STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING ANITA LOCKWOOD GOVERNOR CABINET SECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (500) 334-6178

M-E-M-O-R-A-N-D-U-M (3-93-8)

AMENDED

TO: Bill LeMay, Director

FROM: Ernie Busch, Geologist District 2

SUBJECT: Emergency Plugging Operations on the Dyna Ray Oil & Gas Co., Hill Abraham

#1 well located M-24-24N-02W Rio Arriba County, New Mexico

DATE: April 15, 1993

On March 11, 1993, accumulated gas exploded in a private water well house belonging to Mr. Don Voss of Lindrith. The next day I investigated and found high levels of natural gas coming out of the water well and also out of a neighbor's well. Bradenhead tests were conducted in the area and one well indicated continual flow. We directed the company to perform remedial work immediately and they chose to plug and abandon the well, which has been done. We then monitored the water wells to see if that solved the problem, it did not. I have subsequently located another potential source, a P&A well on Federal minerals. The well is leaking around the marker. The well belonged to Dyna Ray Oil & Gas Co., now defunct.

Because this well poses an immediate hazard, we request approval to proceed without a formal bidding process. We will re-enter the well and replug it according to the attached specifications. We have been in close contact with the Rio Puerco Area Office of the BLM and they have agreed on the proposed operations. The BLM will send you a letter requesting that we take action using the OCD Reclaimation Fund.

I have obtained two bids, one from J.C. Well Service for \$158.00/hr. plus \$350.00 cementing setup charge and \$7.50/sx cement and the second from ODECO, Inc. for \$140.00/hr. plus cementing charges. I could not obtain a third because these are the only two available to do the work on short notice. I have elected to go with the first because they own the necessary equipment that the second bidder would have to contract separately and that would be additional cost.

enc: Attachment

xc: Robert G. Stovall-General Counsel OCD