

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

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

HOBBS OCD
FEB 20 2020
RECEIVED

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.

MIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM94192
2. Name of Operator PENROC OIL CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: DILLON SALAS E-Mail: DILLON@PENROCOIL.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1515 CALLE SUR SUITE 174 HOBBS, NM 88240	3b. Phone No. (include area code) Ph: 575-492-1236	8. Well Name and No. SOUTHPAW FEDERAL 30 02
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T18S R32E SESW 960FSL 2100FWL		9. API Well No. 30-025-36865-00-C1
		10. Field and Pool or Exploratory Area WATKINS YOUNG-DELAWARE, NORTH
		11. County or Parish, State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 checked="" 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 recomplate 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 recomplate 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.

DHC: Add Plug. CIBP @ 4463, Dump 35' ent. Tag (San Andree Perfs)

1. Test Anchor
2. RU WSU. LD rods & pump.
3. NU B.O.P. TOH w/tbg.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

4. RU WL. Run gauge ring to 3850'. Run and set CIBP @ 3750' w/WL dump 35' class C cmt. on top of CIBP. WOC 4hrs. Tag.
5. TIH w/ 2-7/8" tbg, tag plug, come up and circulate hole w/10# gelled brine.
6. Spot 35sxs Class C cmt @ 2450'. W.O.C. 4hrs & tag. 2330 min. Add Plug: Spot cmt from 1355-1258, WOC Tag. (T/salt)
7. Come up w/tbg & pkr to 750' and spot w/35sxs class C cmt. Cement to surface.

Below ground level dry hole marker required.

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

Electronic Submission #501477 verified by the BLM Well Information System
For PENROC OIL CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/30/2020 (20DLM0246SE)

Name (Printed/Typed) MERCH MERCHANT	Title PRESIDENT
Signature (Electronic Submission)	Date 01/30/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James R. Amos</i>	Title SAET	Date 2-6-20
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 LFO

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)

** BLM REVISED **

FOR RECORD
XZ NM ocd 3-6-20

Additional data for EC transaction #501477 that would not fit on the form

32. Additional remarks, continued

8. Put 5sxs @ surface. Install dry hole marker.
9. Cut the well head, RD, cut anchors, clean location, and move out.
10. Rehab within 90 days per BLM & surface owners requirements.

P.S. No earthen pit, all fluids will be contained in steel pit & hauled off to approved disposal facility.

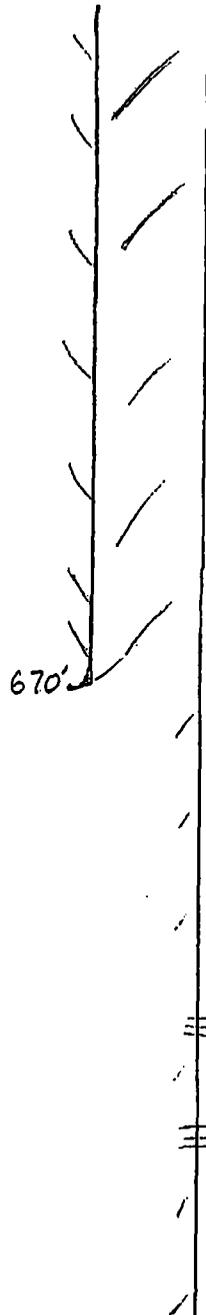
W B D (P+A)

SouthPaw 30 Federal #2
 30-025-36865
 Unit N Sec 30 T18S R32E
 Lea County, Hobbs NM
 Watkins; Yates-7 RVRS-QU-GB
 Young; San Andres

By Dillon Salas
 Date:

Rustler	1055
T/salt	1308
B/salt	2380
Yates	2583
72	2920
Qu	3628
PR	3850
GB	4272
SA	4416
Del	4741

30 face



670'

2 7/8" tbg.

Surf csg: 8 5/8" 24#, w/350 sxs
 cmt. TOC @ surface, ✓
 OH = 12 1/4"

tbg. 2 7/8" @ 4675'

Watkins; Yates-7 RVRS-QU-GB (10/29/2004)
 3851'-4088' ✓

Young; San Andres Perfs (10/14/2004)
 4563'-4629' ✓

PBTD 4972
 MD+TVD: 5020'

Prod csg: 5 1/2" 15.5#, w/1685 sxs cmt.
 TOC @ surface. ✓
 OH = 7 7/8" ✓

22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS



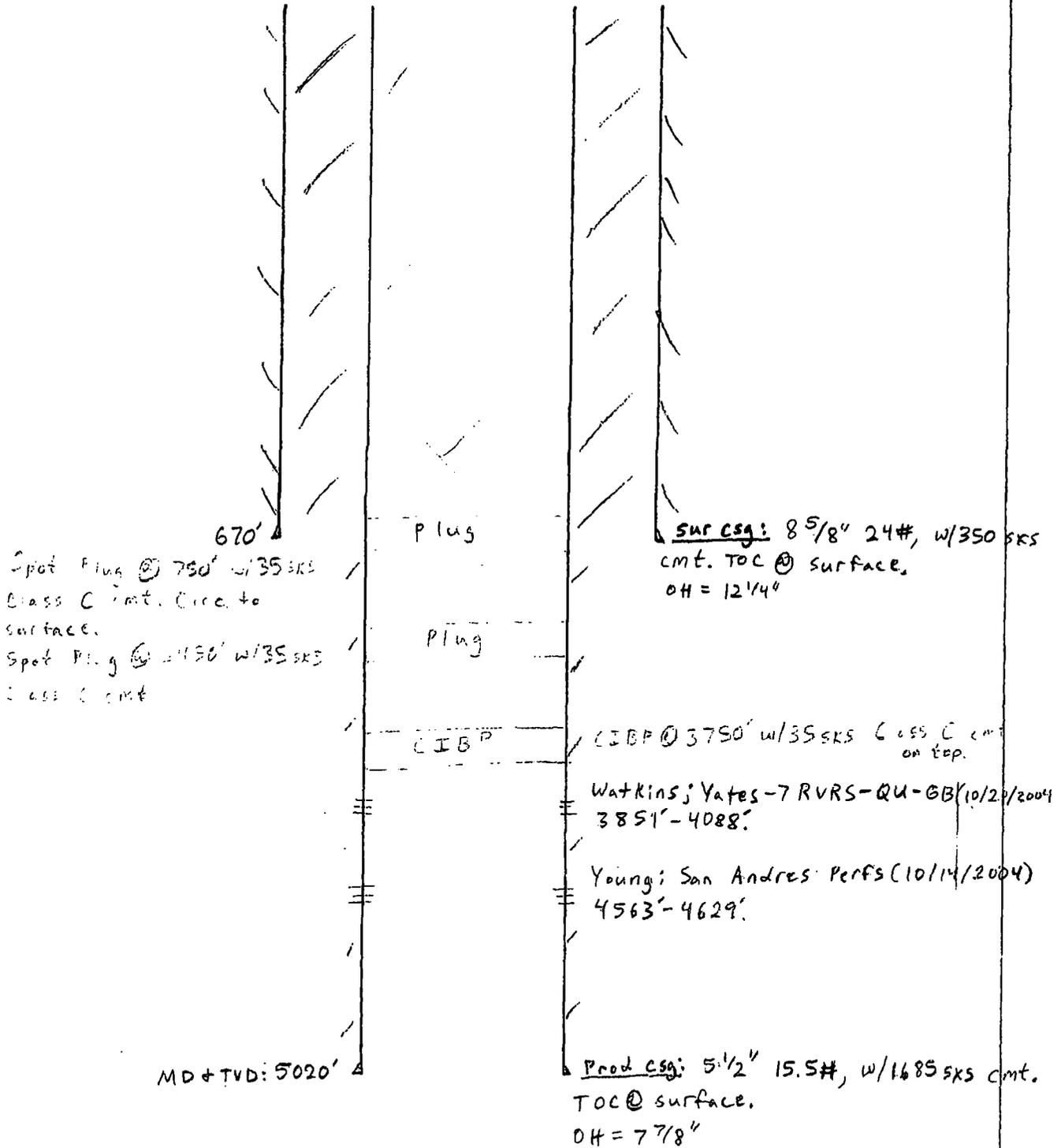
W B D (P+A)

SouthPaw 30 Federal #2
 30-025-36865
 Unit N Sec 30 T18S R32E
 Lea County, Hobbs NM
 Watkins; Yates-7 RVRS-QU-GB
 Young; San Andres

By Dillon Salas
 Date:

After

22-141 50 SHEETS
 22-142 100 SHEETS
 22-143 200 SHEETS



670'
 Spot Plug @ 750' w/35 SKS
 Class C int. Circ. to
 surface.
 Spot Plug @ 1450' w/35 SKS
 Class C int.

SURF CSA: 8 5/8" 24#, w/350 SKS
 cmt. TOC @ surface.
 OH = 12 1/4"

CIBP @ 3750' w/35 SKS Class C int
 on top.
 Watkins; Yates-7 RVRS-QU-GB (10/21/2004)
 3851'-4088'.
 Young; San Andres Perfs (10/14/2004)
 4563'-4629'.

MD+TVD: 5020' A

Prod CSA: 5 1/2" 15.5#, w/1685 SKS cmt.
 TOC @ surface.
 OH = 7 7/8"

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

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted