

PENROC

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

December 21, 1987

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Re: Conversion of PENROC OIL CORPORATION
State "AF" No. 3 to a disposal well

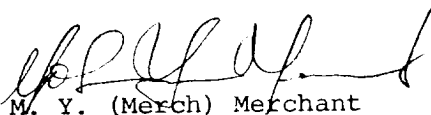
Dear Sir:

Please find enclosed a copy of PENROC OIL CORPORATION application to convert the State "AF" No. 3 well to a 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



M. Y. (Merch) Merchant
President

MYM/br

Enclosures

CC: N.M.O.C.D. - Santa Fe
N.M.O.C.D. - Hobbs
Arco Oil & Gas - Hobbs
Enron - Midland
Texaco - Hobbs
W.T. Kellahin - Santa Fe
R.D. Lee - Lovington
New Mexico State Land Office - Santa Fe