

Form 3160-5
(February 2005)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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
NMLC 067230

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 88240

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, T. 19-S, R. 32-E

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

8. Well Name and No

Federal 3-2

9. API Well No

30-025-2570100

10. Field and Pool or Exploratory Area

Lusk Bonesprings

11. Country or Parish, State

Lea, NM

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

TYPE OF SUBMISSION

☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ 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

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 recomplete 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 recompletion 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.)

4/25 thru 4/27/07**Replaced 75 HP motor w/ 50 HP. Balanced pumping unit.****Final test May 13th, 2007 : 4 bo. trace of water.****Will continue to produce and monitor. If necessary, will acidize w/ 5000 gallon 20% NEFE acid.**

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

Name (Printed/Typed)

M. Y. (Merch) MerchantTitle **President**

Signature

[Signature]Date **5/15/07****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

[Signature]

Title

Date

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

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)

original ok.

RECEIVED

2007 MAY 18 P 1:31

BUREAU OF LAND MGMT.
HOBBS, NEW MEXICO