

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

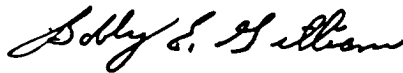
Roy E. Johnson  
State of New Mexico  
Oil and Gas Division  
P.O. Box 2088  
Santa Fe. New Mexico 87501

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 signatures at the bottom of the page, including "w/0" and "1-10-86"]*