N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue Artesia, NM 88210

Form 3160-3 FORM APPROVED (August 1999) OMB No. 1004-0136 Expires November 30, 2000 JNITED STATES EZEZBEPARTMENT OF THE INTERIOR Lease Serial No. NM 89799 BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agr eement. Name and No. la. Type of Work: X DRILL REENTER FEDERAL W//1 SUBJECT TO LIKE APPROVAL BY STATE 8. Lease Name and Well No. 1b. Type of Well: A Oil Well Gas Well Other Huapache Ridge Fed No. Single Zone Multiple Zone 9. API Well No. PENROC OIL CORPORATION 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory P.O. BOX 2769, HOBBS, NM 88241 (505)492-1236Wildcat Location of Well (Report location clearly and in accordance with any State requirements. 11. Sec., T., R., M., or Blk. and Survey or Area At surface Unit K, 1586 FWL, 1543 FSL, Sec. 21, T23S, R22E 21, T-23S, R22E At proposed prod. zone Same as above. EDDY COUNTY, NM 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* 25 miles southwest of CARLSBAD, NEW MEXICO Eddv NM 15. Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest 1586 FWL property or lease line, ft. 1543' FSL 637.68 160 (Also to nearest drig, unit line, if any) 20. BLM/BIA Bond No. on file 18. Distance from proposed location* 19. Proposed Depth to nearest well, drilling, completed, None 5000' 58 44 25 applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 5052' GL October 10, 2002 30 davs 24. Attachments Koswell Controlled Water Basin The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). Operator certification. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Such other site specific information and/or plans as may be required by the SUPO shall be filed with the appropriate Forest Service Office). authorized officer. 25. Signatury Name (Printed/Typed) Date (Merch) Merchant Title President Approved by (Signature) Name (Printed Printed J. Rugwell Date /s/ Mary J. Rugwell OCT 0 4 2002 FOR FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to concern the conditions of approval, if any, are attached.

Application approval does not warrant or certify the the applicant to concern the conditions of approval, if any, are attached.

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.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DISTRICT I (P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT IV P.O. BOX 2088, SANTA PE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name		
	Wildcat Ak	00		
Property Code	Property Name HUAPACHE RIDGE FEDERAL UNIT	Well Number		
OGRID No. 017213	Operator Name PENROC OIL CORPORATION	Elevation 5052'		

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	21	23-S	22-E		1543	SOUTH	1586	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres Joint or Infill Consolidation Code				Code Or	der No.	 			·
40					•				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
	Signature M. Y. (Merch) Merchant Printed Name
	Printed Name Aresiden Title 7/15/02 Date SURVEYOR CERTIFICATION
5027.8' 5025.9'	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.
1586' 5057.6' 5032.3'	Date Supply A E/02 Date Supply A E/03 Signature & Seal Dis Professional Supreyor 1 Day 13 41 5 24/02
	Certainie No. RONLINDEEIDSON 3239

BOPE SCHEMATIC

PENROC OIL CORPORATION

