SKELLY OIL COMPANY

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HOBBS, NEW MEXICO.
DECEMBER 5, 1936.

File: Sims "C" Well No. 1.

Mr. F. J. Vesely, State Oil & Gas Inspector, Carlsbad, New Mexico.

Dear Sir:

In reply to your recent letters regarding the differences between the "Notice of Intention to Drill" and the "Notice of Results of Test for Casing Shut off" on our Sims "C" No. 1 and our R.R. Sims No. 2, wish to advise as follows:

When the forms, No. C-101 - Notice of Intention to Drill, were made out, one of our clerks made a gross error in showing the 8-5/8" casing to be cemented with 350 sacks. We assume this was because all other wells drilling in this area had been with rotary tools and the customary precedure was to use from three to four hundred sacks, depending on the size of hole and the length of the intermediate string which has heretofore been 9-5/8".

We changed over to "Spudders" for drilling of these wells and of a necessity, the casing and cementing program was also changed. We now set and cement the $15\frac{1}{2}$ " surface string at about 150° , cementing back to the cellar. Then the $12\frac{1}{8}$ " casing is landed at about 450° and the 10° casing landed at about 800° . The hole is carried on down to the anhydrite at approximately 1200° where the 8-5/8" casing is set and cemented in the anhydrite with between fifty and one hundred and fifty sacks, as may be required for the particular job, and the $12\frac{1}{2}$ " an 10° is then pulled.

It was not our intention to change plans without first notifying your office, Had we noticed that the Form No. C-101 was in error before cementing the 8-5/8", we would have immediately filed "Notice of Intention to Change Plans" and thus cleared the matter up before going ahead with the work. We assure you this error will not happen again and trust the above clears the situation to your satisfaction.

Yours very truly.

JM Demlaney