

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address PENROC OIL CORP PO BOX 2769 HOBBS, NM 882412769		2. OGRID Number 17213
		3. API Number 30-025-38616
4. Property Code 24541	5. Property Name PENROC 10 STATE	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	10	10S	34E	N	550	S	1650	W	LEA

8. Pool Information

WILDCAT WOLFCAMP	0
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4230
14. Multiple N	15. Proposed Depth 9250	16. Formation Wolfcamp	17. Contractor	18. Spud Date 2/1/2008
Depth to Ground water 30		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 24000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	385	
Int1	11	8.625	32	4050	805	
Prod	7.875	5.5	17	9250	635	4000

Casing/Cement Program: Additional Comments

An Abo well is proposed. If productive, 5.5" production casing will be set, perforated based on OH logs, sample analysis and then acidized to gain commercial production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Mohammed Yamin Merchant	Title: Geologist	
Title: President	Approved Date: 11/28/2007 Expiration Date: 11/28/2008	
Email Address: mymerch@hotmail.com		
Date: 11/27/2007 Phone: 505-492-1236	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 54759

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38616	2. Pool Code	3. Pool Name WILDCAT WOLFCAMP
4. Property Code 24541	5. Property Name PENROC 10 STATE	6. Well No. 002
7. OGRID No. 17213	8. Operator Name PENROC OIL CORP	9. Elevation 4230

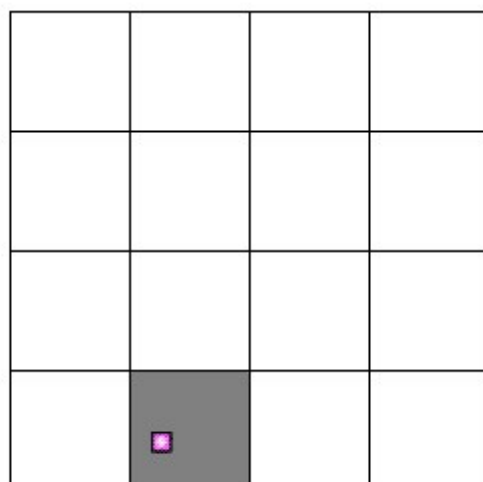
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code N/A	15. Order No.						

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 that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Mohammed Yamin Merchant
 Title: President
 Date: 11/27/2007

SURVEYOR CERTIFICATION

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 belief.

Surveyed By: John West Surveying
 Date of Survey: 6/5/2007
 Certificate Number: 12641

Permit Comments

Operator: PENROC OIL CORP , 17213

Well: PENROC 10 STATE #002

API: 30-025-38616

Created By	Comment	Comment Date
MYMERCHANT	Will submit Pit Profile Diagram with C-144.	10/24/2007

Permit Conditions of Approval

Operator: PENROC OIL CORP , 17213

Well: PENROC 10 STATE #002

API: 30-025-38616

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines