

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

HOBBS REC'D
RECEIVED

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| 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.) | | WELL API NO. 30-025-22646 |
| 1. Type of Well: Oil Well Gas Well Other | | 5. Indicate Type of Lease STATE X FEE |
| 2. Name of Operator Penroc Oil Corporation | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator PO Box 2769, Hobbs, NM 88241 | | 7. Lease Name or Unit Agreement Name State B |
| 4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>1</u> Township <u>9S</u> Range <u>32E</u> NMPM County <u>Lea</u> | | 8. Well Number <u>002</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | | 9. OGRID Number 17213 |
| 10. Pool name or Wildcat Bar-U;Penn | | |

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

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|--|--|--|--|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> PNR CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED

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

SIGNATURE [Signature] TITLE President DATE August 19, 2019
 Type or print name M. Y. Merchant E-mail address: mymerch@penrocoil. PHONE: (575)492-1236
For State Use Only
 APPROVED BY: [Signature] TITLE Compliance Officer DATE 8-27-19
 Conditions of Approval (if any)

Plugging Report
State B #2
30-025-22646

8/9/2019 Cleared location and moved old tubing and rods away from the wellhead. Rigged up and laid down 25 1" rods and 120 7/8" rods. Dug out cellar to expose intermediate and surface connections. Plumped connections to the steel pit and shut down.

8/12/2019 Installed BOP and tally out of hole with tubing. 213 jts 2 7/8" tubing (6631'). Picked up perforated sub with bull plug on the end and RIH with tubing from the well. Picked up 9 jts of work string and tagged up at 6915'. Well would not circulate. Spotted 50 sx Class H cement with CaCl at 6915'. POOH and SION. Will attempt tag in the morning.

8/13/2019 Tagged cement at 6509'. Established circulation with 23 bbls. Circulated MLF and tested casing to 500#. Casing good. POOH and perforated casing at 6509'. Set packer and pressured up on perms to 600#. Could not pump into perms. POOH with packer and RIH with tubing to 6509' and spot 25 sx cement. POOH and SION. Will tag in the morning.

8/14/2019 Tagged cement at 6276'. Perforated casing at 3710'. Set packer and pressured up on perms to 600# and held. POOH with packer and spotted 25 sx cement with CaCl. WOC and tagged at 3503'. Perforated casing at 1850'. Set packer and pressured up to 600# and held. Pulled packer and spot 25 sx cement from 1900'. POOH and SION.

8/15/2019 Tagged cement at 1669'. Perforated casing at 354'. Pumped down 5 1/2" casing and broke down perms. Good circulation up the intermediate annulus. Closed the intermediate valve and tried to get communication to the surface head. Could pump into the perms with 600# at 2 bbl/min, but no communication to the surface. Pumped cement down the 5 1/2" casing to the perms at 354' and up the intermediate annulus. Took 100 sx to get cement to the pit. Closed the intermediate valve and squeezed 25 sx cement outside of the 8 5/8" casing at 354'. Closed in and rigged down. Dug out wellhead and cut off. Good cement was to surface inside the 5 1/2" and 8 5/8" casing. One inched the 8 5/8" X 13 3/8" annulus from 100' with 40 sx cement. Cement remained at surface. Installed BGM and cut off anchors. Cleaned the steel pit and moved out equipment.