

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

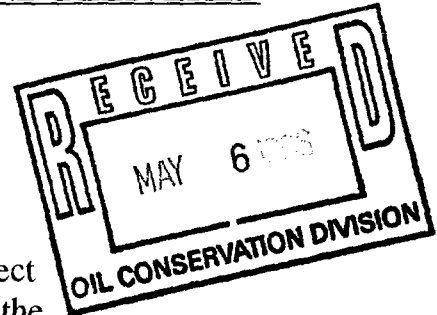
JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

May 6, 1996

Mr. William J. LeMay
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

HAND DELIVERED



Re: Application of Penroc Oil Corporation
for Approval of its Cooperative Leasehold
Waterflood Project and to Qualify Said Project
for the Recovered Oil Tax Rate Pursuant to the
"New Mexico Enhanced Oil Recovery Act,"
Lea County, New Mexico

11543

Dear Mr. LeMay:

On behalf of Penroc Oil Corporation, please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for May 30, 1996.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,

W. Thomas Kellahin

Fxc: Penroc Oil Corporation
Attn: M. Y. (Merch) Merchant

PROPOSED ADVERTISEMENT

CASE 11543 Application of Penroc Oil Corporation for approval of a cooperative leasehold waterflood project and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a secondary recovery project in its Harris-State AD Cooperative Leasehold Waterflood Project by the injection of water into the San Andres formations in the Mescalero-San Andres Pool, encompassing 480 acres of State lands comprising portions of Sections 22 and 23, T10S, R32E, NMPM. Applicant further seeks to qualify this expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 24 miles northwest from Tatum, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF PENROC OIL CORPORATION FOR A
COOPERATIVE LEASEHOLD WATERFLOOD
PROJECT AND TO QUALIFY SAID PROJECT
FOR THE RECOVERED OIL TAX RATE PURSUANT
TO THE "NEW MEXICO ENHANCED OIL RECOVERY ACT,"
LEA COUNTY, NEW MEXICO**

CASE NO 11543

A P P L I C A T I O N

Comes now PENROC OIL CORPORATION ("Penroc"), by its attorneys, Kellahin & Kellahin, and pursuant to the New Mexico "Enhanced Oil Recovery Act" and to Division Rule 701(G) applies to the New Mexico Oil Conservation Division to approval of its proposed cooperative Harris-State Leasehold Waterflood Project and for the recovered oil tax rate for enhanced oil recovery for the use of enhanced oil recovery technology within said project, a proposed EOR project and in support states:

(1) Penroc is the proposed operator of the three State of New Mexico oil & gas leases, the Harris State, the State AD and the State II-23, portions of which will be included on a cooperative leasehold basis in a project area Waterflood Project ("Proposed EOR Project") for water injection into the San Andres formation of the Mescalero-San Andres Pool.

(2) The Project Area contains 480 acres with 2 injection wells and 8 producing wells within the following described area:

Township 10 South, Range 32 East, NMPM
Section 22: SE/4 and SE/4NE/4
Section 23: SW/4; W/2SE/4 and SW/4NW/4

(3) Ultimate primary oil recovery from the Area has been 883,140 barrels of oil. Under the secondary (waterflood) phase, ultimate secondary oil recovery is estimated to be 411,018 barrels of oil.

(4) The Well in the Project Area are currently producing at 12 BOPD and 15 BWPD from 8 active producers.

(5) Penroc to increase oil recovery from this Project Area by means of a significant change in the process used for the displacement of crude by the initiation of the injection of water under the following described method: waterflood by injecting scale inhibited water into 2 injection wells.

(6) The estimated amount of recoverable oil attributable to a Positive Production Response from the Use of enhanced oil recovery technology for this Proposed EOR Project is 411,018 barrels of additional oil.

(7) In accordance with Division Order R-9708, the following is submitted:

a. Operator's name and address:

Penroc Oil Corporation
P. O. Box 5970
Hobbs, N.M. 88241

b. Description of the Project Area:

(1) Plat outlining Expanded Use area:

See Exhibit "A"

(2) Description of the Expanded Use Area:

T10S, R32E NMPM
Sec 22: SE/4, & SE/4NE/4
Sec. 23: SW/4; W/2SE/4 & SW/4NW/4

(3) Total acres in Project Area:

480 acres, more or less

(4) Name of the subject Pool and formation:

San Andres formation of
the Mescalero-San Andres Pool

c. Status of operations in the project area:

(1) N/A

[if unitized, name of unit, date of
unit approval and order number]

(2) N/A

[if application for unit approval
pending supply date of filing]

(3) Leases:

State AD Lease: No. 9943
State Harris Lease: No. K-362
State II-23 Lease: No. 5084

d. Method of recovery to be used:

(1) injected fluids: water

(2) N/A

(3) May 6, 1996

[if project not approved provide
date application was filed]

e. Description of the Expanded Use Area:

(1) a list of producing wells:
See Exhibit "B"

(2) a list of injection wells:
See Exhibit "B"

(3) Capital cost of additional facilities:

\$80,000.00

(4) Total Project Costs:

\$80,000.00

(5) Estimated total value of the additional
production that will be recovered as a
result of this Project:

An additional 411,018 barrels of
oil with a current undiscounted
value of \$3,624,742.00 dollars

(6) Anticipated date of commencement of
injection:

as soon as possible after
OCD approval, if granted.

(7) the type of fluid to be injected and the anticipated volumes:

water injected at an estimated
rate of 600+ BWPD

(8) Explanation of changes in technology:

(a) See Exhibit "C" for proposed well
status

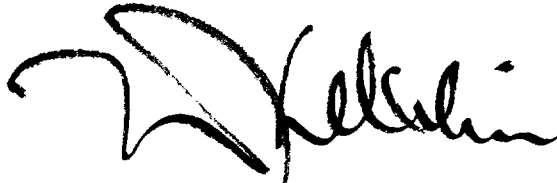
(b) Waterflooding is the process to be
used for displacement of oil

f. Production data:

See attached graphs, charts and supporting data to show the
production history and production forecast of oil, gas,
casinghead gas and water from the project area.

Wherefore, Applicant requests that this application be set for hearing
and that after said hearing, the Division enter its order approving this
application.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a large, stylized initial 'W'.

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

2.51

Yates Pet, et al
111-91
V1703
115 63 3

Yates	Mobil
Pet., et al	HBP
3.1.92	£ 13.11
V 2233	
33 <u>33</u>	
4	

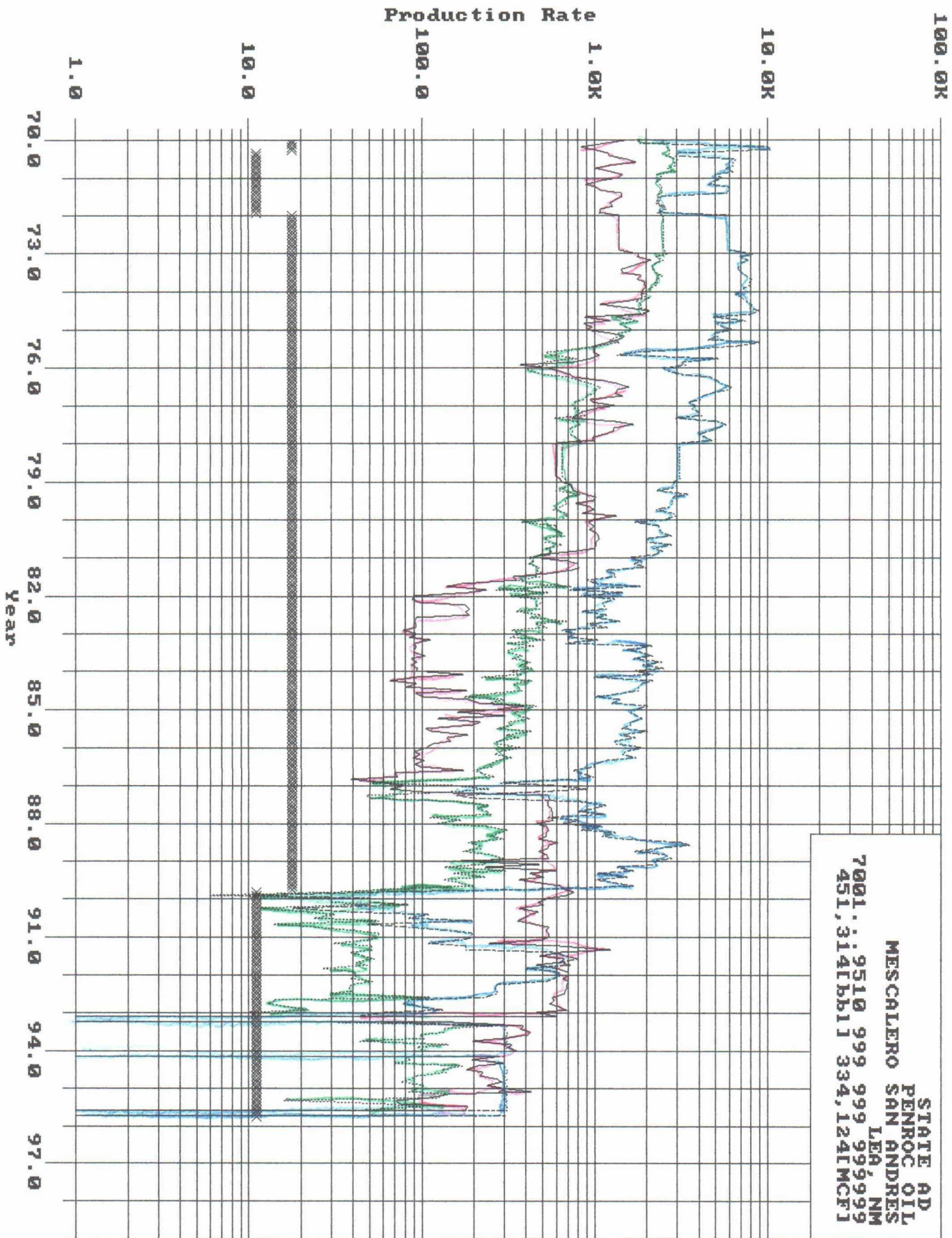
Yates
v 25
- - - - 3

Pet., et al
508
Byrom -
Gulf -
Lane St
TO 3200
WA 7755
Alker Co et al
Yates St.
P133
5 - - -

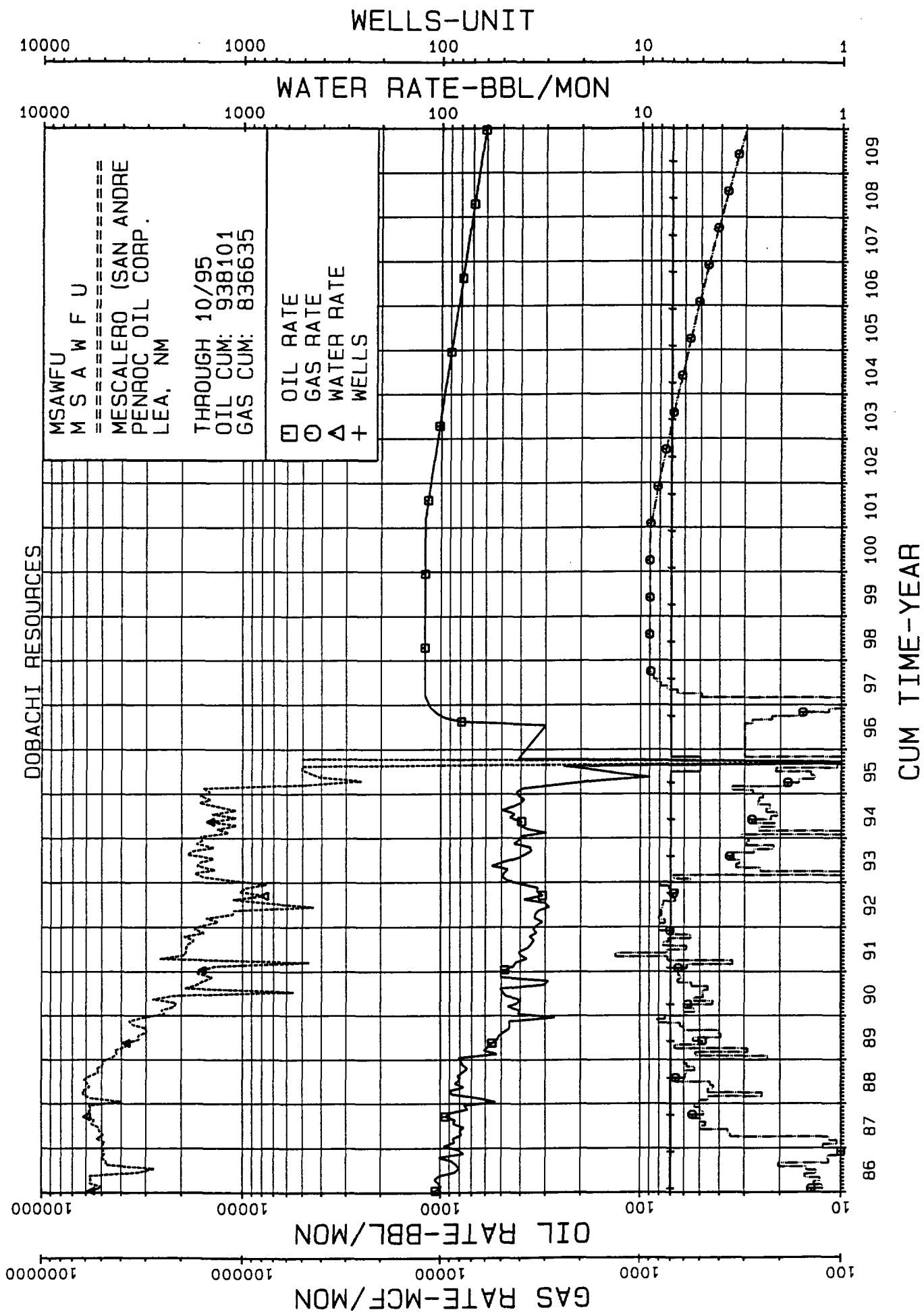
- 160
 (Sunburst Expl)
 To 10,552
 Ailar Co. et al
 Side window
 #27 Manzano Oil
 (J. L. Cox)
 LG-4446 -36

Monzu
Rate: Per et
10.1.95
v 3462
6875
Fundament
State p
1610459
DA 12-22-6

RATE VERSUS TIME



STATE AD
PENROC OIL
MESCALERO SAN ANDRES
LEA, NM
7001.: 9510 999 999 9999999
451,3141b1 334,1241MCF1



RATE VERSUS TIME

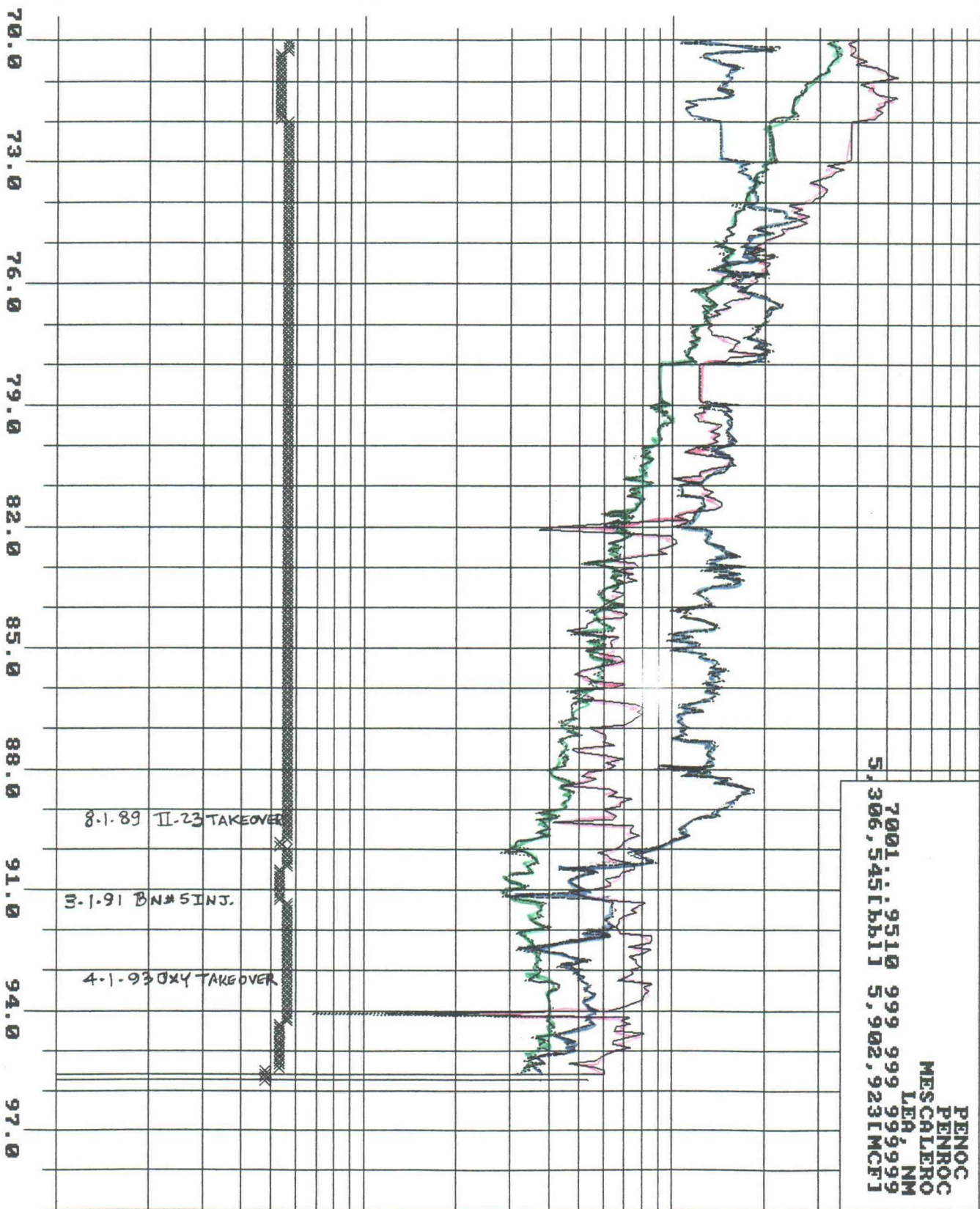
100.0K

10.0K

1.0K

Production Rate

100.0

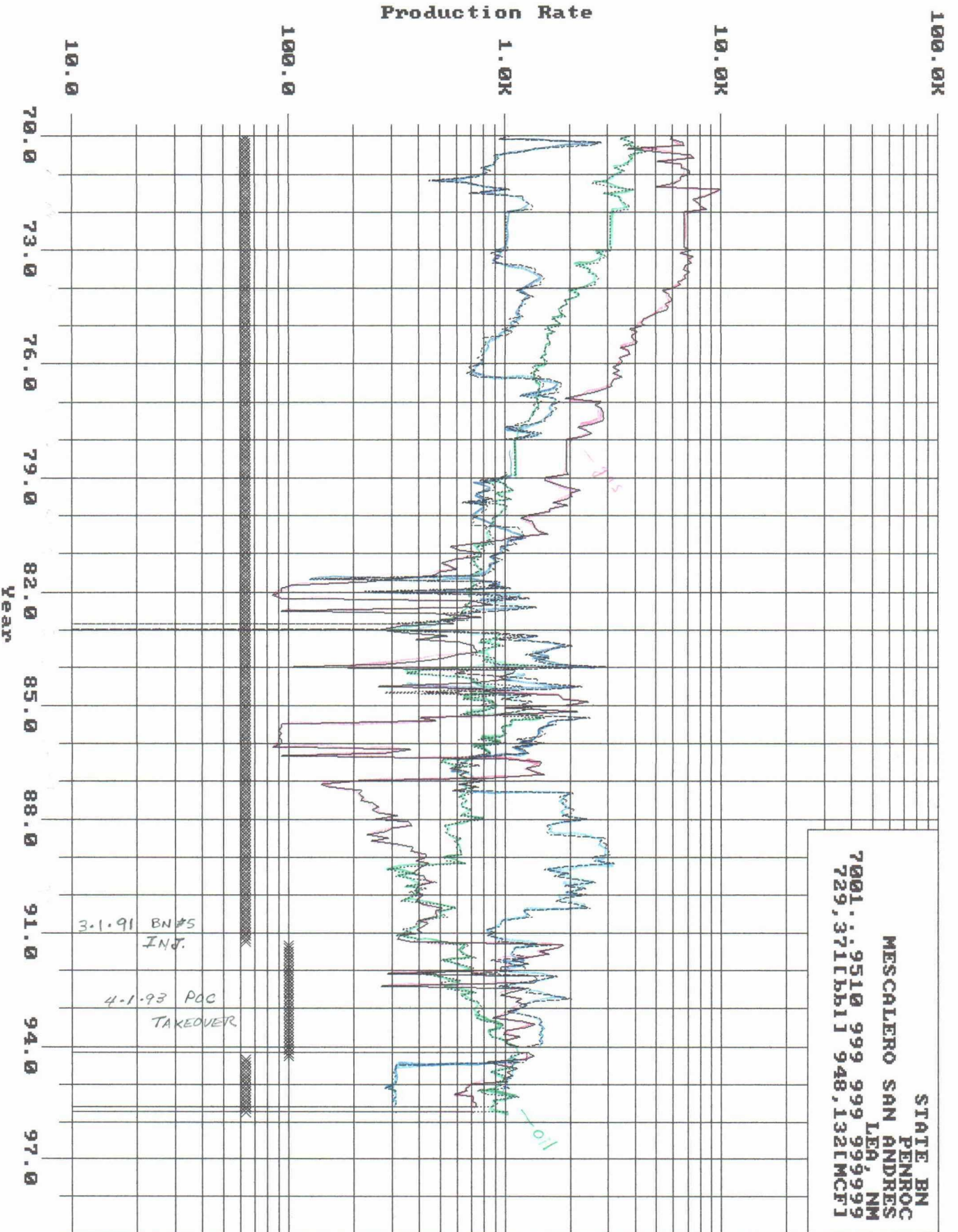


PENOC
PENROC
MESCALERO
LEA, NM
7001::: 9510 999 999 999
5,306,5451bb1 5,902,9231MCF1

X

Wells<32 Oil Gas Water

RATE VERSUS TIME

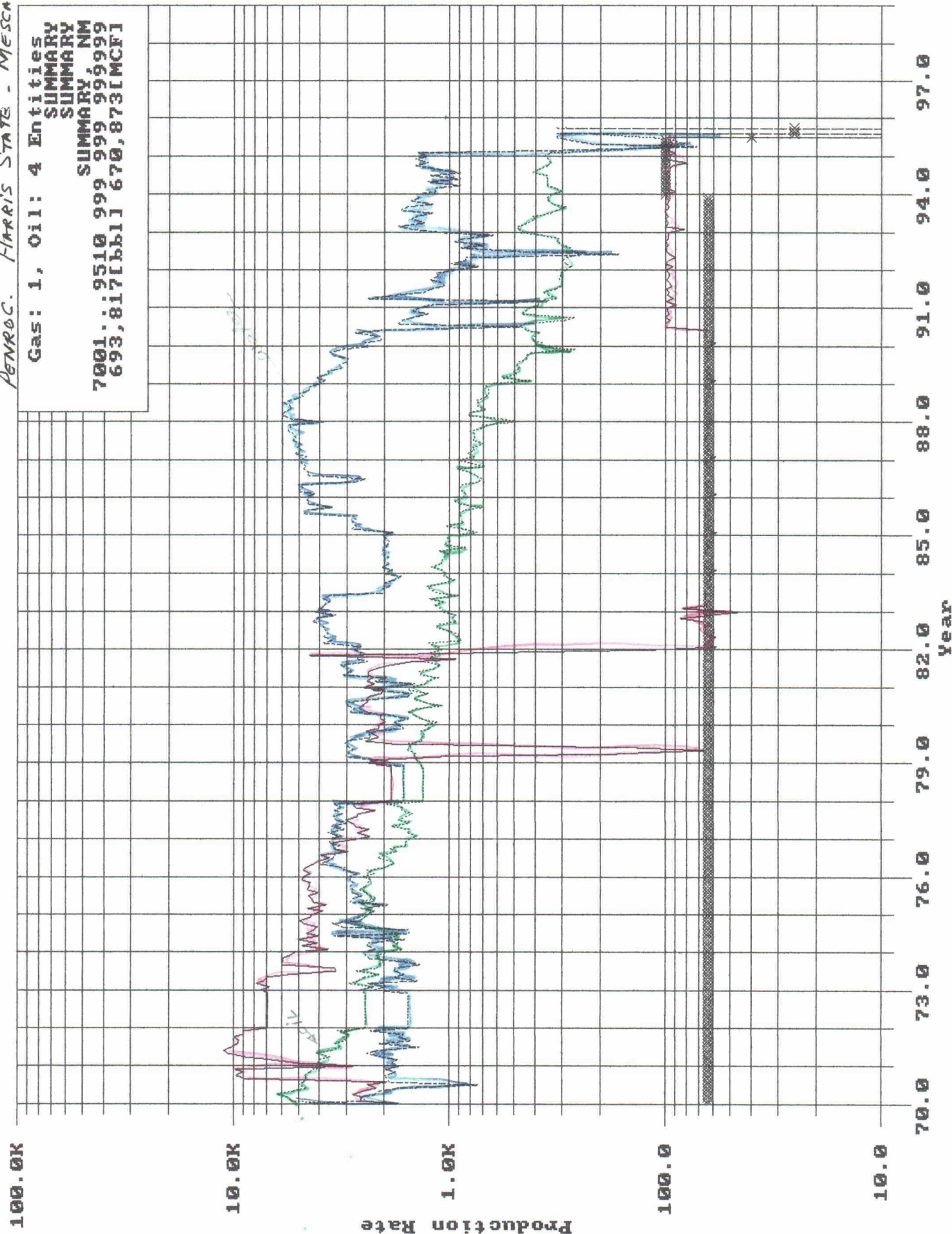


STATE BN
PENROCK
MESCALERO SAN ANDRES
LEA, NM
7001.: 9510 999 999 999999
729, 3711(b)(1) 948, 1321(MCF)

X Wells<5 Oil Gas Water

RATE VERSUS TIME

PENROD. HARRIS STATE - MESCALERO SA



Gas: 1, Oil: 4 Entities
 SUMMARY
 SUMMARY
 SUMMARY NM
 7001.: 9510 999 999 999 999
 693,817(bbl) 670,873(MCF)

WELL NAME : Mescalero (San Andres) WFU
 FIELD NAME: Mescalero (San Andres)
 FORMATION :
 RUN DATE : 30-Apr-1996 9:44 am
 AS OF : 07/1996
 ECON. LIFE: 24.250

DOBACHI RESOURCES
 RESERVES AND ECONOMICS
 ID: MSAWFU/2

CLASS : PROVED UNDEVELOPED
 CATEGORY : NONPRODUCING
 PREP. BY : DEAN F. JARRETT
 OPERATOR : PENROC OIL CORP.
 CNTY, STATE: LEA, NM

.....INTERESTS.....

WI RI GAS RI LIQ DATE
 1.000000 .875000 .875000 07/1996

Mescalero (San Andres) WATERFLOOD UNIT
 OIL PRICE - \$12.50/BBL, CONSTANT
 GAS PRICE - \$1.12/MMBTU, CONSTANT

.PRESENT WORTH.

%	M\$
12.0	1295.633
15.0	1123.844
20.0	909.934
25.0	755.972
30.0	640.797

	MAX	WELLS	SALES	PROD.	PROD.	ADVALP R I C E S.....			CF/BBLG R O S S R E S E R V E S.....				
							MIN	MAX	AVERAGE		BL/MMCF	CUMULATIVE	REMAINING	ULTIMATE	REMAINS
GAS	0.	.0	1.00	.0%	8.2%	1.0%	1.12	1.12	1.12	717.0	.000	286.416	286.416	100.00%	GAS
CND	0.	.0	.00	.0%	.0%	.0%	.00	.00	.00	.0	.000	.000	.000	.00%	CND
OIL	7.	7.0	1.00	.0%	7.3%	1.0%	12.50	12.50	12.50	.0	.000	399.475	399.475	100.00%	OIL
PLT	0.	.0	.00	.0%	.0%	.0%	.00	.00	.00	.0	.000	.000	.000	.00%	PLT

	JUL	PRODUCING	OIL & CND	GAS	OIL & CND	GAS	EQUIV. BBL	OIL & CND	GAS	OIL & CND	GAS
		WELLS	GROSS PROD	GROSS PROD	NET PROD	NET PROD.	NET PROD.	PRICE	PRICE	SALES	NET SALES
		MBBL	MMCF	MBBL	MMCF	MMCF	MBBL	\$/BBL	\$/MCF	M\$	M\$
1996 FY	7.000	.448	.291	.392	.255	.418	12.500	1.120	4.905	.285	
1997 FY	7.000	15.954	3.131	13.960	2.740	14.234	12.500	1.120	174.501	3.069	
1998 FY	7.000	28.800	21.600	25.200	18.900	27.090	12.500	1.120	315.000	21.168	
1999 FY	7.000	28.800	21.600	25.200	18.900	27.090	12.500	1.120	315.000	21.168	
2000 FY	7.000	28.668	21.298	25.084	18.636	26.948	12.500	1.120	313.554	20.872	
2001 FY	7.000	26.875	19.740	23.515	17.273	25.242	12.500	1.120	293.940	19.345	
2002 FY	7.000	24.725	18.161	21.634	15.891	23.223	12.500	1.120	270.425	17.798	
2003 FY	7.000	22.747	16.708	19.903	14.619	21.365	12.500	1.120	248.791	16.374	
2004 FY	7.000	20.927	15.371	18.311	13.450	19.656	12.500	1.120	228.887	15.064	
2005 FY	7.000	19.253	14.142	16.846	12.374	18.084	12.500	1.120	210.576	13.859	
2006 FY	7.000	17.712	13.010	15.498	11.384	16.637	12.500	1.120	193.730	12.750	
2007 FY	7.000	16.295	11.969	14.259	10.473	15.306	12.500	1.120	178.232	11.730	
SUB TOTAL	7.000	279.555	198.331	244.611	173.540	261.965	12.500	1.120	3057.637	194.365	
REMAINDER	.000	119.919	88.084	104.930	77.074	112.637	12.500	1.120	1311.619	86.322	
TOTAL	7.000	399.475	286.416	349.540	250.614	374.602	12.500	1.120	4369.256	280.687	

	JUL	TOTAL	SEVER TAX	AD VALOREM	REV. AFTER	OPERATING	OPERATING	TOTAL	FUTURE	DISC FNR	CUM FNR
		NET SALES	TRANS/TREAT	NET TOTAL	TAXES & TTC	NET COST	REVENUE	INVESTMENT	NET REVENUE	@10.00%	DISC@10.00%
		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1996 FY	177.570	13.042	1.837	162.690	60.000	102.690	80.000	22.690	15.582	15.582	
1997 FY	336.168	24.821	3.479	307.868	60.000	247.868	.000	247.868	214.077	229.660	
1998 FY	336.168	24.821	3.479	307.868	60.000	247.868	.000	247.868	194.616	424.275	
1999 FY	336.168	24.821	3.479	307.868	60.000	247.868	.000	247.868	176.923	601.199	
2000 FY	334.427	24.691	3.461	306.275	60.000	246.275	.000	246.275	159.842	761.040	
2001 FY	313.285	23.128	3.242	286.915	60.000	226.915	.000	226.915	133.969	895.009	
2002 FY	288.222	21.278	2.983	263.962	60.000	203.962	.000	203.962	109.472	1004.482	
2003 FY	265.165	19.576	2.744	242.845	60.000	182.845	.000	182.845	89.219	1093.700	
2004 FY	243.951	18.010	2.524	223.417	60.000	163.417	.000	163.417	72.492	1166.192	
2005 FY	224.435	16.569	2.322	205.544	60.000	145.544	.000	145.544	58.696	1224.887	
2006 FY	206.480	15.243	2.137	189.100	60.000	129.100	.000	129.100	47.333	1272.220	
2007 FY	189.962	14.024	1.966	173.972	60.000	113.972	.000	113.972	37.989	1310.209	
SUB TOTAL	3252.002	240.024	33.652	2978.326	720.000	2258.326	80.000	2178.326	1310.209	1310.209	
REMAINDER	1397.941	103.203	14.466	1280.273	735.000	545.273	.000	545.273	125.458	125.458	
TOTAL	4649.943	343.227	48.118	4258.599	1455.000	2803.599	80.000	2723.599	1435.667	1435.667	

WELL NAME : Mescalero (San Andres) WFU
 FIELD NAME: Mescalero (San Andres)
 FORMATION :
 RUN DATE : 30-Apr-1996 9:42 am
 AS OF : 07/1996
 ECON. LIFE: 26.500

DOBACHI RESOURCES
 RESERVES AND ECONOMICS
 ID: MSAWFU/2

CLASS : PROVED UNDEVELOPED
 CATEGORY : NONPRODUCING
 PREP. BY : DEAN F. JARRETT
 OPERATOR : PENROC OIL CORP.
 CNTY, STATE: LEA, NM

.....INTERESTS.....

WI RI GAS RI LIQ DATE
 1.000000 .875000 .875000 07/1996

Mescalero (San Andres) Waterflood Unit
 OIL PRICE - \$15.50/BBL, CONSTANT
 GAS PRICE - \$1.50/MMBTU, CONSTANT

.PRESENT WORTH.

%	M\$
12.0	1685.199
15.0	1460.318
20.0	1182.768
25.0	984.580
30.0	837.101

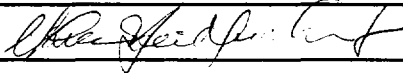
	.MAX	WELLS.	SALES	PROD.	PROD.	ADVALP R I C E S.....			CF/BBLG R O S S			R E S E R V E S.....	
	GROSS	NET	ADJ.	EXP.	TAXES	TAXES	MIN	MAX	AVERAGE	BL/MMCF	CUMULATIVE	REMAINING	ULTIMATE	REMAINS	
GAS	0.	.0	1.00	.0%	8.2%	1.0%	1.50	1.50	1.50	717.5	.000	294.894	294.894	100.00%	GAS
CND	0.	.0	.00	.0%	.0%	.0%	.00	.00	.00	.0	.000	.000	.000	.00%	CND
OIL	7.	7.0	1.00	.0%	7.3%	1.0%	15.00	15.00	15.00	.0	.000	411.018	411.018	100.00%	OIL
PLT	0.	.0	.00	.0%	.0%	.0%	.00	.00	.00	.0	.000	.000	.000	.00%	PLT

	PRODUCING	OIL & CND	GAS	OIL & CND	GAS	EQUIV. BBL	OIL & CND	GAS	OIL & CND	GAS
	WELLS	GROSS PROD	GROSS PROD	NET PROD	NET PROD.	NET PROD.	PRICE	PRICE	SALES	NET SALES
		MBBL	MMCF	MBBL	MMCF	MBBL	\$/BBL	\$/MCF	M\$	M\$
JUL	7.000	.448	.291	.392	.255	.418	15.000	1.500	5.886	.382
...										
1996 FY	7.000	15.954	3.131	13.960	2.740	14.234	15.000	1.500	209.401	4.110
1997 FY	7.000	28.800	21.600	25.200	18.900	27.090	15.000	1.500	378.000	28.350
1998 FY	7.000	28.800	21.600	25.200	18.900	27.090	15.000	1.500	378.000	28.350
1999 FY	7.000	28.800	21.600	25.200	18.900	27.090	15.000	1.500	378.000	28.350
2000 FY	7.000	28.668	21.298	25.084	18.636	26.948	15.000	1.500	376.265	27.954
2001 FY	7.000	26.875	19.740	23.515	17.273	25.242	15.000	1.500	352.728	25.909
2002 FY	7.000	24.725	18.161	21.634	15.891	23.223	15.000	1.500	324.510	23.836
2003 FY	7.000	22.747	16.708	19.903	14.619	21.365	15.000	1.500	298.549	21.929
2004 FY	7.000	20.927	15.371	18.311	13.450	19.656	15.000	1.500	274.665	20.175
2005 FY	7.000	19.253	14.142	16.846	12.374	18.084	15.000	1.500	252.692	18.561
2006 FY	7.000	17.712	13.010	15.498	11.384	16.637	15.000	1.500	232.476	17.076
2007 FY	7.000	16.295	11.969	14.259	10.473	15.306	15.000	1.500	213.878	15.710
SUB TOTAL	7.000	279.555	198.331	244.611	173.540	261.965	15.000	1.500	3669.164	260.310
REMAINDER	.000	131.462	96.563	115.030	84.492	123.479	15.000	1.500	1725.443	126.739
TOTAL	7.000	411.018	294.894	359.641	258.032	385.444	15.000	1.500	5394.606	387.049

	TOTAL	SEVER TAX	AD VALOREM	REV. AFTER	OPERATING	OPERATING	TOTAL	FUTURE	DISC FNR	CUM FNR
	NET SALES	TRANS/TREAT	NET TOTAL	TAXES & TTC	NET COST	REVENUE	INVESTMENT	NET REVENUE	@10.00%	DISC@10.00%
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
JUL	6.268	.463	.065	5.740	5.000	.740	80.000	-79.260	-78.633	-78.633
...										
1996 FY	213.511	15.685	2.209	195.616	60.000	135.616	80.000	55.616	46.331	46.331
1997 FY	406.350	30.026	4.205	372.119	60.000	312.119	.000	312.119	269.569	315.900
1998 FY	406.350	30.026	4.205	372.119	60.000	312.119	.000	312.119	245.062	560.962
1999 FY	406.350	30.026	4.205	372.119	60.000	312.119	.000	312.119	222.784	783.746
2000 FY	404.219	29.867	4.183	370.169	60.000	310.169	.000	310.169	201.310	985.056
2001 FY	378.637	27.974	3.918	346.744	60.000	286.744	.000	286.744	169.285	1154.341
2002 FY	348.346	25.736	3.605	319.005	60.000	259.005	.000	259.005	139.010	1293.351
2003 FY	320.478	23.677	3.316	293.484	60.000	233.484	.000	233.484	113.923	1407.274
2004 FY	294.840	21.783	3.051	270.006	60.000	210.006	.000	210.006	93.153	1500.427
2005 FY	271.253	20.041	2.807	248.405	60.000	188.405	.000	188.405	75.976	1576.403
2006 FY	249.552	18.437	2.582	228.533	60.000	168.533	.000	168.533	61.785	1638.188
2007 FY	229.588	16.962	2.376	210.250	60.000	150.250	.000	150.250	50.077	1688.265
SUB TOTAL	3929.474	290.243	40.662	3598.568	720.000	2878.568	80.000	2798.568	1688.265	1688.265
REMAINDER	1852.181	136.842	19.166	1696.173	870.000	826.174	.000	826.174	181.601	181.601
TOTAL	5781.655	427.085	59.829	5294.742	1590.000	3704.742	80.000	3624.742	1869.867	1869.866

Case 11543

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ Yes ☒ No
- II. OPERATOR: PENROC OIL CORPORATION
ADDRESS: P.O. Box 5970, HOBBS, NM 88241-5970
CONTACT PARTY: M. Y. (MERCH) MERCHANT PHONE: (505) 397-3596
- III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project: ☐ Yes ☒ No
If yes, give the Division order number authorizing the project _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: M. Y. (MERCH) MERCHANT TITLE: PRESIDENT
SIGNATURE:  DATE: 4/26/96
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. _____

FORM C-108 (ATTACHMENTS)

III.

A. WELL DATA: (NARRATIVE)

1. State AD Well No. 2

13 3/8" @ 376' w/350 sxs.
8 5/8" @ 3540' w/2000 sxs.
5 1/2" @ 8630' w/600 sxs.
Squeezed Penn Perfs: 8440 - 8450'
C.I.B.P. @ 4306' w/5 sxs. cement on top
TOC 3155' by TS
San Andres Perfs: 4063, 88'; 4140-62'; 4180-4200'

Harris State No. 4
Drilled 1965

8 5/8", 24# & 32# @ 394' w/250 sxs.
4 1/2", 9.5# @ 4393' w/200 sxs. TOC by TS 3650'
Perfs: 4176 - 93, 4203, 15, 31, 34, 44, 48, 53 & 60
(ISPF)
Acid w/5000 gal.
May 1970, Frac'd w/38, 500 gal. SW & 29,000# sd.

B. WELL DATA:

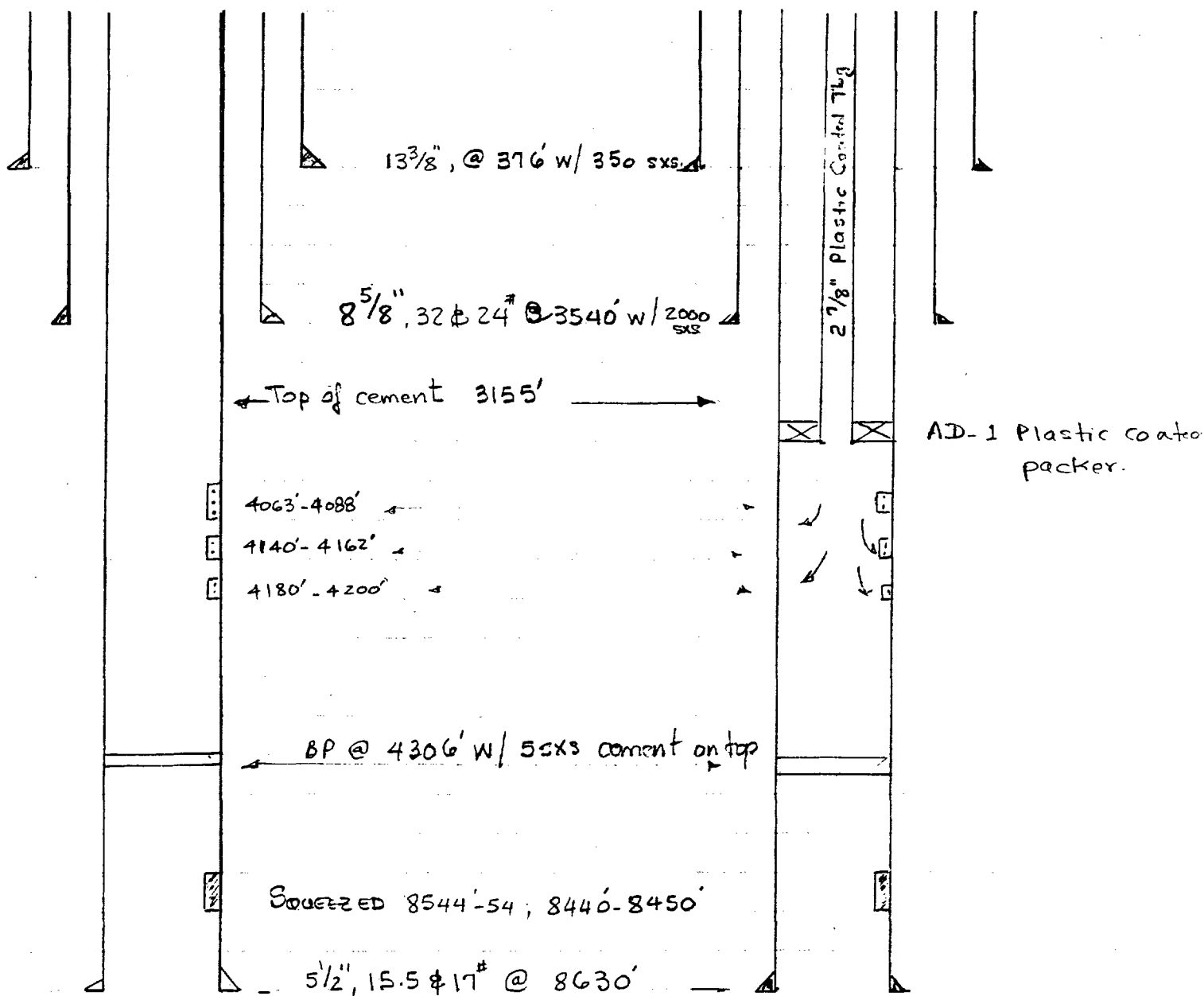
1. Mescalero San Andres
2. 4063' - 4200' for AD No. 2 and 4176' - 4193' and 4203' - 4260' for Harris #4.
3. Both wells were drilled as producer and are marginal producers now. (< 100PD)
4. None
5. There are no oil and gas productive zones above the presently open zone. The lower zones are Pennsylvanian and Devonian, in some parts of the field - approximately below 8300 feet.

FORM C-108 III A

STATE AD WELL NO. 2
NE 1/4 SE 1/4, Sec. 22, T.10.S, R. 32E
LEA COUNTY, NEW MEXICO

CURRENT

PROPOSED

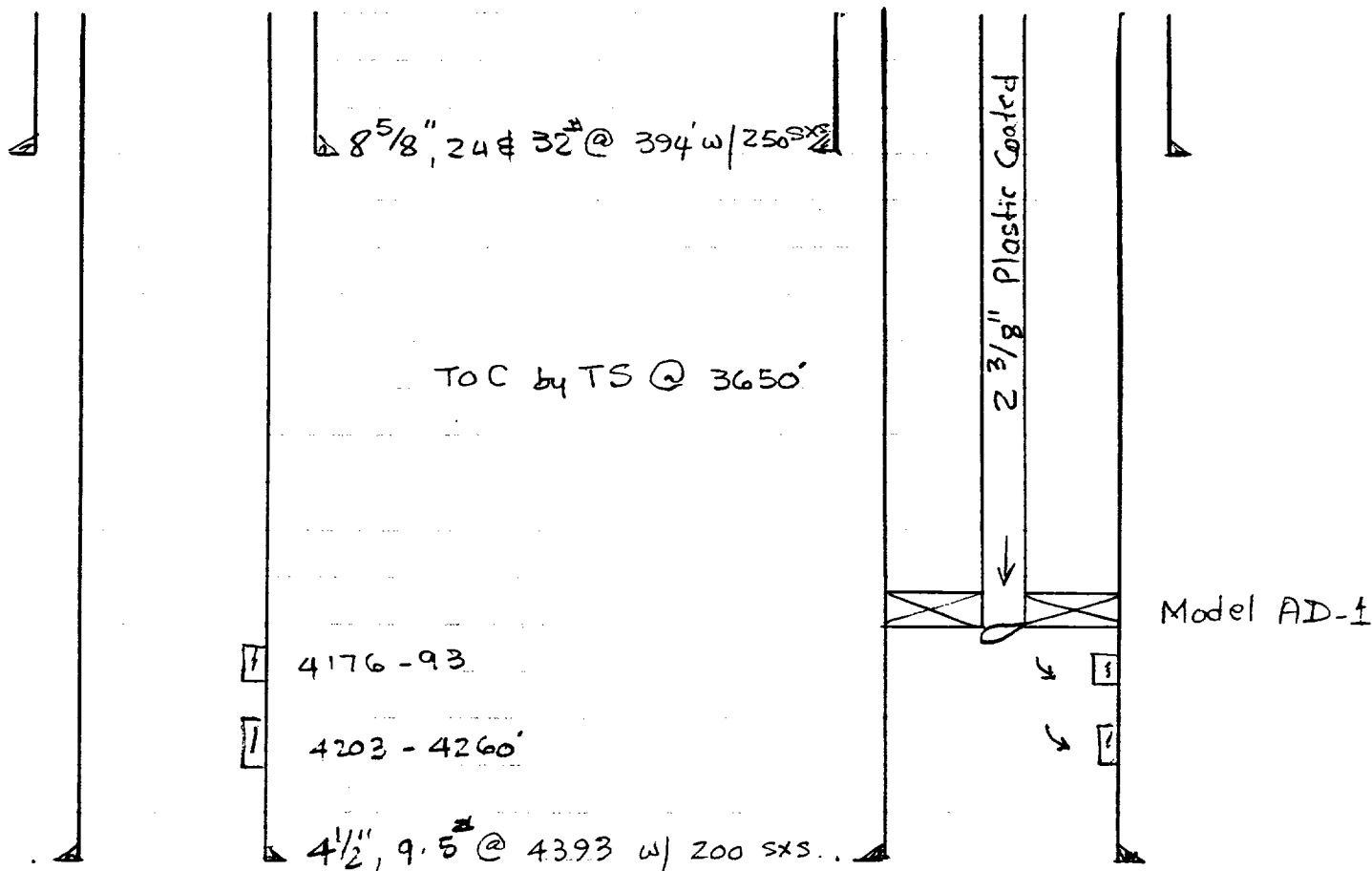


FORM C-108 - III A

HARRIS STATE WELL NO. 4
SW/4 SE/4, SEC. 23, T10S, R32E
LEA COUNTY, NEW MEXICO

CURRENT

PROPOSED



FORM C-108

State II-23 #6 NW/4 Sec. 23, T10S, R32E
 Drilled: 11-14-64 Unit Letter F
 7 5/8, 24# @ 1574' w/450 sxs.
 4 1/2, 9.5# @ 4430' w/300 sxs.
 Perfs: 4105, 12, 16, 22, 42, 45, 60, 63, 74, 83, 89,
 94, and 98

NM E State #3 NE/4 NE/4 Sec. 26, T10S, R32E
Drilled: 2-4-65 Unit Letter C
8 5/8, 20# @ 1550' w/400 sx.
4 1/2, 9.5# @ 4260' w/400 sx.
Perfs: 4124, 26, 28, 30, 35, 38, 41, 43, 45, 47, 49, 52,
56, 59, 68, and 71

State AD #1 Sec. 22, T10S, R32E
Drilled 1952 Unit Letter O
13 3/8 48#, 54.5# @ 371' w/350 sx.
9 5/8, 32.3 & 36# @ 3470' w/1844 sx.
5 1/2, 15.5 & 17 & 20# @ 9910'
Perfs: 9880 - 9900. 9908 - 9913
500 gal. acid - 90 BOPH
Came up to upper Devonian - Set CIBP @ 9867.
1957 - Perf: 9820 - 9860 - Swabbed 96 BO/hr
1961 - Hydromite to 9851' - Tested oil & water
Hydromite to 9851 - 40' - Installed PU - Tested
158 BO, 12 MCF, 5 BW
1966 - Devonian "All Water" - Set CIBP 9506'
9298, 9307, 9313, 9321, 46, 53, 60 & 76
Swabbed 22 BO in 5 hrs - IP 253 BO in 10 hrs.
Note in file - This is Lower Penn - Upper Penn not perf -
Csg collapsed shortly after same year - Plug back - Cmt
ret @ 7390' - Displaced 210 sx. below retainer - 10 sx.
on top of retainer 7397 - 7370 - Cut & pulled 5 1/2 @
4000' - 50 sx. in and out - 50 sx. in and out 4080 -
3870' - Displaced 50 sx. 3495 - 3395' - 10 sx. on
surface - 1967.

State AD #4 Sec. 22, T10S, R32E
Drilled: 1954 Unit Letter O
13 3/8, 48# @ 386' w/400 sx.
8 5/8, 24-32# @ 3439' w/2150 sx.
5 1/2, 15.5 & 17# @ 9392' w/400 sx.
Perfs: 8136 - 53, 8340 - 72, 8379 - 44, 8522
(420 holes)
5000 gal. acid
IP 320 BO, 9 BW in 5 hrs.
P&A'd 1967 - 5 1/2" csg collapsed @ 8167'
Set CIBP @ 8160' w/240 sx. 10 on top
Cut & pulled 5 1/2" csg @ 4950'
50 sx. plug across 4130 - 3920.
50 sx. plug across 3510 - 3360
10 sx. @ 8 5/8 30' @ surface.

State AD #6 Sec. 22, T10S, R32E
Unit Letter H
8 5/8, 24# @ 397' w/325 sx. circ.
4 1/2, 9.5# @ 4448' w/250 sx.
Perfs: 4077, 80, 83, 88, 91, and 94
4113, 33, 43, and 45

State AD #7 NE/4 NE/4 Sec. 22, T10S, R32E
Drilled: 4-5-65 Unit Letter O
8 5/8, 24# @ 1658' w/464 sx. s.
4 1/2, 9.5# @ 4399' w/250 sx. s.

State AD #8 Sec. 22, T10S, R32E
Drilled: 1965
8 5/8, 24# @ 1635' w/700 sx. s. circ.
4 1/2, 9.5# @ 4399' w/250 sx. s.
Perfs: 4087, 89, 91, 93, 95, and 97 Dry
4199 - 4142 Dry
In 1969 converted to injection - Could not take fluid
below frac pressure.

P&A'd 1976 as follows:
50 sx. s. 4001 - 3400'
Retained 3000' - Pumped 250 sx. s. TOC 2880'
Cut 4 1/2" csg @ 825'.
Perf. 4 holes in 4 1/2" @ 1650'.
Pumped 250 sx. s. Class H.
20 sx. s. - 62' to surface P & A'd.
Perfs: 4051, 53, 55, 57, 60, 64, and 68

State AD #9 Sec. 22, T10S, R32E
Drilled: 1965 Unit Letter G
TOC by TS - 3235'
4 1/2, 9.5# @ 4348' w/150 sx. s.
Perfs: 4285, 87, 89 - 3500 gal.
4198, 4201, 4212, 4218, 4221, 4225,
4229, and 4243 - 2000 gal.
Added Perfs 1969: 4140, 41, 42, 51, 53, 58, 59, 63,
64, 65, 68, 71, 72, 82, 83, 84, 85,
86, and 87

Currently Active.

State AD #11 SE/4 SW/4 Sec. 22, T10S, R32E
Drilled: 1967 Unit Letter O
8 5/8, 3530' w/1950 sx. s. cmt circ.
5 1/2, 9590' w/680 sx. s. DV tool @ 4360'
Perfs: 9310 - 9356
IP: 88 BOPD - TA'd in February 1969.
Recompleted in March 1972.
Perfs: 8319, 8343 - 8720
IP: 13 BO, 3 BW
Currently well TA'd with CIBP @ 8260' - TOC 8226'

New Mexico B Well No. 2 Sec. 27, T10S, R32E
(Tipperary operated)
Drilled: 1954 Unit Letter A
10 3/4 @ 445' w/450 sx. s.
7 5/8 @ 4480' w/1928 sx. s.
5 1/2 @ 3640 - 4313 w/800 sx. s.
(Liner)
Perfs: 8350 - 8454

New Mexico B Well No. 6 Sec. 27, T10S, R32E
(Tipperary operated) Unit Letter A
8 5/8", 24# @ 408' w/275 sx.
4 1/2", 10.5# @ 4300' w/1400 sx.
Perfs: 4035 - 80 (19 holes)
 4115 - 29 (8 holes) Acid w/3500 gal. 15%
IP 128 BO, 45 MCF, 3 BW - 18.6° API

State AD No. 3 Sec. 22. T10S, R32E
Drilled 1953 Unit Letter P
13 3/8", 48# @ 394' w/350 sx.
8 5/8", 28 & 32# @ 3442' w/2212 sx.
5 1/2", 15.5# @ 8330 w/200 sx.
Perfs: 8330' - 8555'
Acid w/5000 gal. 15%
156 BO, 39 BW in 11 hrs.

1955 Frac'd w/10,000 gal. & 5000# sd.
132 BO, 72 BW
1965 3 BO & 1BW in 24 hrs.
Cement retainer @ 7550' w/100 sx.
25 sx. cement plug 6236 - 6000'
Perf 2 holes @ 4700' squeezed 250 sx.
TOC 3655' DO 4660'
Perf: 4100 - 4135' Tested & squeezed.
Re-perf: 4035 - 4080' Acid w/2000 gal 15% -
Max. Pressure 2800#, Min. 2400, 3.3 BPM, IP 106 BO, 2 BW

FORM C-108 PENROC OIL CORPORATION.

VI. Schematic of Plugged wells penetrating the proposed injection zone within the area of review:

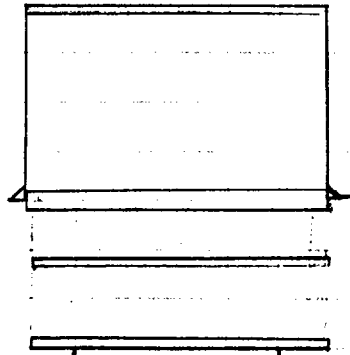
STATE AD WELL NO 5 UNIT A Sec. 22, T10S, R. 32 E

Dried 1963 8⁵/₈", 24" @ 390' w/ 300 S x S.

5 1/2" 14[#] @ 4425 w/ 300 s/s.

Plugged in 1963 w/ csg. cut & pulled @ 315

10 SXS. @ surface.



25sx. @ 308 - 396

253x. @ 1588-1670

3135 - 3217 - 25 8x8

[A] 4084-86, 4092-4103, 4108-10

4130-34, 44-52,

[4169 - 4214.

4232 - 36, 43-45, 50-54, 58-60, 66-68, 71, 73, 82

4326-36, 4339-41, 4354-56, 4367-69, 79-83

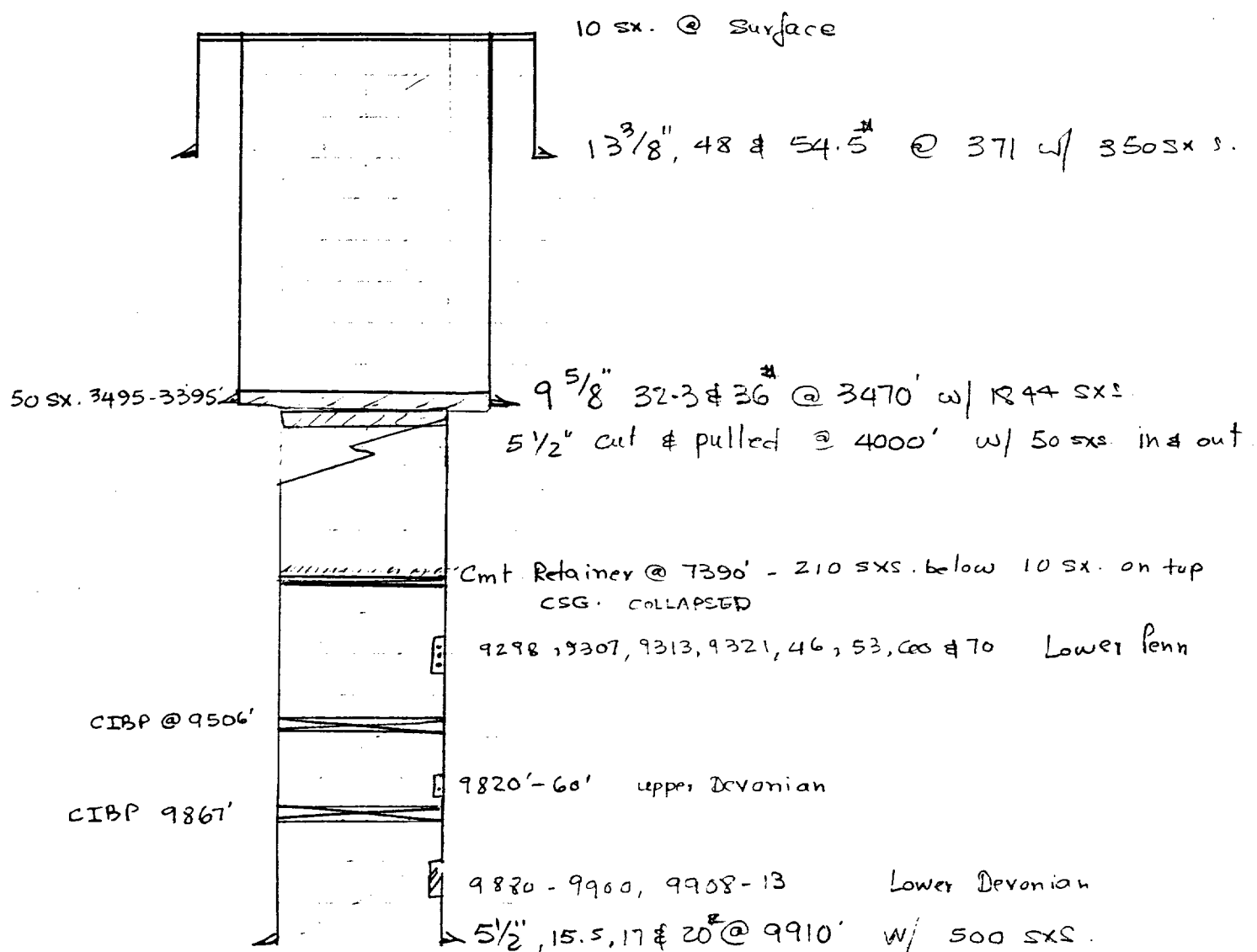
5' 1/2", 14" @ 4425' w/ 300 SXS 86-89

All squeezed
after testing
0.5 to 1.5 BD
24-30 BW

FORM C-108 PENROC OIL CORPORATION

VI. Schematic of plugged wells penetrating the proposed injection zone within the area of review.

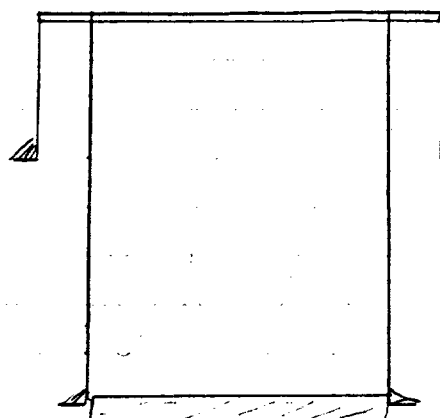
STATE AD WELL NO 1 Unit O 22-10-32



FORM C-108 PENROC OIL CORPORATION

VI. STATE AD WELL NO 4 UNIT O 22-10-32

Drld 1954. P&A'd 1967. Casing collapsed @ 8167'



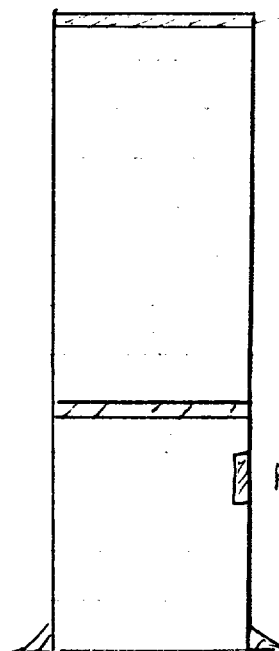
13 ³/₈" 48" @ 386' w/ 400 SXS.

8 ⁵/₈" 24-32" @ 3439' w/ 2150 SXS
50 SXS. 3510'-3360'



50 SXS. 4130'-3920'

csg. cut & pull-d @ 4950'
50 SXS. in & out



CIBP @ 8160'

Perfs: 8336'-53, 8340'-72, 79-44 & 8522'
IP 320 BO, 930 u 5 hrs

5 ¹/₂" 15.5 @ 17" @ 9392' w/ 400 SXS

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

VII.
PENROC OIL CORPORATION

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

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

WELL API NO.

30-025-21338

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

VA-0333

7. Lease Name or Unit Agreement Name

Shell State

8. Well No.

1

9. Pool name or Wildcat

Wildcat Cuernavaca Large F

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

Manzano Oil Corporation 505/623-1996

3. Address of Operator

P.O. Box 2107/Roswell, NM 88202-2107

4. Well Location

Unit Letter B : 330 Feet From The North Line and 2310 Feet From The East Line

Section 26 Township 10 South Range 32 East NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

4297' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☒

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent data, including estimated date of starting any proposed work) SEE RULE 1103.

1. Set 100' plug 5200' back up to 5100'. Tag.
2. Set 100' plug base of 8-5/8" shoe from 4550' back up to 4450'. Tag.
3. Set 100' plug above San Andres perms from 4200' back up to 4100'. Tag.
4. Set 100' plug @ 8-5/8" csg stub @ 2250' (from 2300' back up to 2200'). Tag.
5. Pull 8-5/8" csg stuck @ 1415' & put 100' plug @ 11-3/4" shoe from 490' back to 390'.
6. Set 10 sx surface plug. Install dry hole marker.

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

SIGNATURE

Allison Hernandez

TYPE OR PRINT NAME Allison Hernandez

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

Technician

DATE 12/8/95

TELEPHONE NO. 623-1996

DEC 12 1995

DATE

Any prod
to be moved/
sold from
this work ??
No - per Allison 12-18-96

MANZANO JHEI ✓
330' FNL 2310' FEL

SEC 26
T10S-R32E
Loa Co.

10 SXS. surface plug.

100' plug - 490-390'

438' - 11 7/8" Csg - 42# JS
Cemented w/ 400 Sks - C

8 5/8" - 24# Csg
110 3/4" x 6' shoe
Stack @ 1415'

1415'

San Andres Pkts
4209-42
And
4330-35'

8 5/8" Csg 546 @ 225
100' cement plug 2300-2200'

100' cement plug 4200-4100'

cement plug 4450-4550'

4502' - 8 5/8" - 32# JS
Cemented w/ 600 Sks

100' cement plug 5200-5100'

5147' - Top of Fish

5792' - 7 1/8" bit

12-14-95

Lost In hole
Bit, Crossover,
8-4 3/8" Drill Collar
12 Sks - 2 7/8" Tbg

Remark! Attempt
to Recover Fish.
Tools Going Down
Beside Fish.
Max Depth w/ Fishing
tools - 5200'

7 1/8" hole - TD in 6-9-65
10,000'

- VII.
1. Average Daily Rate: 300 BW
 Maximum Daily Rate: 500 BW
 2. Closed System
 3. 300 - 810#.
 4. Produced water from Mescalero San Andres Field.
 5. N/A.

VIII. Penroc Oil Corporation

The proposed injection zone is the San Andres formation. In the Mescalero field, the San Andres is a fractured dolomite. The top of the San Andres is found at an approximate depth of 3420' (930' above sea level). The San Andres is 1400' thick and typically includes 50' of net pay. The local underground source of water is the Ogallala formation and its base is at a depth of 150'.

IX. None at this time.

X. Previously submitted. Also on cross-section.

XI. Fresh water analysis attached.

XII. Applicant attests that all available geological, engineering, and well data has been examined and that no hydrologic connection exists between the proposed injection interval and the underlying fresh water aquifer.

XIII. Off-Set Operators and Surface Owners for PENROC Operated State AD Well No. 2 and Harris State Well No. 4

Surface Owner: Mr. Carl Lane Johnson
 P.O. Box 916
 Tatum, New Mexico 88267

Off-Set Operators: New Mexico State Land Office
 P.O. Box 1148
 Santa Fe, New Mexico 87504-1148

Exxon Company, USA
P.O. Box 1600
Midland, Texas 79702

Tipperary Oil & Gas Corporation
633 17th St., Suite 1550
Denver, Colorado 80202

Off-Set Operators:

**Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210**

**Manzano Oil Corporation
P.O. Box 2107
Roswell, New Mexico 88202**

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchants

Date Sampled: 4/25/96

CC1:

Date Received: 4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: Fresh Water

SAMPLE POINT: Windmill

WELL: Windmill

REMARKS:

CHLORIDE: 600

SULFATE: 200

BICARBONATE: 170

CALCIUM: 180

MAGNESIUM: 60

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 7.91

TEMPERATURE: 86

DISSOLVED CO2: 0

MOLE PERCENT CO2 IN GAS:

DISSOLVED H2S: 0.0

PRESSURE (PSIA): 100

SODIUM (PPM): 229

IONIC STRENGTH: 0.02

CALCITE (CaCO3) SI: #Error

CALCITE PTB: #Error

GYPSUM (CaSO4) SI: -1.79

GYPSUM PTB: N/A

BARITE (BaSO4) SI: N/A

BARITE PTB: N/A

CELESTITE (SrSO4) SI: N/A

CELESTITE PTB: #Error

SI calculations based on Tamm-Otto



Champion
Technologies, Inc.

Committed To Improvement

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchant

Date Sampled:

4/25/96

CC1:

Date Received:

4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: AD

SAMPLE POINT: AD #6

WELL: AD #6

REMARKS:

CHLORIDE: 142000

SULFATE: 4918

BICARBONATE: 231

CALCIUM: 2566

MAGNESIUM: 777

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 7.07

TEMPERATURE: 86

DISSOLVED CO₂: 395

MOLE PERCENT CO₂ IN GAS:

DISSOLVED H₂S: 32.0

PRESSURE (PSIA): 100

SODIUM (TPM): 90117

IONIC STRENGTH: 4.11

CALCITE (CaCO₃) SI: -0.85

CALCITE PTB: N/A

GYPSUM (CaSO₄) SI: 0.01

GYPSUM PTB: 46.6

BARITE (BaSO₄) SI: N/A

BARITE PTB: N/A

CELESTITE (SrSO₄) SI: N/A

CELESTITE PTB: N/A

SI calculations based on Thomson-Oddo



Champion
Technologies, Inc.
Committed To Improvement

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchant

Date Sampled: 4/25/96

CC1:

Date Received: 4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: AD

SAMPLE POINT: AD #3

WELL: AD #~~9~~

REMARKS:

CHLORIDE: 136000

SULFATE: 4666

BICARBONATE: 219

CALCIUM: 3007

MAGNESIUM: 1749

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 6.79

TEMPERATURE: 86

DISSOLVED CO2: 326

MOLE PERCENT CO2 IN GAS:

DISSOLVED H2S: 53.0

PRESSURE (PSIA): 100

SODIUM (PPM): 83756

IONIC STRENGTH: 3.94

CALCITE (CaCO3) SI: -1.04

CALCITE PTB: N/A

GYPSUM (CaSO4) SI: 0.04

GYPSUM PTB: 151.8

BARITE (BaSO4) SI: N/A

BARITE PTB: N/A

CELESTITE (SrSO4) SI: N/A

CELESTITE PTB: N/A

SI calculations based on Tomson-Oddo



Champion
Technologies, Inc.
Committed To Improvement

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchant

Date Sampled: 4/25/96

CC1:

Date Received: 4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: AD

SAMPLE POINT: AD #2

WELL: AD #2

REMARKS:

CHLORIDE: 137000

SULFATE: 5299

BICARBONATE: 280

CALCIUM: 2446

MAGNESIUM: 850

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 6.83

TEMPERATURE: 86

DISSOLVED CO2: 482

MOLE PERCENT CO2 IN GAS:

DISSOLVED H2S: 30.0

PRESSURE (PSIA): 100

SODIUM (PPM): 87075

IONIC STRENGTH: 3.98

CALCITE (CaCO3) SI: -0.86

CALCITE PTB: N/A

GYPSUM (CaSO4) SI: 0.02

GYPSUM PTB: 75.3

BARITE (BaSO4) SI: N/A

BARITE PTB: N/A

CELESTITE (SrSO4) SI: N/A

CELESTITE PTB: N/A

SI calculations based on Tomson-Oddo

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchant

Date Sampled: 4/25/96

CC1:

Date Received: 4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: Harris

SAMPLE POINT: Harris #3

WELL: Harris #3

REMARKS:

CHLORIDE: 145000

SULFATE: 5209

BICARBONATE: 268

CALCIUM: 2165

MAGNESIUM: 631

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 6.94

TEMPERATURE: 86

DISSOLVED CO2: 439

MOLE PERCENT CO2 IN GAS:

DISSOLVED H2S: 143.0

PRESSURE (PSIA): 100

SODIUM (PPM): 92952

IONIC STRENGTH: 4.20

CALCITE (CaCO3) SI: -0.80

CALCITE PTB: N/A

GYPSUM (CaSO4) SI: -0.03

GYPSUM PTB: N/A

BARITE (BaSO4) SI: N/A

BARITE PTB: N/A

CELESTITE (SrSO4) SI: N/A

CELESTITE PTB: N/A

SI calculations based on Tomson-Oddo



Champion
Technologies, Inc.

Committed To Improvement

Water Analysis Report

Customer: Penroc Oil Corporation

4/26/96

Address: P.O. Box 5970

City: Hobbs

State: NM

Zip: 88240-

Attention: Merch Merchant

Date Sampled:

4/25/96

CC1:

Date Received:

4/26/96

CC2:

SALESMAN NAME: Mike Edwards

LEASE: BL

SAMPLE POINT: BL #14

WELL: BL #14

REMARKS:

CHLORIDE: 149000

SULFATE: 4342

BICARBONATE: 268

CALCIUM: 2566

MAGNESIUM: 753

IRON: 0

BARIUM:

STRONTIUM:

MEASURED pH: 6.48

TEMPERATURE: 86

DISSOLVED CO2: 570

MOLE PERCENT CO2 IN GAS:

DISSOLVED H2S: 297.0

PRESSURE (PSIA): 100

SODIUM (PPM): 94440

IONIC STRENGTH: 4.30

CALCITE (CaCO3) SI: -0.78

CALCITE PTB: N/A

GYPSUM (CaSO4) SI: -0.03

GYPSUM PTB: N/A

BARITE (BaSO4) SI: N/A

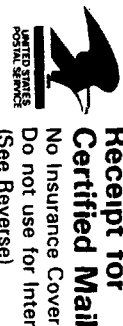
BARITE PTB: N/A

CELESTITE (SrSO4) SI: N/A

CELESTITE PTB: N/A

SI calculations based on Tomson-Oddo

Z 106 681 957

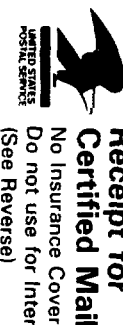


Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to TIPPERARY OIL & GAS	
Street and No. 655 17TH ST., STE 1550	
City, State and ZIP Code DENVER, CO 80202	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	1.42
Postmark or Date	APR 26 1993 HOBBBS NM 88240

Z 106 681 960

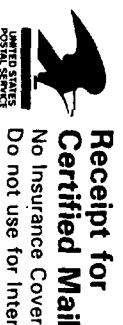


Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to CARL LANE JOHNSON	
Street and No. P.O. BOX 916	
City, State and ZIP Code FATUM, NM 88267	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	1.42
Postmark or Date	APR 26 1993 HOBBBS NM 88268

Z 106 681 959



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No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to MR. PETE MARTINEZ	
Street and No. NM STATE LAND OFFICE	
City, State and ZIP Code SANTA FE, NM 87504-1148	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	1.42
Postmark or Date	APR 26 1993 HOBBBS NM 88268

Z 106 681 958



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(See Reverse)

PS Form 3800, March 1993

Sent to EXXON COMPANY, USA	
Street and No. P.O. BOX 1600	
City, State and ZIP Code MIDLAND, TEXAS 79702	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	1.42
Postmark or Date	APR 26 1993 HOBBBS NM 88240

Z 106 641 962



UNITED STATES
POSTAL SERVICE

**Receipt for
Certified Mail**

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(See Reverse)

PS Form 3800, March 1993

YATES PETROLEUM CORP.	
105 S. FOURTH ST.	
ARTESTA, NM 88210	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 1.42
Postmark or Date	

Z 106 641 961



UNITED STATES
POSTAL SERVICE

**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

MANZANO OIL CORPORATION	
P.O. Box 2107	
POSWELL, NM 88202	
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 1.42
Postmark or Date	

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I. Kathi Bearden

Publisher

of the Hobbs Daily News-Sun, a
daily newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____

1

weeks.

Beginning with the issue dated

April 26

, 1996

and ending with the issue dated

April 26

, 1996

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 29th day of

April, 1996

Sandra Cathett
Notary Public.

My Commission expires
March 24, 1998
(Seal)

LEGAL NOTICE

April 26, 1996

Penroc Oil Corporation, P. O.
Box 5970, Hobbs, New Mex-
ico 88241-5970 is filing an
application to convert its
State AD well No. 2 and Har-
ris State Well No. 4 to water
injection. These wells are
located in the NE/4 of SW/4,
Section 22, & Section 23 re-
spectively. Both are in
Township 10 South, Range
32 East, Lea County, New
Mexico.

The intention of the applic-
ant is to inject produced wa-
ter from the San Andres for-
mation at its producing well
in the Mescalero San Andres
Field to improve productivity
of the field. Maximum injec-
tion rates will be 500 barrels
of water per day per well at
pressures not to exceed
810psig. The depths of in-
jection will be in perforations
4063-4200 feet at AD Well
no. 2 and 4176-4260 feet at
Harris State Well no. 4.

All interested parties must
file any objections or re-
quests for hearing with the
Oil Conservation Division,
2040 S. Pacheco Street,
Santa Fe, New Mexico
87505-5472 within 30 days
of this notice.

M. Y. (Merch) Merchant,
President
(505) 397-3596
#14519

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.