

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|--|
| ¹ Operator Name and Address PENROC OIL CORPORATION P.O. BOX 5970 HOBBS, NM 88241 | | ² OGRID Number 17213 |
| | | ³ API Number 30-025-34613 |
| ⁴ Property Code 24541 | ⁵ Property Name PENROC "10" STATE | ⁶ Well No. 1 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 10 | 10 S | 34 E | | 330' | SOUTH | 330' | WEST | LEA |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ⁹ Proposed Pool 1 Lane Abo, Southeast | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|--|--|--|---|--|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 4206' |
| ¹⁶ Multiple - | ¹⁷ Proposed Depth 9100' | ¹⁸ Formation ABO | ¹⁹ Contractor KEY ENERGY | ²⁰ Spud Date MAY 2, 1999 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|----------------|----------------|---------------------|---------------|-----------------|----------------|
| 17 1/2" | 13 3/8" | 48* | 400' | 440 | Surface |
| 11" | 8 5/8" | 32* | 4000' | 800 | surface |
| 7 7/8" | 5 1/2" | 17 & 20* | 9100' | 800 | 3750' |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

May 2, 1999 is estimated spud date depending on rig move.
BOP schedule is attached. BOP's will be tested daily.
Mud program will be in effect to properly clean hole.
will mud up on top of Abo shale and control water loss.
open hole logs and mud logging will be utilized to properly
evaluate the prospective pay. No coring or DST are planned.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
Printed name: **M. J. (Merch) Merchant**
Title: **President** 397-3596

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: **DISTRICT ENGINEER**
Approval Date: **APR 26, 1999**
Expiration Date:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway