

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
30-025-03939

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
E 5766

7. Lease Name or Unit Agreement Name:
STATE VA

8. Well No.
1

9. Pool name or Wildcat
DOUBLE 'A' UPPER ABO

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 Gas Well Other

2. Name of Operator
Pennc Oil Corporation

3. Address of Operator
P.O. Box 2769 Hobbs NM 88241

4. Well Location
 Unit Letter **H** : **1650** feet from the **N** line and **990** feet from the **E** line
 Section **20** Township **17 S** Range **36** NMPM **La** County

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

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE

SUBSEQUENT REPORT OF:

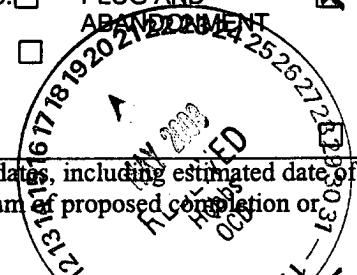
- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOB

OTHER:

Approved on plugging of the well bore.
 Liability under bond is retained until surface restoration is completed.

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

5.7.03 5.14.03 MFRU. Pulled rods, pump & thg. RU W.L. Set GIBP @ 9100'.
 Dump 35' cmt. TIE w/ thg. Drilled hole w/ 12.5" bit/7661 of
 9.5" brine. Pulled up to 6512'. Drpl. 35 bbls. Worked on well
 head & seal assembly. Cut (jet) @ 4090'. LD 121 jth of 5 1/2" 17" JST
 thg. TDH to 4149'. Pumped 50 sx. Tagged cmt @ 4076'.
 Pumped 50 sx. plug @ 4076'. w.o.c. Tagged cement @ 3889'.
 LD 70 jth of thg. Pumped 25 sx plug 1889-1988'. LD 51 jth. of thg.
 Pumped 25 sx plug @ 352'. Tagged @ 251'. Pumped 25 sx plug @ 62'.
 Cve. to surface. Cut off well head. Installed DH marker. Will cover up
 pit when dry & remove Tank battery in the next few months.



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

SIGNATURE [Signature] TITLE President DATE 5/18/03

Type or print name M. Y. (Merch) Merchant Telephone No. (505) 492-1236

APPROVED BY [Signature] FIELD REPRESENTATIVE II/STAFF MANAGER DATE MAY 21 2003

Conditions of approval, if any:

Approved as to plugging of the Well bore.
 Liability under bond is retained until surface restoration is completed.