

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires. March 31, 2007

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.**

5. Lease Serial No.
NMNM 110332

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
West Indian 11 Fed #1

2. Name of Operator
Penroc Oil Corporation

9. API Well No.
30-015-33321

3a. Address
PO Box 2769, Hobbs, NM 88241

3b. Phone No. (include area code)
575-492-1236

10. Field and Pool or Exploratory Area
Indian Basin; Morrow West

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2134' FSL & 990' FEL, Unit 1, Sec 11, T21S, R22E

11. Country or Parish, State
Eddy County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Subsequent Report

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Final Abandonment Notice

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other Change of Operator

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

☐ Convert to Injection

☐ Plug Back

☐ Water Disposal

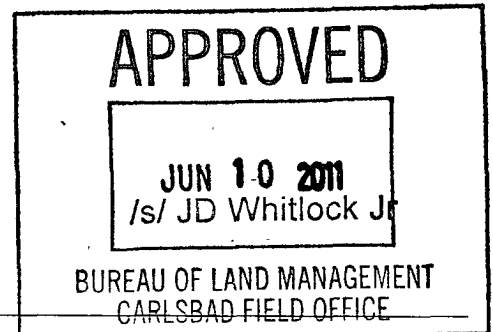
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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.)

Penroc Oil Corporation respectfully requests a change of operator from Chevron Midcontinent, LP to Penroc Oil Corporation for the above referenced lease.

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations on the leased land or portion thereof, as described below;

Lease No: NMNM 110332
Legal Description of Land: All Sections 11 and 12, T21S, R22E, Eddy County, New Mexico
Formation: Morrow
BLM Bond No.: ~~B001094~~ NM B000241 + NM B000782
Effective Date: April 1st, 2011

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



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

Name (Printed/Typed)
M.Y. Merchant

Title President

Signature

Date 04/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

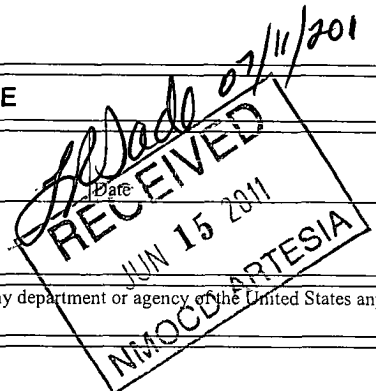
Title

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.

Office

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 page 2)



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

Penroc Oil Corporation West Indian 11 fed. #1 API 3001533321

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
3. Submit for approval of water disposal method.
4. Submit updated facility diagrams as per Onshore Order #3
5. This agency shall be notified of any spill or discharge as required by NTL-3A.
6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
8. Subject to like approval by NMOCD.