

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

N M 3265 026418

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

NORTH EAST SQUARE LAKE UNIT

8. FARM OR LEASE NAME

NE SQ LAKE UNIT

9. WELL NO.

31

10. FIELD AND POOL, OR WILDCAT

NORTH EAST SQUARE LAKE -

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 4, T16S, R31E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

PENROC OIL CORPORATION

3. ADDRESS OF OPERATOR

P. O. BOX 5970 HOBBS, NEW MEXICO 88241

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 990' FSL 2310' FEL

330' 1650'
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

9.1 miles NW of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

3650'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4345' 4216' GR

22. APPROX. DATE WORK WILL START*

July 1, 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24 - K55	400'	1. 445 ft. ³ - circulated to surf
7 7/8"	5 1/2"	14 - K55	3650	2. a. 1165 cu ft f/2850 to surf b. 327 cu ft f/ID to 2850'

CEMENTING PROGRAM

1. Class C + 1/2# sx. FC
- 2a. Trinity Lite Weight + 11.25# sx. salt + 1/2# sx. FC
- b. Class C + 1/2# sx. FC

LOGGING PROGRAM

DLL-GR TD-400'
FDT-DNL-GR TD-440'
CNL-GR 400' to Surface

MUD PROGRAM

DEPTH	TYPE	MUD WT.	VISC. SE/QT	WATER LOSS
0-400'	SPUD	8.3-9.0	32-34	NC
400'-3200'	BRINE	8.3-10.0	28-30	NC
3200'-TD	SALT GEL	10.0-10.5	34-36	+ -15

BLOWOUT PREVENTER PROGRAM

SEE ATTACHED DIAGRAM

POST 10-1
NL & API
7-15-88

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED MOHAMMED YAMIN MERCHANT TITLE PRESIDENT DATE 6-3-88

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Sup. Signed by [Signature] TITLE [Signature] DATE 7-7-88

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

NEW MEXICO OIL CONSERVATION COMMISSION
WE LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

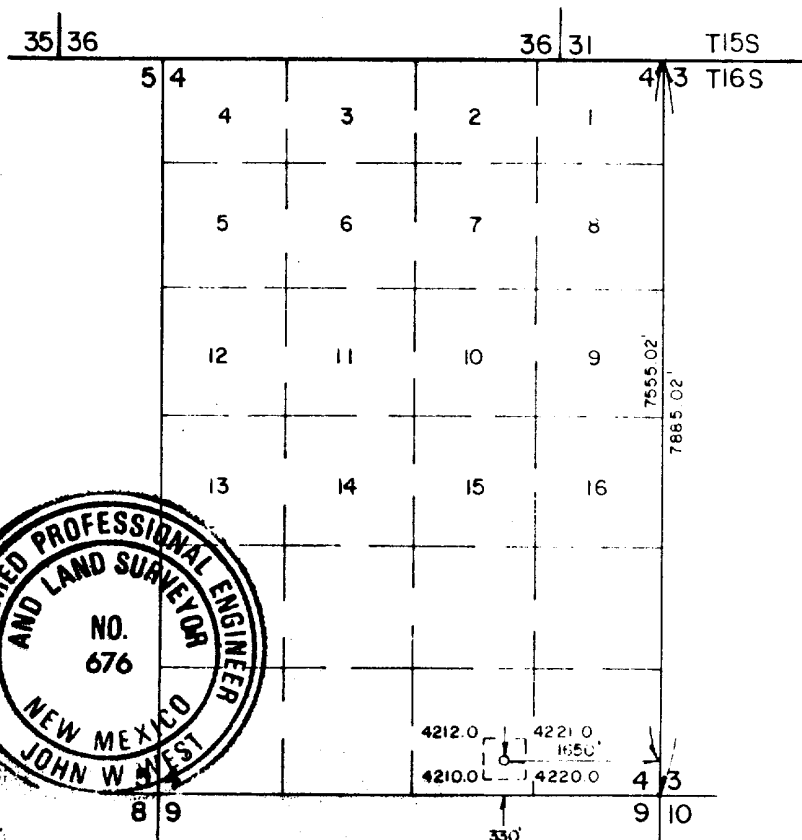
Operator Penroc Oil Corp.			Lease NE Square Lake Unit		Well No. 31
Unit Letter W	Section 4	Township 16 South	Range 31 East	County Eddy County	
Actual Footage Location of Well: 330 feet from the South line and 1650 feet from the East line					
Ground Level Elev. 4216.0	Producing Formation GRAYBURG/SAN ANDRES		Pool NE SQUARE LAKE Q-G-SA	Dedicated Acreage 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **UNITIZATION**

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Mohammed Yamin Merchant

MOHAMMED YAMIN MERCHANT

PRESIDENT

PENROC OIL CORPORATION

MAY 26, 1988

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 supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
May 16, 1988

Registered Professional Engineer and/or Land Surveyor

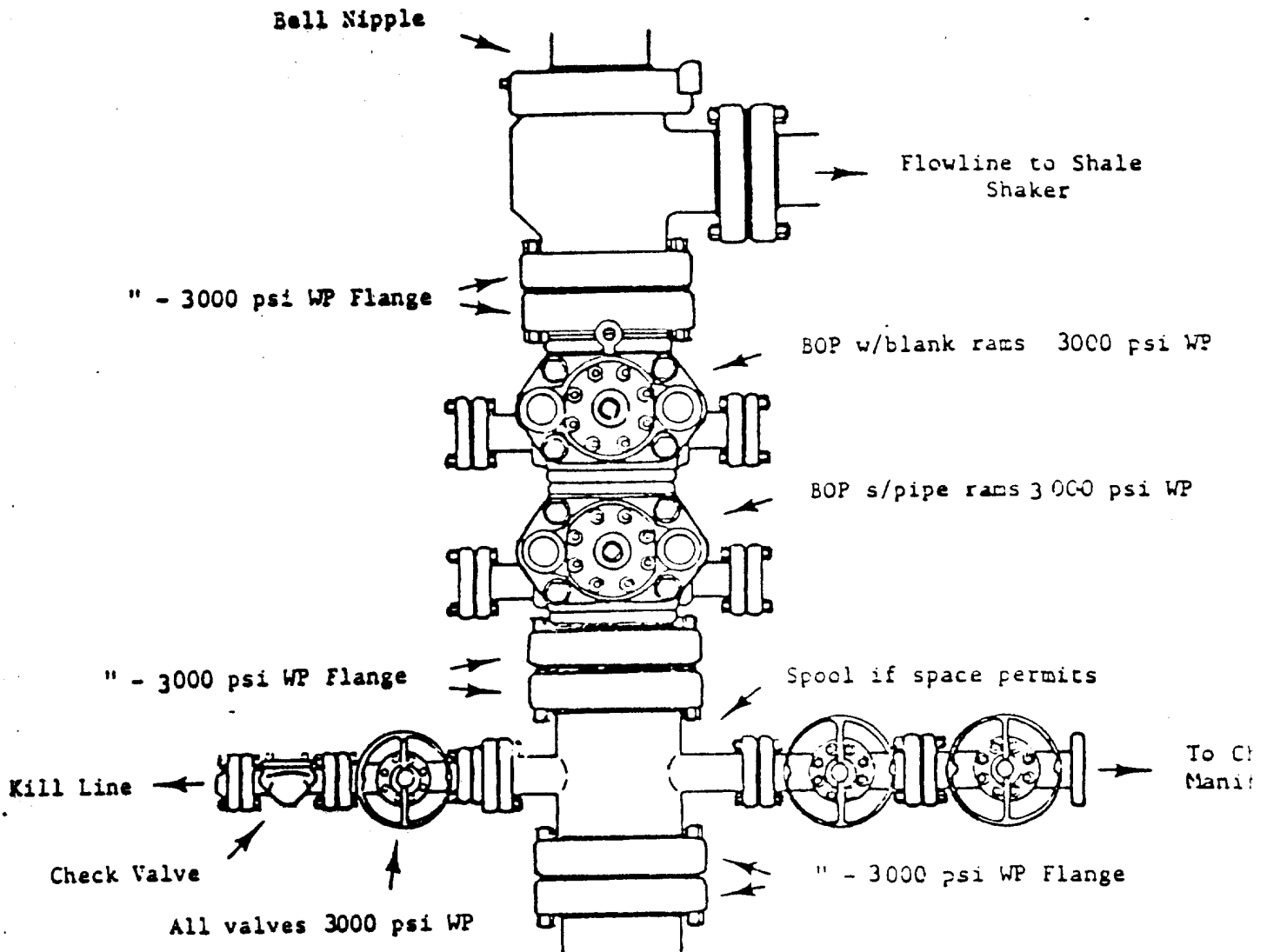
Ronald J. Eidson

Certificate No. **JOHN W. WEST 676**

Ronald J. Eidson 3239

PROPOSED BOP STACK

8 5/8" CASING



PENROC OIL CORPORATION

Hobbs, New Mexico

Lease NORTHEAST SQUARE LAKE UNIT

Well Number 31

County Eddy State NM

RECEIVED

JUN 5 8 41 AM '68

LEASE: NORTH EAST SQUARE LAKE UNIT

WELL: 31

FIELD: NORTH EAST SQUARE LAKE

COUNTY: Eddy

STATE: New Mexico

TEN POINT WELL CONTROL & RESOURCE PROTECTION DATA

1. The geologic name of the surface formation _____.
2. The estimated tops of important geologic markers.

<u>Formation Name</u>	<u>Depth (Top)</u>
<u>ANHYDRITE</u>	<u>875'</u>
<u>BASE SALT</u>	<u>1868'</u>
<u>SEVEN RIVERS</u>	<u>2301'</u>
<u>PENROSE</u>	<u>3138'</u>

3. The estimated depth at which anticipated water, oil, gas or other mineral-bearing formations are expected to be encountered.

<u>Formation Name</u>	<u>Depth (Top)</u>	<u>Type of Mineral</u>
<u>PREMIER</u>	<u>3582'</u>	<u>OIL</u>

4. The proposed casing program, including the size, grade, and weight-per-foot of each string and whether new or used. (Shown on Form 9-331C)
5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency. (See attachment)
6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling and the quantities and types of mud and weighting material to be maintained.

See attachment for 3160-3. A sufficient quantity of mud & chemicals will
be maintained at the well site to meet anticipated conditions, recognizing
the time required to replenish supplies from local sources.

7. The auxiliary equipment to be used, such as (1) kelly cock, (2) floats at the bit, (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string.

A Kelly cock and a sub with a full opening valve will be used.

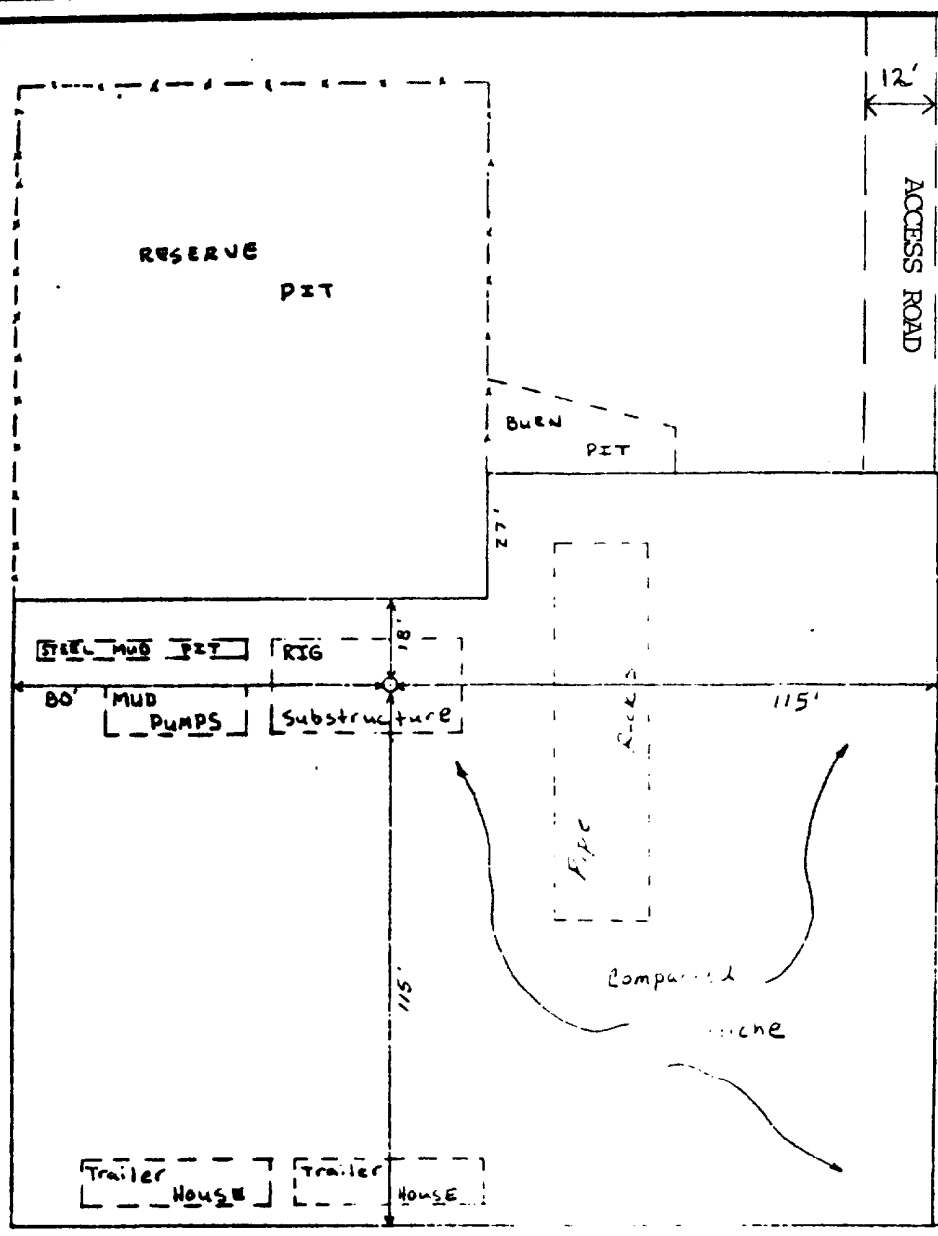
8. The testing, logging, mud, and coring programs to be followed with provision made for required flexibility. (See attached sheet)

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas, along with plans for mitigating such hazards.

No abnormal pressures, temperatures, or hazardous gases are expected to
be encountered; however, prudent drilling operations will be maintained
to guard against such hazards.

10. The anticipated starting date and duration of the operations.

Starting Date: JULY 1, 1988 Duration of Operations 15 Days.



PENROC OIL CORPORATION
HOBBS, NEW MEXICO

LOCATION LAYOUT MAP (1-2)
NORTH EAST SQUARE LAKE UNIT
WELL NO. 31
EDDY COUNTY, NEW MEXICO

DRAWN	SCALE 1" = 40'
CHECKED	DATE 5-27-82
APPROVED	REVISED