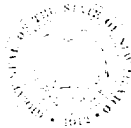


GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

1000 RIO BRAZOS ROAD
AZTEC

April 15, 1968

Davis Drilling, Inc.
313 South Fifth St.
Lamar, Colorado 81052

Gentlemen:

We are enclosing a copy of a report filed by your company with the New Mexico State Tax Commission which indicates Davis Drilling, Inc. purchased seven wells on the Jicarilla 240 lease from Chevron Oil Company on April 1, 1967. On about that date we received Oil Conservation Commission forms C-104 for all the wells except the #1 well in Unit D-26-28N-1W and the #5 well in Unit N of the same section. Both of these wells are temporarily abandoned and have not produced since the date of transfer and this probably explains your failure to file for them.

In order to straighten the records on these wells, we are requesting that you file five copies of federal Form 9-331-A, Sundry Report, indicating the ownership transfer with the United States Geological Survey, P. O. Box 959, Farmington, New Mexico. They will then forward two copies of this report to this office. Thank you.

Yours very truly,

Emery C. Arnold
Supervisor, District #3

ECA:mc

Encl.

cc: Oil Conservation Commission, Santa Fe - Attn: Mr. Al Ulibarri
U. S. G. S. - Farmington, New Mexico