



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
DISTRICT I HOBBS  
1625 N. French Drive, Hobbs, NM 88241  
(505) 393-6161  
FAX (505) 393-0720

Jennifer A. Salisbury  
CABINET SECRETARY

August 24, 1999

Penroc Oil Corp.  
P O Box 5970  
Hobbs, NM 88240

**RE: State "BL" # 1**  
**Unit Letter P , Section 11, Township 17 South, Range 36 East**

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well have been shut in for an extended period of time. A review of our records show that this well has not been temporarily abandoned. Producing wells cannot be shut in for longer than one year.

The following options are available regarding the future disposition of this well:

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well and proceed with plugging on a timely basis subsequent to District 1 approval.

To avoid further action, we request that you exercise one of the above options no later than November 22, 1999.

We request that you notify this office 24 hours prior to commencement of any operation in order to witness the field operations.

Very truly yours

OIL CONSERVATION DIVISION

Billy Prichard  
Deputy Inspector, District 1

Xc: Chris Williams  
Gary Wink  
File