

GARY E. JOHNSON GOVERNOR JENNIFER A. SALISBURY CABINET SECRETARY

February 6, 2001

Penroc Oil Corporation P O Box 5970 Hobbs, N M 88241

RE: State VE Well Number 1, Unit letter P-31-17S-36E, API 30-025-03954

Gentlemen:

The above referenced well site was checked in attempt to release the location. The following items must be corrected.

- 1. The location has a open cellar, railroad ties, poly pipe, fencing, a production tank, and separator. The location and the tank pad also needs leveling.
- 2. Well was plugged in September 1996

You are hereby directed to bring this location in compliance prior to March 8, 2001. This is the second notice of non-compliance with Rule 202. Rule 202 B paragraph 3 states that the location will be restored as soon as practical but no later than one year after the completion of plugging operations. If you have any questions feel fee to call me at 505-393-6161 Ext. 106.

Sincerely. Dolimon Johnny

Johnny Robinson Deputy Oil & Gas Inspector

Cc: Well File Chris Williams Hobbs OCD Supervisor Gary Wink Field Rep II