CHACE OIL COMPANY, INC.

313 Washington S.E. Albuquerque, New Mexico 87108 (505) 265-2622



January 24, 1986

Mr. Roy Johnson Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

Re: Pinon Unit #2 Well

Dear Roy:

I am enclosing an original and two copies of the plugging procedure for the above-referenced well. The sundry will follow when the plugging is completed.

Very truly yours,

Frank Welky

Frank Welker Vice President, Production

FW/ss

Pinon #2 Plugging Procedure:

Gallup perforations: 5437'-6196' KB 189 joints 2 3/8", landed at 6182.92' KB. Tubing: Move in SOS. Rig up. Lay down rods. Nipple up BOP. Trip out of hole with tubing. Rig up 4 1/2" Howco S. V. squeeze retainer. Trip in hole with tubing and retainer. Set retainer at 5000' KB. Rig up Halliburton cement pump truck. Pump free water in reserve pit into Gallup perforations. Pump a 25 sks Class B cement plug displacing it to the cement retainer. Sting out of retainer. Pull tubing up hole. Set a 10 sk Class B cement plug from 255' up to 120'. Pull tubing out of hole. Nipple down well head. Weld a steel plate on casing. Rig down. Move off.

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