

CHACE OIL COMPANY

P.O. Box 14738 Albuquerque, N.M. 87111 [505] 256-0070

August 20, 1972

Mr. A. R. Kendrick, Engineer Oil Conservation Commission State of New Mexico 1000 Rio Brazos Road Aztec, New Mexico 87410

Dear Mr. Kendrick:

Thank you for your letter of August 15, 1972, informing us that we had pulled a No-No on the location for the Jicarilla 2-9 Well.

By the time we found out we were off base on the location and how to call a hearing we were almost to T.D. on the well. We drilled on to a total depth of 2957', logged the well and had 10 feet of not too well developed Pictured Cliffs sand.

We could have possibly made a marginal well, but not enough to call a hearing and get everyone upset, so we are plugging the well today and will send in the P & A forms when completed.

We again want to thank you for your understanding and consideration and hope not to get in a similar situation again.

Very truly yours,

Royce McCary

RM/ev

AUG 8 - 372 OIL CON. COM. DIST. 3

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