

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION 310 Old Santa Fe Trail, Room 206 Santa Fe, New Mexico 87503

WELL API NO. 30-025-04374
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. E-1640

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []

2. Name of Operator PENROC OIL CORPORATION

3. Address of Operator P.O. Box 5970, Hobbs, NM 88241

4. Well Location Un Letter 0 : 660 Feet From The SOUTH Line and 1980 Feet From The EAST Line Section 32 Township 20 S Range 36 E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3635 DF

7. Lease Name or Unit Agreement Name STATE WEI 32

8. Well No. 1

9. Pool name or Wildcat ELMONT YATES 7 RIVERS ON

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [], PLUG AND ABANDON [X], TEMPORARILY ABANDON [], CHANGE PLANS [], PULL OR ALTER CASING [], OTHER []. SUBSEQUENT REPORT OF: REMEDIAL WORK [], ALTERING CASING [], COMMENCE DRILLING OPNS. [], PLUG AND ABANDONMENT [], CASING TEST AND CEMENT JOB [], OTHER [].

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates including estimated date of starting any proposed work) SEE RULE 1103. 5 1/2" CSG. PERFS: 3938'-3917' TOC by TS 2775' MI RU. LD RODS & TDH W TBG. SET CIBA @ 3900' & PUT 35' CMT ON TDP. RUN FREE POINT - CUT & PULL CSG APPROX 2300' - TDH W/ TBG. CIRC. HOLE W/ 10" GELLED BRINE. SPOT 50 SX PLUG (50'-50') AT 5 1/2" CSG STUB. W.O.C. & TAG. SPOT ANOTHER CEMENT PLUG AT 1400'. W.O.C. & TAG. SPOT 50 SX. PLUG AT THE BASE OF 8 3/8" @ 268'. SET SURFACE PLUG 10 SX. INSTALL DRY HOLE MARKER. RD RIS. CUT OFF ANCHORS - CLEAN UP LOCATION. READY FOR INSPECTION.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE M. Y. (Merch) Merchant TITLE President DATE 1/12/98 TELEPHONE NO. (505) 397-3596

THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-103 TO BE APPROVED.

(This space for State Use) ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT SUPERVISOR APPROVED BY _____ TITLE _____ DATE _____ CONDITIONS OF APPROVAL, IF ANY:

JC dp

