

PENROC

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

May 15, 1992

Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Aztec 27 State Well No. 1
Unit Letter K, Sec. 27, T20S, R36E
Lea County, New Mexico

Dear Mr. Sexton:

Pursuant to my conversation with your office earlier today, I wish to inform you that PENROC OIL CORPORATION took over operations effective May 1, 1992 and there was no oil in the storage tanks. As you are aware this well was shut in by the previous operator (Carbon Energy) who was in bankruptcy and no follow-up was done either on paper work or field operations. Also for your information, we did not get any files of any kind.

If you have any questions, please contact the undersigned. Thank you.

Sincerely,

PENROC OIL CORPORATION



M. Y. (Merch) Merchant
President & Chief Executive Officer

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