

I.T. Properties

3502 Yachtclub Ct., Suite 100 • Arlington, TX 76016
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July 17, 2001

VIA CERTIFIED MAIL #7000-1530-0005-0585-6241

Mr. David Brooks, Esq.
New Mexico Department of Energy
Minerals, and Natural Resources
Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

**RE: Work-Over & Cementing the Casing
DHY State No. 1
Sec. 23-T19S-R28E
Eddy County, New Mexico**

Dear Mr. Brooks:

As you know, we sent to our partners, Yates Petroleum, ABO, Yates Drilling, Myco Industries and Devon Energy, a letter agreement for additional funds in the amount of \$70,600 to complete the repair for a casing break in the DHY State #1 well.

At this time Devon Energy has consented to the additional funds to the casing repair as outlined by our well consultant, Mr. William R. Hansen. We have a verbal consent but are waiting for a written approval by Yates Petroleum, ABO, Yates Drilling and Myco Industries.


Due to the magnitude of funds and limited availability of rigs, our contractors/rig contractor now demand advance payment for the casing repair prior to a commitment. And also due to our own limited budget and in accordance to the JOA, we are compelled to pre-bill our working-interest partners. Moreover, one of our partners (Devon Energy) failed to pay timely for the actual cost (within the AFE) for work performed in May 2001 as invoiced. This unfortunate delay in turn caused a problem for the scheduling of the added repair work. Thus at this time we are unable to honor the earlier schedule to complete the casing repair by July 25, 2001.

We submitted on 7/09/2001 the C103 form, which outlines the casing repair procedure. We hereby request further continuance so as to collect additional funds to be paid in advance by our partners. In view of the pre-bill process, we

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require additional two months for arrival of funds and to complete the casing repair.

Sincerely yours,


K. W. Chen
President

cc: Devon Energy, Inc.
Mr. Mike Stubblefield, OCD
Paul R. Owen, Esq.

FACSIMILE TRANSMITTAL SHEET

I.T. Corporation/I.T. Properties

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Arlington, Texas 76016

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Send to: New Mexico Oil Conservation	From: K.W. Chen
Attention: Mr. Mike Stubblefield	Date: 07/17/01
Office Location:	
Fax Number: 505-748-9720	

- ☐ Urgent
- ☐ Reply ASAP
- ☐ Please comment
- ☐ Please review
- ☐ For your information

Total pages, including cover: 3

Comments:

**Letter to Mr. David Brooks, Esq.
New Mexico Department of Energy
Minerals, and Natural Resources
Oil Conservation Division**

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