



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6181

February 3, 1999

Penroc Oil Corp.
5014 Carlsbad Hwy, P.O. Box 5970
Hobbs, NM 88241-5970

Gentlemen:

Form C-103, Report of Plugging, for your Freeman State #2-A (36-21-35) cannot be approved until a Division representative has made an inspection of the location and found it to be cleared to comply with Division Rules and Regulations. Please check each item in the space provided to indicate that the work has been done.

- (X) 1. All pits have been filled and leveled
- (X) 2. Rat hole and cellar have been filled and leveled.
- (X) 3. A steel marker 4" in diameter and approximately 4' above ground level has been set in concrete. It must show the OPERATOR, LEASE NAME, WELL NUMBER, quarter/QUARTER SECTION OR UNIT LETTER DESIGNATION, SECTION, TOWNSHIP, AND RANGE which have been permanently stenciled or welded on the marker.
- (X) 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- (X) 5. The dead men and tie downs have been cut and removed.
- (X) 6. If a one-well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk and equipment.

The above are minimum requirements and no plugging bond will be released until all locations for plugged and abandoned wells have been inspected and Form C-103 approved. When all of the work outlined above has been done, please notify this office by filling in the blank form below and returning this letter to us so that our representative will not have to make more than one trip to the location.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Chris Williams; Supervisor, District I

FILL IN BELOW AND RETURN TO: Oil Conservation Division, POBox 1980
Hobbs NM 88241

I certify that the above work has been done and the well referenced above is ready for your inspection and approval.

Penroc Oil Corp. M. Y. Merchant Resident 3/9/99
OPERATOR NAME & TITLE DATE