

1370

Form C-142

Date 06/99

District I - (505) 393-6161

1625 N. French Dr

Hobbs, NM 88241-1980

District II - (505) 748-1283

811 S. First

Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District IV - (505) 827-7131

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street

Santa Fe, New Mexico 87505

(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

OCT 28 1999

OIL CONSERVATION DIVISION

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address PENROC OIL CORPORATION P. O. BOX 5970, HOBBS, NEW MEXICO 88241						OGRID Number 017213		
Contact Party M. Y. (MERCH) MERCHANT/ BRANDY RICE						Phone (505) 397-3596		
Property Name PENROC " 9 " STATE					Well Number 1		API Number 30-025-34686	
UL I	Section 09	Township 10-S	Range 34E	Feet From The 1650	North/South Line SOUTH	Feet From The 660	East/West Line EAST	County LEA

II. Date/Time Information

Spud Date SEPT. 8, 1999	Spud Time 2 A.M.	Date Completed OCT. 21, '99	Pool LANE ABO, SOUTHEAST
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
ss.
County of Lea)

M. Y. Merchant, being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title President Date 10/26/1999

SUBSCRIBED AND SWORN TO before me this 26th day of October, 1999.

[Signature]
Notary Public ROSA SOSA

My Commission expires: 12-01-01

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spec.</u>	Date <u>DEC 20 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: DEC 20 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PNZV2007136640

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address. PENROC OIL CORPORATION P.O. BOX 5970, HOBBS, NM 88241		¹ OGRID Number 17213
		¹ API Number 30-025-34686
⁴ Property Code 24847	⁵ Property Name PENROC "9" STATE	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	9	10S	34E		1650	South	660	EAST	LEA

⁸ 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

⁹ Proposed Pool 1

LANE ABO, SOUTHEAST

¹⁰ Proposed Pool 2

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4212'
¹⁶ Multiple	¹⁷ Proposed Depth 9100'	¹⁸ Formation ABO	¹⁹ Contractor KEY ENERGY	²⁰ Spud Date SEPT. 4, 1999

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48	400'	440	SURFACE
11"	8 5/8"	32 & 28	4050'	850	SURFACE
7 7/8"	5 1/2"	17 & 20	9100'	2000	3700'

²² 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.

Sept. 4, 1999 is estimated spud date depending on rig move.
BOP schedule is attached and they will be tested each day during the drilling process. Mud program will be in effect to properly clean hole. Will mud up and control water loss on top of Abu Shales to TD. At TD will run open hole logs. Mud log will be used to properly evaluate. No DSTs or cores are planned.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *M. Y. Merchant*
Printed name: **M. Y. Merchant**
Title: **President**
Date: **8/31/99**
Phone: **(505) 397-3596**

OIL CONSERVATION DIVISION

Approved by: <i>[Signature]</i>	
Title: Geologist	
Approval Date: AUG 31 1999	Expiration Date:
Conditions of Approval: Attached ☐	

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO. 30-025-34686
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. VA 1332

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 ☒ GAS WELL ☐ OTHER ☐	7. Lease Name or Unit Agreement Name PENROC "9" STATE
2. Name of Operator PENROC OIL CORPORATION	8. Well No. 1
3. Address of Operator P.O. Box 5970, HOBBS, NM 88241	9. Pool name or Wildcat LANE ABO, SOUTHEAST
4. Well Location Unit Letter I : 1650 Feet From The SOUTH Line and 660 Feet From The EAST Line Section 9 Township 10 S Range 34 E NMPM LEA County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
OTHER: ☐	PLUG AND ABANDONMENT ☐
	CASING TEST AND CEMENT JOB ☐
	OTHER: Drill & Set casing ☒

12. 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.

Spudded 2 A.M. Sept. 8, 1999. Drilled 17 1/2" hole to 435'. Set 13 3/8" 48-61" csg. Cemented w/ 440 SXS. Circulated 150 SXS. w.o.c. & drilled 11" hole to 4050'. Set 8 5/8", 28 & 32" csg @ 4050' w/ 875 SXS. Circulated 40 SXS. Sept 17, 99. Drilled 7 7/8" hole to 9080'. Mudded up @ 8950'. Ran CNL-DLL. Unable to run DLL below 8100'. Ran & set 9080' of 5 1/2", 20 & 17", P-110 & N-80 csg. Cemented w/ 220 SXS. Lead & 1468 SXS. 50-50 PB2. Good circ. Burned plug-hold 2500'. Set slips. Installed tubing head & released xlg @ 10:30 A.M. Oct 7, 1999. Evaluating for completion 2-3 weeks. No DSTs or cores were taken.

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

SIGNATURE *M. Y. Merchant* TITLE Resident DATE 10/18/99
TYPE OR PRINT NAME M Y. Merchant TELEPHONE NO. (505) 397-3596

(This space for State Use)

ORIGINAL SIGNED BY
GARY WINK
FIELD REP. II

OCT 14 1999

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-34686
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. VA 1332

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐		7. Lease Name or Unit Agreement Name PENROC '9' STATE	
b. Type of Completion: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ FLUG BACK ☐ DEEP RESVR ☐ OTHER ☐		8. Well No. J	
2. Name of Operator PENROC OIL CORPORATION		9. Pool name or Wildcat LANE ABO, SOUTHEAST	
3. Address of Operator P.O. Box 5970, HOBBS, NM 88241			
4. Well Location Unit Letter I : 1650 Feet From The SOUTH Line and 660 Feet From The EAST Line Section 09 Township 10S Range 34E NMPM LEA County			
10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.) 10/21/99	13. Elevations (DF & RKB, RT, GR, etc.)
14. Elev. Casinghead	15. Total Depth 9080	16. Plug Back T.D. 9060'	17. If Multiple Compl. How Many Zones? -
18. Intervals Drilled By Rotary Tools ROTARY	Cable Tools -	19. Producing Interval(s), of this completion - Top, Bottom, Name 8956'-9040' (ABO)	
20. Was Directional Survey Made YES		21. Type Electric and Other Logs Run CNL, DLL & GR	
22. Was Well Cored NO			

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48-61#	435	17 1/2	440 SXS.	CIRC. 150 SN
8 5/8"	32	4060	11"	875 SXS.	CIRC. 40 SN
5 1/2	17#20	9080'	7 7/8"	1688 SXS.	TDC 5752'

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
					2 7/8"	8890'
						PACKER SET 8890'

26. Perforation record (interval, size, and number) 8956' - 9040' (38 holes)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	8956-9040	Acidized w/ 3200 gal. 20% w/ 606 gal. sealers

PRODUCTION

28. Date First Production 10/21/99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Shut-in	
Date of Test 10/21/99	Hours Tested 6	Choke Size 2"	Prod'n For Test Period	Oil - Bbl 6	Gas - MCF 17	Water - Bbl Trace	Gas - Oil Ratio 4166
Flow Tubing Press. 50#	Casing Pressure pkv	Calculated 24-Hour Rate	Oil - Bbl 24	Gas - MCF 100	Water - Bbl 1	Oil Gravity - API - (Corr.) 40.5	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented for test - will sell via Pennco 10' meter-Dynegy	Test Witnessed By Billy Walker/Del Marchington
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30. List Attachments CNL, DLL & Deviation Survey

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Yolanda Merchant Printed Name M.Y. Merchant Title President Date 10/25/99



PENROC "19" STATE
DIVISION OF INTEREST

Tom Moore 633 Seventeenth Street Denver, CO 80202	(10%)
Allen Barnard 1002 Mesa Verde Hobbs, NM 88240	(5%)
Rarn 920 Adeline Ct St Paul, MN	(15%)
Doug Kasch 50 Oakridge Algona, Iowa 50511	(10%)
Randy Berg	(5%)
John Bryant 911 Silver Hobbs, NM 88240	(5%)
Schabert Ent. Inc.	(5%)
Marvin Scherzer	(3%)
Floos, Inc.	(10.5%)
Penroc	(8%)
Star Oil & Gas P. O. Box 2008 Hobbs, NM 88240	(5%)
Parkash Ranka 7701 Shumand Cir. Irving, TX 75063	(5%)
Glenn Luff P. O. Box 10674 Midland, TX 79702	(2%)
Bill Lee HC 60 Box 465 Lovington, NM 88260-9613	(2%)
Desert States 125 E Baja Dr. Hobbs, NM 88240	(7.5%)
R. Y. M. E.	(2%)