

LYNCO OIL CORPORATION

#2 DENVER TECHNOLOGICAL CENTER
7890 E. PRENTICE AVE.
ENGLEWOOD, COLORADO 80110
303 - 770-0903

November 6, 1974

New Mexico Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87401

Attention: Emery Arnold

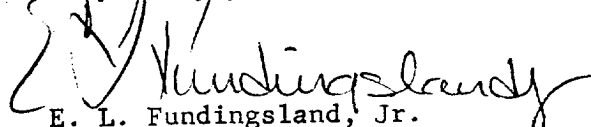
Re: Regina #3
SW $\frac{1}{4}$ Section 6 T23N R1W
Rio Arriba County, New Mexico
Pictured Cliffs Test

Dear Mr. Arnold:

With regard to the captioned test please be advised of the following information:

There is currently a producing Pictured Cliffs Gas Well (Trans Delta #1 Elliott) located on this acreage. This well was not drilled deep enough to encounter a lower sand in the Pictured Cliffs interval and was completed in the top most sand. A lower sand or bench of the Pictured Cliffs is found approximately 70 to 80 feet below the top sand and is separated from the top sand by 50 to 60 feet of shale. Consequently, the Elliott #1 is not producing gas from the lower sand. It is not feasible to re-enter, drill deeper or re-complete the Elliott well in the lower sand due to mechanical limitations. We are therefore making application to drill the captioned test to produce the lower Pictured Cliffs sand.

Very truly yours,


E. L. Fundingsland, Jr.
Vice President

ELF JR:jmc