

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2		5. Lease Serial No. NMLC047269A
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Penroc Oil Corporation		7. If Unit of CA/Agreement, Name and/or No. 8910085280
3a. Address PO BOX 2769 Hobbs, NM 88241-2769 USA		8. Well Name and No. West Loco Hills Tr. 1 No. 004
3b. Phone No. (include area code) (575) 492-1236		9. API Well No. 30-015-04493
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 7, T18S, R30E SWSW Tract 1 660 FSL 660 FWL		10. Field and Pool or Exploratory Area Loco Hills; Qu-GB-SA
		11. Country or Parish, State Eddy County, NM, USA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

10/13/16-10/16/16: The previous operator (Enervest Operating) converted this well from an injection well to a flowing producing well, and documentation of the integrity and work done on this well was accepted on February 6th, 2017 by the BLM.

Penroc Oil Corporation has moved a pumping unit over to this well since taking over the asset, and has paid a down payment to Central Valley Electric to begin Right of Way work with the BLM in an effort to install power. This Right of Way process is only 2 weeks underway as of 5/1/2017. By installing a pumping unit and electricity, we will be able to run rods and a pump and effectively draw-down this well.

Currently, this well has enough injection support to flow oil and water on its own, and it does so on a daily basis. Current production from this well is approximately 2 BO and 10 BWPD through 2-3/8" tubing from the producing formation. With this information, Penroc Oil Corporation respectfully request this well to be reclassified as an ACTIVE PRODUCER, as opposed to SHUT-IN.

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 18 2017

RECEIVED

Accepted for record - NMOC

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Kyle Townsend	Title Agent for Penroc Oil Corporation
Signature 	Date 05/08/2017

ACCEPTED FOR RECORD

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Title BUREAU OF LAND MANAGEMENT
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 CARLSBAD FIELD 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.