

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

Carlsbad Field Office
OC D Artesia

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator VERNON E FAULCONER INC Contact: KAREN CHARLES E-Mail: kcharles@vefinc.com		7. If Unit or CA/Agreement, Name and/or No. SRM1149
3a. Address TYLER, TX 75711	3b. Phone No. (include area code) Ph: 903-581-4386 Ext: 233 Fx: 903-581-1515	8. Well Name and No. PENASCO 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T18S R25E SWSE 660FSL 1980FEL		9. API Well No. 30-015-22077-00-S1
		10. Field and Pool or Exploratory Area WILDCAT
		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other ShutIn Notice
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

DUE TO POOR ECONOMIC CONDITIONS, WE HAVE SHUT IN THE PENASCO #1 AS OF 4/17/19. WE ARE CURRENTLY EVALUATING OUR OPTIONS IN HOPES OF BRINGING THE UNIT BACK TO PRODUCTION.

GC 4/30/19
Accepted for record - NMOCD

RECEIVED

APR 25 2019

SHUT IN TILL 05/01/2020

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #462068 verified by the BLM Well Information System
For VERNON E FAULCONER INC, sent to the Carlsbad
Committed to AFSSS for processing by PRISCILLA PEREZ on 04/18/2019 (19PP1742SE)**

Name (Printed/Typed) KAREN CHARLES	Title PRODUCTION ANALYST
Signature (Electronic Submission)	Date 04/18/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Title Petroleum Engineer Carlsbad Field Office	Date APR 19 2019
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.