

110332

OCD Artesia

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**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.

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
WEST INDIAN 11 FEDERAL #1

9. API Well No.  
30-015-33321

10. Field and Pool or Exploratory Area  
INDIAN BASIN; MORROW, WEST (GAS)

11. Country or Parish, State  
EDDY COUNTY, NEW MEXICO

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
CHEVRON MIDCONTINENT, L.P.

3a. Address  
15 SMITH ROAD  
MIDLAND, TEXAS 79705

3b. Phone No. (include area code)  
432-687-7375

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2134' FSL & 990' FEL, SECTION 11, T-21S, R-22E, UL-1

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other CHANGE OF  
OPERATOR

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.)

EFFECTIVE MAY 24, 2011, THE SUBJECT WELL IS NOW OPERATED BY PENROC OIL CORP, P.O. BOX 2769, HOBBS, NM 88241-2769, OGRID #17213, AS INDICATED IN C-145 CHANGE OF OPERATOR, PERMIT # 130757, ATTACHED.

CHEVRON MIDCONTINENT, L.P. (241333) RELINQUISHES OPERATORSHIP OF THE SUBJECT WELL.

*Denise Pinkerton*

Denise Pinkerton  
Regulatory Specialist  
Chevron  
15 Smith Road  
Midland, TX 79705

**Please note that Penroc Oil must be the party submitting the Change of Operator sundry notice. This document has been accepted for the record but is not a valid document for putting a change of operator into effect.**

Accepted for record  
NMOCD 06/07/2011  
*JD*

RECEIVED  
JUN 07 2011  
NMOCD ARTESIA

I hereby certify that the  
Denise Pinkerton

Title Regulatory Specialist

Signature *Denise Pinkerton*

Date 05/24/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

*Accepted for the record*  
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would title the applicant to conduct operations thereon.

Title L.F.

Office C.F.O.

Date

5/31/11

Under 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)

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

State of New Mexico  
Energy, Minerals and Natural  
Resources

Form C-145  
Permit 130757

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 241333  
Name: CHEVRON MIDCONTINENT, L.P.  
Address: 15 SMITH ROAD

City, State, Zip: MIDLAND, TX 79705

New Operator Information

Effective Date: Effective on the date of approval by the OCD

OGRID: 17213  
Name: PENROC OIL CORP  
Address: PO BOX 2769

City, State, Zip: HOBBS, NM 882412769

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, PENROC OIL CORP certifies that it has read and understands the following synopsis of applicable rules.

Previous Operator

Signature: *Denise Parker*

Printed Name: Denise Parker

Title: Regulatory Specialist

Date: 4/26/2011 Phone: 432-689-7375

New Operator

Signature: *M. Y. Merchant*

Printed Name: M. Y. Merchant

Title: President

Date: 4/26/2011 Phone: (505) 492-1236

**NMOCD Approval**

Electronic Signature: Randy Dade, District 2

Date: May 24, 2011

PENROC OIL CORP certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

PENROC OIL CORP understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, PENROC OIL CORP agrees to the following statements:

1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well,

- authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

From Operator CHEVRON MIDCONTINENT, L.P. OGRID 241333  
To Operator PENROC OIL CORP OGRID 17213  
Wells Selected for Transfer, Permit 130757  
Permit Status: APPROVED

**OCD District: Artesia**

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
309432 WEST INDIAN 11 FEDERAL #001	F	I-11-21S-22E	1	30-015-33321	G	79020 INDIAN BASIN;	MORROW, WEST (GAS)

**Pinkerton, J. Denise (leakejd)**

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**From:** OCDOnline@state.nm.us  
**Sent:** Tuesday, May 24, 2011 9:32 AM  
**To:** Pinkerton, J. Denise (leakejd); Pinkerton, J. Denise (leakejd)  
**Subject:** OCD Operator Change Approval

OCD has given **FINAL APPROVAL** to the following Operator Change:

From: 241333-CHEVRON MIDCONTINENT, L.P.

To: 17213-PENROC OIL CORP

Date Submitted: 4/26/2011 9:15:12 AM

The approved permit can be viewed on OCD Online by [Clicking Here](#).