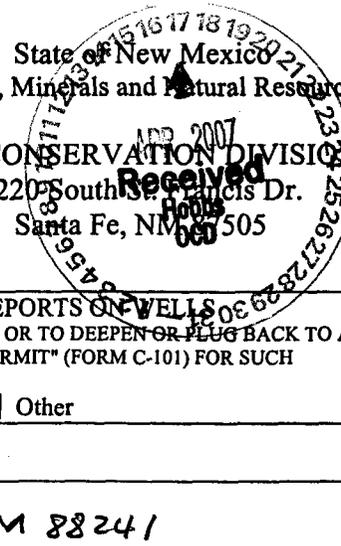


Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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



WELL API NO.
30-025-24186

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
B-229-1

7. Lease Name or Unit Agreement Name
Kinchloe 2 State

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat
Oil Center, Glorieta

SUNDRY NOTICES AND REPORTS OF WELLS OF STATE OF NEW MEXICO
 (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
PENROC OIL CORPORATION

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

4. Well Location
 Unit Letter S: 1980 feet from the SOUTH line and 1980 feet from the WEST line
 Section 2 Township Z1S Range 36E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3519 GR

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

| | | | |
|---|---|---|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input checked="" type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <u>Remediation plan</u> <input type="checkbox"/> | | OTHER: _____ <input type="checkbox"/> | |

13. 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 recompletion.

Follow up to C-141 submitted 4/10/07 and approved 4/12/07. remedial plan is as follows:

- Using appropriate dirt equipment, get dirt samples from 2.6, 10 @ 12' below the surface at the affected area.*
- Submit sample to Lab for chloride analysis.*
- Depending on chloride test results - either remediate in situ or excavate.*
- If excavate to approved OCD site, replace with non-contaminating soil.*

NMSE office: avg. depth to ground water: 200 feet (Sec. 10, T21S, R36)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE [Signature] TITLE President DATE 4/17/2007

Type or print name M. Y. Merchant E-mail address: mymerch@penncoll.com Telephone No. (505) 492-123

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):
RP# 1284