

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.
NML CO 67230

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

PENROC OIL CORPORATION

3a. Address

P.O. Box 2769, Hobbs, NM 88241

3b. Phone No. (include area code)

(505) 492-1236

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

1980' FSL, 1730' FEL Sec. 3, T19 S, R32 E

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

8. Well Name and No.

Federal 3-2

9. API Well No.

30-025-25701

10. Field and Pool or Exploratory Area

Lusk Bone Springs; East

11. Country or Parish, State

Lea

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 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.)

On availability of in April-May '07, and hook up of electricity by Xcel (elec. provider) will return Bone Springs perms to production.

P.S. All surface & sub-surface equipment ready to go!

Subsequent sundry required starting return to production date,

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

Name (Printed/Typed) **M. Y. Merchant**

Signature *[Signature]*

Title **President**

Date **4/8/07**

APPROVED FOR 2 MONTH PERIOD

ENDING 6/12/2007

RECEIVED
HOBBS
OCD
APR 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE		APPROVED
Approved by	Title	Date APR 12 2007
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	<i>[Signature]</i> WESTLYN INGRAM PETROLEUM ENGINEER

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.

GWW