

District I - (505) 393-6161
P. O. Box 1980
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

Form C-1
Originated 11/

Submit Original
Plus 2 Copies
to appropriate
District Office

Rejected
H-0230

APPLICATION FOR
QUALIFICATION OF PRODUCTION RESTORATION PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

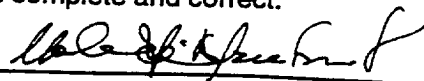
- I. Operator: PENROC OIL CORPORATION OGRID #: 017213
Address: P.O. BOX 5970, HOBBS, NM 88241-5970
Contact Party: M.Y. (MERCH) MERCHANT Phone: (505) 397-3596
- II. Name of Well: SEALE FEDERAL #4 API #: 30-025-04397
Location of Well:
Unit Letter N, 330 Feet from the SOUTH line and 1650 feet from the WEST line, Section 34
Township 20S, Range 36E, NMPM, LEA County
- III. Previous Producing Pool Name: _____
- IV. Describe the process used to return the Well to production. (Attach additional information if necessary):
SEE ATTACHED
- V. Date the Production Restoration Project was commenced: SEPTEMBER 7, 1995
Date the Well was returned to production: SEPTEMBER 8, 1995
- VI. Identify the Oil Conservation Division records which show the Well had thirty (30) days or less production between January 1, 1993 and December 31, 1994:
 Ongard inactive well list; or OCD Form C-115 (Operator's Monthly Report)

VII. AFFIDAVIT:

State of NEW MEXICO)
County of LEA) ss.

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

- I am the Operator or authorized representative of the Operator of the above referenced Well.
- I have personal knowledge of the facts contained in this Application for Qualification of a Production Restoration Project.
- The data utilized to prepare this application is complete and correct.


(Name) M. Y. (MERCH) MERCHANT

PRESIDENT

(Title)

SUBSCRIBED AND SWORN TO before me this 30th day of Dec, 1996

E. Neil Ferracino
Notary Public

My Commission expires: 09/08/98

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of a Production Restoration Project is hereby approved and the above referenced Well is designated as a Production Restoration Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that production was restored in this Production Restoration Project on:

_____, 19__.

District Supervisor, District ____
Oil Conservation Division

Date: _____

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.
DATE: _____



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

January 13, 1997

Penroc Oil Corp
P O Box 5970
Hobbs, NM 88241

RE: Application for Qualification of Production Restoration Project

Gentlemen:

The c-139 forms for the following wells are being returned and are not approved:

Seale Federal #4-N, 34-20s-36e
Seale Federal #2-K, 34-20s-36e
State BL #1-E, 14-10s-32e

Per Order R-10505, an application must be filed within twelve months of the production restoration. The work that was done on these wells is over the one year deadline.

If you have any questions on this matter, please call the District I, Hobbs office (505) 393-6161.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
by *dp*

Jerry Sexton
District I, Supervisor

JS/dp

cc: file