

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO. 30-045-08921
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. EO-3149-0011
7. Lease Name or Unit Agreement Name New Mexico Com G (17717 Prop Code)
8. Well Number 1
9. OGRID Number 131994
10. Pool name or Wildcat Blanco-Pictured Cliffs (72359)

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: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator Four Star Oil & Gas Company (131994)
3. Address of Operator 15 Smith Road Midland, Texas 79705 (c/o Alan W. Bohling, Rm 4205)
4. Well Location Unit Letter <u>P</u> : <u>990</u> feet from the <u>South</u> line and <u>860</u> feet from the <u>West</u> line Section <u>36</u> Township <u>30-N</u> Range <u>10-W</u> NMPM San Juan County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5,786' DR</u>

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 ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐ **RCVD FEB 12 '09**
OIL CONS. DIV.
DIST. 3

OTHER: Recomplete in Basin Fruitland Coal & DHC Produce ☒

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.

Four Star Oil & Gas Company respectfully submits this request for approval to recomplete in the Fruitland Coal and DHC produce the existing Blanco-Pictured Cliffs (72359) and Basin-Fruitland Coal (71629) Pools within the wellbore, as granted by DHC-1521 AZ, 06/15/2004, per the following and/or attached procedure and wellbore diagram:

1. Install & test rig anchors. Comply w/ all Regulatory Agency & Chevron HES Regulations.
2. MIRU WO Rig. Check pressures. NU relief line on tbg head. BWD & kill well. ND WH NU CO spool, 2 - 3" lines to FB tank & BOP's. Test BOP's to 2500 psi. POOH w/ tbg, LD.
3. RU WLU & test lubricator. PU GR & RIH to ~2440'. RIH w/ RST & log f/ 2440' to 2100'. POOH. RIH w/ 5-1/2" CBP & set @ ~2325'. Press test csg. Fill well w/water & run CBL f/ CBP to 2100'.
4. Perforate basal FC per RST logs. RU & Frac Treat as per service company.
5. RIH w/ 5-1/2" CBP & set @ ~2270'. RIH & perforate upper FC. Frac Treat upper FC as per service company.
6. Flow/kill well. PU 4-3/4" bit & bit sub on 2-3/8" L-80 WS. RIH & DO both CBP's. Tag & CO to PBTD @ ~2402'.
7. PU new 2-3/8" 4.7# J-55 prod. tbg & capillary string & RIH. Circ any fill. Land well w/ EOT @ 2370'. ND BOP's, NU WH. PU & RIH w/ prod equip. RD & MOL. Turn well over to production.

Spud Date:

Rig Release Date:

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

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE February 11, 2009

Type or print name Alan W. Bohling E-mail address: ABohling@chevron.com PHONE: 432-687-7258
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 23 2009

Conditions of Approval (if any): HOLD C104 FOR C-10.2 for Basin Fruitland Coal pool



New Mexico Com G1

API # 30-045-08921

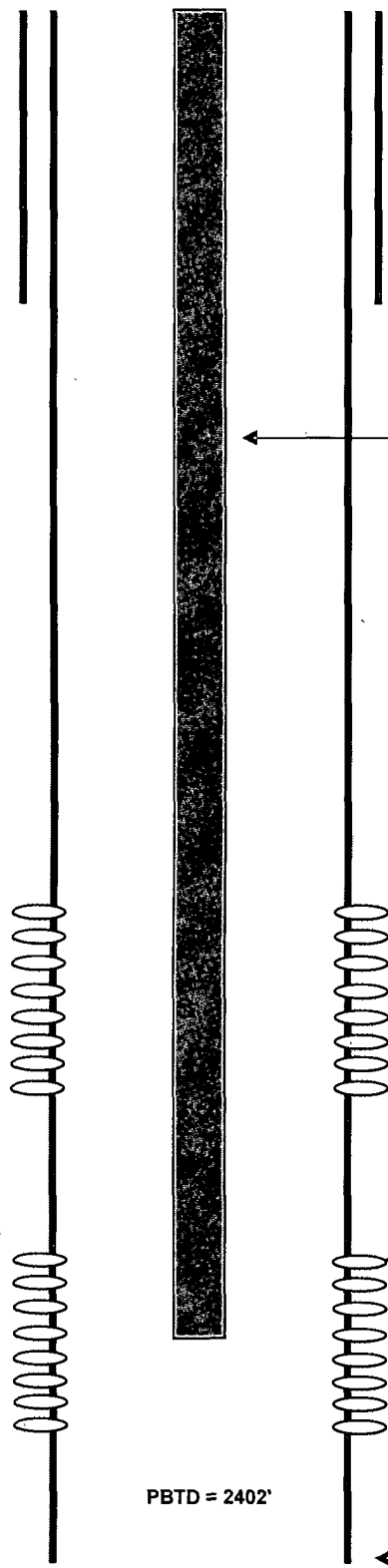
San Juan County, New Mexico

Proposed Well Schematic

API: 30-045-08921
Legals: Sec 36 - T 30N - R 10W
Field: Blanco Pictured Cliffs

KB
KB Elev
Gr Elev 5776'

Spud Date: 11/8/59
Compl Date: 11/14/59



Surface Casing:
8-5/8", 24#, J-55 set @ 198' in 11" hole
Cmt'd w/ 250 sks. Circulated cmt to surface.
TOC = 0'

Tubing Details: Run NEW
2-3/8" tbg @ ~2325'

NEW Fruitland Coal Perforations
LRP Unit to pump well

Pictured Cliffs Perfs: 2 js pf
2330' - 2370'
30,000 gal water & 30,000# sand.

Production Casing:
5-1/2", 14#, J-55 Set @ 2440' in 7-7/8" Hole
Cmt'd w/ 150sks.
Est TOC = 1350' ?

PBT D = 2402'

TD = 2440'

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State of New Mexico
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 Four Star Oil & Gas Company OGRID #: 131994
Address 15 Smith Road, Midland, TX 79705 (c/o Alan W. Bohling, Room 4205)
Facility or well name New Mexico Com G #1
API Number: 30-045-08921 OCD Permit Number _____
U/L or Qtr/Qtr UL P, SESE Section 36 Township 30-N Range 10-W County: San Juan
Center of Proposed Design. Latitude 36.764020 Longitude -107.830172 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 Envirotech (solids) Disposal Facility Permit Number: NM-01-0011
Disposal Facility Name Key Energy (liquids) Disposal Facility Permit Number NM-01-0009
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) Alan W Bohling Title Regulatory Agent
Signature Alan W. Bohling Date 02/11/2009
e-mail address ABohling@chevron.com Telephone (432) 687-7158

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

OCD Representative Signature: _____ Approval Date: _____

Title: _____ 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: _____

Four Star Oil & Gas Company (131994)
Closed-loop Plans

Closed-loop Design Plan

FSOG's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for workover rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

1. Fencing is not required for an above ground closed-loop system
2. It will be signed in compliance with 19.15.3.103 NMAC
3. Frac tank(s) will be on location to store fresh water/KCL/returns.

Closed-loop Operating and Maintenance Plan

CMLP's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

1. The liquids will be vacuumed out and disposed of by Key Energy (Disposal Facility Permit # NM-01-0009). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) on a periodic basis to prevent over topping.
2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by workover rig operations will be placed or stored in the tank.
3. The NMOCD Division District Office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately
4. All of the above operations will be inspected and a log will be signed and dated. During workover rig operations, the inspection will be daily.

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) immediately following rig operations. All remaining liquids will be transported and disposed of in the Key Energy Disposal Facility (Permit # NM-01-0009). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible. If area off the location is affected it will be restored and re-vegetated upon completion of the work over project.