

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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OCD-HOBBS
AUG 03 2010
HOBBSOCD

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.

5. Lease Serial No
NM07002

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
1515 CALLE SUR, HOBBS, NEW MEXICO 88240

3b. Phone No. (include area code)
575-492-1236

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL, 1980' FEL
SECTION 6, T-19-S, R-33-E

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

8. Well Name and No.
NELLIS FEDERAL 2

9. API Well No.
30-025-25782

10. Field and Pool or Exploratory Area
TONTO BONESPRINGS,, WEST

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.)

PLAN TO INSTALL PUMPING UNIT, RODS AND PUMP. ELECTRIFY SAME TO PRODUCE BONE SPRINGS PERFS: 8805-9400'.

DATES ARE BEST ESTIMATES DEPENDING ON CONTRACTORS AND WEATHER.

JULY 16-18, 2010 A&M TO MOVE AND SET 640 PUMPING UNIT

JULY 19-22, 2010 TRIPPLE S ELECTRIC TO INSTALL ELECTRICITY (WILL HAVE TO WAIT ON XCEL TO PROVIDE POWER)

AUGUST 1ST WEEK: RU BO, PULL TUBING, RUN TUBING WITH MUD JOINT, PS, SN, TUBING ANCHOR. NU WELL HEAD. PICK UP PUMP AND RODS. RETURN WELL TO PRODUCTION AND TEST ONCE ELECTRICITY IS AVAILABLE THROUGH XCEL. XCEL ELECTRIC HAVE BEEN NOTIFIED. COULD BE A MONTH BEFORE THEY GIVE POWER, BUT WE ARE PUSHING FOR AN EARLIER DATE.

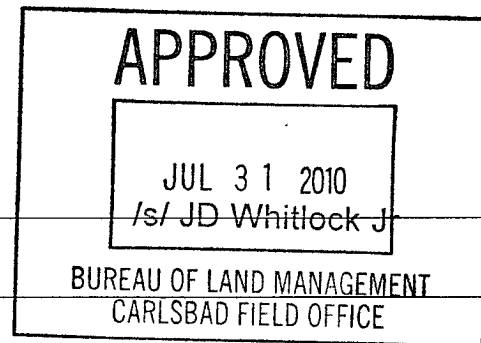
Submit subsequent report of operation
Well must be on production with 60
days of approval. Notify BLM within 5
days of well being placed back on
production as per 43 CFR 3162.4-1(c)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
M. Y. (MERCH) MERCHANT

Title PRESIDENT

Signature

Date 07/15/2010



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Date

AUG 04 2010

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.