



March 24, 2009

The Honorable Mary Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

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Dear Chairman Schapiro:

Allis-Chalmers Energy Inc. is a company listed on the New York Stock Exchange under the symbol ALY. The stock has been subject to abusive naked short selling on a number of small exchanges. On one given day the stock closed on the NYSE at \$3.46 and the next day there was a short sell offer on an unknown exchange for \$2.01. The Company had a public float in the summer of 2008 of 21.0 million shares and 25% or approximately 5.3 million shares had been sold short. I know that these short sales were naked because I tried to investigate the borrowing capability of the Allis-Chalmers stock in the open market and I was told the maximum available to borrow was 0.4 million shares.

I do not believe that naked short selling abuses can be monitored or controlled and vicious speculation is extremely harmful to market conditions. In 2008 the company had net operating income of \$1.08 excluding the impairment of good will and the stock was trading at \$0.71. The tangible net book value of the company was \$8.00 and yet access to the equity markets was closed because of naked short selling abuses.

It should be illegal to sell stock short because it serves no valid purpose.

I would like to join the NYSE Euronext in recognizing the Commission's commitment to tackle this issue.

Sincerely,


Munawar H. Hidayatallah
Chairman and CEO

Cc: Scott Cutler, NYSE Euronext