

PETROLEUM & RESOURCES CORP
 Form 5
 January 24, 2007

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
 MCGAHRAN KATHLEEN T

2. Issuer Name and Ticker or Trading Symbol
 PETROLEUM & RESOURCES CORP [PEO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

7 ST. PAUL STREET, SUITE 1140

(Street)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

BALTIMORE, MD 21202

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------------------|--|--|---|
| | | | | Amount | (A) or (D) | Price | | | |
| Common Stock ⁽¹⁾ | 01/04/2006 | Â | A4 | 98 | A | \$ 33.2 | 1,102 | D | Â |
| Common Stock ⁽¹⁾ | 04/06/2006 | Â | A4 | 95.39 | A | \$ 34.07 | 1,197 | D | Â |
| Common Stock ⁽²⁾ | 04/27/2006 | Â | M4 | 420 | A | \$ ⁽²⁾ | 1,617 | D | Â |
| Common | 07/03/2006 | Â | A4 | 94.92 | A | \$ | 1,712 | D | Â |

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| | | | | | | | | | |
|-----------------------------|------------|---|----|-------|---|----------|----------------------|---|---|
| Stock ⁽¹⁾ | | | | | | 34.24 | | | |
| Common Stock ⁽¹⁾ | 10/02/2006 | Â | A4 | 99.66 | A | \$ 32.61 | 2,745 ⁽³⁾ | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. F... |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| Restricted Stock Units | Â | 04/27/2006 | Â | M4 | Â 400 | Â ⁽⁴⁾ Â ⁽⁴⁾ | Common Stock | 400 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MCGAHRAN KATHLEEN T 7 ST. PAUL STREET SUITE 1140 BALTIMORE, MD 21202 | Â X | Â | Â | Â |

Signatures

Kathleen T. McGahran 01/24/2007

⁽¹⁾Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents deferred stock units received in lieu of director retainer fees at the election of the reporting person. Each deferred stock unit represents the right to receive one share of common stock.

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- (2) Represents shares of common stock received upon vesting of 400 restricted stock units granted on April 27, 2005 and 20 additional shares received as dividend equivalent rights accrued on such units.

- Includes shares of common stock that will be issued upon settlement of restricted stock units (including 400 restricted stock units granted on March 28, 2006) and deferred stock units. Also includes 41.70 additional shares received as dividend equivalent rights accrued on deferred stock units and 191.75 shares acquired through the registrant's dividend reinvestment plan.

- (4) N/A. The restricted stock units vested on April 27, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.