

P.O. Box 1146
Colorado Springs, Co.
80901-1146
January 7, 1986

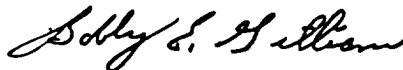
Roy E. Johnson
State of New Mexico
Oil and Gas Division
P.O. Box 2088
Santa Fe. New Mexico 87501

Re: PEMCO (formerly Chalfont)
#3 Kaiser Steel, Sec. 12, T29N
R21E, Colfax Co., N.,. - P&A.

Dear Roy:

Enclosed is an executed copy of Form C-105 and form C-103
after the P&A on December 21, 1985. Please advise as to any
addendum information we should add. If you approve as written,
please send an approved copy for our files.

Very truly yours,



Bobby E. Gilliam

[Faint handwritten notes and scribbles at the bottom of the page, including "2-1-86" and "w/o"]