

PENROC OIL CORPORATION

KELLY STATE NO. 3

PART VIII

The proposed injection zone is Langlie Mattix and lithology is Sandy dolomite. The top of the LM is 3520' and injection zone 3555' - 3617'. The only fresh water in the area is the Ogallala at 150' - 250' from surface, and there is no fresh water below the injection zone.

PART IX

Plans are to acidize existing LM perforations with 2000 gallons 20% NEFE acid.

PART X

Should be on NMOCD file.

PART XI

No fresh water well exists with one (1) mile.