

Send to W. AND Brooks

PENROC Oil Corporation

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P.O. Box: 5970 Hobbs, New Mexico 88241 U.S.A.

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February 8, 2002

Mr. Chris J. Williams
District Supervisor
Oil Conservation Division
1625 French Drive
Hobbs, New Mexico 88240

**Re: Keohane #3
Unit K, Section 6, T-20S, R-38-E
Lea County, New Mexico**

Dear Chris:

As per our discussions of past many days, Penroc Oil Corporation is interested in acquiring the captioned well and associated equipment. This well has been left shut-in by the current operator Professional Services, Inc. Professional owes approximately \$15,000 to one of Penroc's sister companies and after every effort including legal, has not been able to collect the same.

Penroc is filing the attached change of operator form from Professional to Penroc effective this date and intend to return to production after a work over within the next 90 days. Thank you.

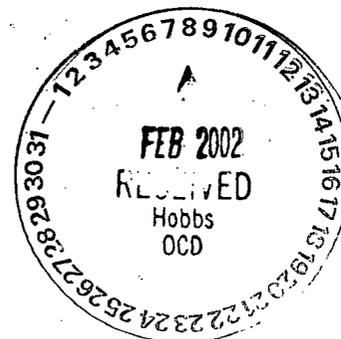
Sincerely,



M. Y. (Merch) Merchant
President

CC: Mr. David Brooks/Santa Fe
Mr. Arnold Divine
Mr. Joe Valencia, Joe's Well Service

Attachment: Change of Operator



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-104A
March 19, 2001

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

Submit 1 copy of the final affected wells
list along with 1 copy of this form per
number of wells on that list to appropriate
District Office

Change of Operator

Previous Operator Information:

OGRID: 168917
Name: Professional Oil Services Inc
Address: P. O. Box 12985
Address:
City, State, Zip: Odessa, TX 79768-2985

New Operator Information:

Effective Date: February 8, 2002
New Ogrid: 017213
New Name: Penroc Oil Corporation
Address: P. O. Box 2769
Address: 5014 Carlsbad Highway
City, State, Zip: Hobbs, NM 88241-2769

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator

Signature: [Signature]

Printed name: Mohammed Y. Merchant

Title: President, Penroc Oil Corporation

Date: Feb. 13, 2002 Phone: (505) 397-3596

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OIL CONSERVATION DIV

Previous operator complete below:

Previous

Operator:

Previous

OGRID:

Signature:

Printed

Name:

<u>NMOCD Approval</u>	
Signature:	<u>Chris Williams</u>
Printed	
Name:	<u>CHRIS WILLIAMS</u>
District:	<u>Hobbs</u>
Date:	<u>2/14/02</u>

SEARCHED
SERIALIZED
INDEXED
FILED

WELLS INVOLVED IN OPERATOR CHANGE
FINAL LIST WITH C-104A

FEB 13, 2002

This is a final list of wells being transferred. If all bonding requirements are satisfied, submit this list to the OCD District with your C-104A.

PREVIOUS OPERATOR: 168917 PROFESSIONAL OIL SERVICES INC.

NEW OPERATOR: 017213 Penroc Oil Corporation

OCD DISTRICT: HOBBS

PROP- ERTY WELL NAME	ULSTR	OCD UNIT		WELL TYPE	POOL ID POOL NAME	LAST PROD/INJ
		LTR	API			
23132 KEOHANE #003	K-06-20S-38E	K	30-025-22935	O	63800 WEIR;BLINEBRY, EAST	02-1997