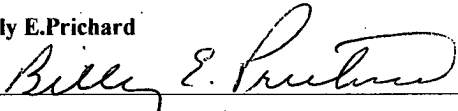
1.
Operator: **Mar Oil and Gas Corporation** OGRID #: **151228**
Address: **PO Box 5155 Santa Fe, NM 87502**
Facility or well name: **Thorpe A State # 2**
API Number: **New Drill 30-019-20140** OCD Permit Number: _____
U/L or Qtr/Qtr **D** Section **15** Township **T11N** Range **R25E** County: **Guadalupe**
Center of Proposed Design: Latitude **N 35 degrees 11'09.3"** Longitude **W 104 degrees 17'00.7"** 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 - Gandy Marley** Disposal Facility Permit Number: **NM01-0019**
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: **11/17/11**
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: 11/30/2011

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 indentify 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 # 2
Drill solids Plan

Well be drilled with air

Open top tank will be used to collect drill solids for removal to Gandy Marley Land Farm

Will set and cement a 10ft conductor to divert solids to tank

Small plastic lined pit will be dug next to the drilling rig to collect any run off from drilling operations.

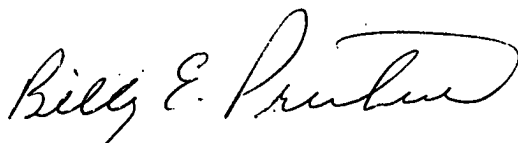
Open top tank will be monitored during drill operations for any build of fluids or solid and will be removed on an as needed basis.

Ed, Enclosed is the C102 with surveyors stamp for the Thorpe A State # 2 new drill. Also enclosed is C144 CLEZ for the drill solids on the well. I have talked with Mack Drilling and we think this will work with out digging a pit to contain the drill solids and will handle like a closed loop system.

RECEIVED GCD
2011 NOV 21 P 2:08

Please call or email if you have questions.

Thanks



Billy (Bill) E. Prichard
Mar Oil and Gas Corporation
432-934-7680 cell
Email; billy@pwllc.net