PENRO

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

July 5, 1988

Re: Conversion of Penroc Oil Corporation State "AF" No. 2 to a disposal well

Dear Sir:

Please find enclosed a copy of Penroc Oil Corporation application to convert the State "AF" No. 2 well to disposal well. This application is being furnished to you per New Mexico Conservation requirements.

No reply is required unless you object to this application. Thank you for your cooperation.

Sincerely,

PENROC OIL CORPORATION

President

MYM/br

Enclosures

Texaco - Hobbs CC:

Arco - Hobbs

Maralo - Midland

Bledsoe Petro Corp. - Bethany, OK.

R. D. Lee - Lovington

New Mexico State Land Office - Santa Fe

N. M. O. C. D. - Santa Fe

N. M. O. C. D. - Hobbs

W. T. Kellahin - Santa Fe