



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



December 22, 1994 Sent to Rand 12-29-94

RAND CARROLL
COUNSEL FOR NMOCD
PO BOX 2088
SANTA FE NM 87504-2088

RE: J WARREN MILLER CULLPEPPER #1
M-16-29N-13W
694' FSL & 996 FWL
NO PLUGGING BOND
ORDER NO. R-7853

Dear Rand:

On May 8, 1987 Big A Well Service began P&A procedures on the above well. On May 12th they were drilling out junk in the wellbore and encountered a lost circulation problem which, in their opinion was substantially different from the division approved plugging program. Big A Well Service rigged down and moved off well breaching their plugging contract. It was necessary to cover well casing to prevent any further problems in the wellbore. Well needs to be re-entered and plugged by original plugging procedures.

Sincerely,

Johnny Robinson
Deputy Oil & Gas Inspector

JR/cs



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONEY ANAYA
SC. 1254-6173

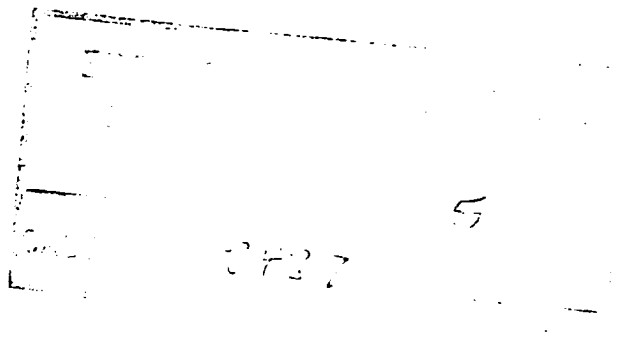
1000 ROBERTS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6173

DIVISION APPROVED PLUGGING PROGRAM

J. Warren Miller
Culpepper #1
694' FSL, 996' FWL
M-16-T29N-R13W, San Juan County, N.M.

Downhole Equipment
Unknown
T.D. 1285' presumed

1. Locate well.
2. Enter hole and clean out/or drill to 1285'.
3. If hole is cased set a cement plug from T.D. to 850', inside and outside the casing, to isolate Pictured Cliffs formation.
4. If hole is not cased set a cement plug from T.D. to 850', to isolate Pictured Cliffs formation.
5. Refer to step #3 and set a cement plug from 400' surface inside and outside, to isolate Farmington S.S.
6. Refer to step #4 and set a plug from 400' to surface, to isolate Farmington S.S.
7. Set dry hole marker.
8. Clean and restore location to original condition.
9. All plugs shall be of Class A, B, or C neat cement and may be accelerated by up to 3% CaCl_2 .
10. All plugs are to be separated by gel mud of minimum nine pounds per gallon.



Same Operator
No Plugging Bond

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

112

CASE NO. 8487
Order No. R-7853

IN THE MATTER THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT J. WARREN MILLER AND OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE CULPEPPER WELL NO. 1 LOCATED 694 FEET FROM THE SOUTH LINE AND 996 FEET FROM THE WEST LINE (UNIT M) OF SECTION 16, TOWNSHIP 29 NORTH, RANGE 13 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 27, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of March, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Division Cases Nos. 8485, 8486, 8487, 8488, 8489, and 8490 were consolidated for purposes of testimony.
- (3) J. Warren Miller was the last known owner and operator of the Culpepper Well No. 1 located in the SW/4 SW/4 (Unit M) of Section 16, Township 29 North, Range 13 West, NMPM, Farmington City Limits, San Juan County, New Mexico.
- (4) The records on file with the New Mexico Oil Conservation Division show said well to be located 694 feet from the South line and 996 feet from the West line of said Section 16 and the well was plugged and abandoned in an unknown manner in January, 1932.
- (5) The subject well has not been located at the above-described location but is believed to be within the SW/4 SW/4 (Unit M) of said Section 16.
- (6) At this time, the subject well is not covered by a plugging bond.

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MAR 21 1985

OIL CON. DIV.
DIST. 3

(7) The current condition of said well could be such that waste may occur, correlative rights may be violated, and/or fresh waters may be contaminated if action is not taken to properly plug and abandon the well.

(8) J. Warren Miller should be ordered to plug and abandon said Culpepper Well No. 1 in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before April 15, 1985.

IT IS THEREFORE ORDERED THAT:

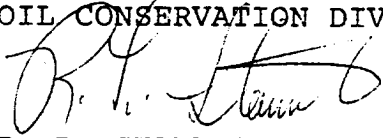
(1) J. Warren Miller is hereby ordered to plug and abandon the Culpepper Well No. 1, located in the SW/4 SW/4 (Unit M) of Section 16, Township 29 North, Range 13 West, NMPM, Farmington City Limits, San Juan County, New Mexico, on or before April 15, 1985.

(2) J. Warren Miller, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

S E A L



TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-8178

May 20, 1987

Connie Romero
Administrative Service Div.
525 Camino de los Marquez
Santa Fe, NM 87501

Re: Emergency work on Culpepper #1 well,
located E-16-29N-13W

Dear Connie:

Emergency work was required on the Culpepper #1 well, after Big A Well Servicing Company breached their plugging contract and abandoned the location. It was necessary to restore the location to its original level by using 6 yds. of fill dirt to fill in holes left by contractor and cover up well casing. Request for bids was made and Navajo Oil Field Service performed the work with a bid of \$119.70. Two other bids were Arco Materials, Inc. with \$150.00 and ODECO, Inc. with \$150.00.

All Quotes were verbal.

Yours truly,

Ernie Busch
Geologist/Deputy Oil & Gas Inspector

EB/dj

xc: Well File
E. Busch
Jeff Taylor



P.O. Box 1496, 700 S. Tucker, Farmington, New Mexico 87401
(505) 327-4961 24-Hour Service (505) 325-5225

May 19, 1987

Oil Conservation Division
New Mexico Energy and Minerals Dept.
1000 Rio Brazos Road
Aztec, New Mexico 87410

ATTENTION: Mr. Frank Chavez

REFERENCE: Statement of Dispute

Dear Sir:

As set forth in your contract page 6 paragraph 22. Disputes we are giving you written notice of the failure to resolve by ordinary communication and negotiations.

May 8th we moved a backhoe onto the Culpepper #1 well site and started digging trying to locate the well. After 5 hours of digging with a backhoe we located the well, welded on a flange, nipped up a spool and our blow out preventer and secured the well. Big "A" Well Service then fenced and flagged the well as an added safety precaution.

May 11th we moved a rig on the Culpepper #1 rigged up and started drilling. We had to shut down and reweld the casing back together due to a collar failure. This condition is substantially different from the division approved plugging program.

May 12th after repairing casing we started back to drilling to a total depth of 120'. During that day we had an enormous amount of lost circulation, losing over 480 BBLS of fluid down the well without establishing circulation. This condition is substantially different from the division approved plugging program.

May 13th we tried to establish circulation again losing an additional 160 BBLS of fluid down hole. While trying to drill we encountered circulation of fluid coming up behind surface casing constituting a very unsafe condition for drilling and well control. This condition is substantially different from the division approved plugging program.

After ordinary communication and negotiations with your on site representative we feel that these conditions are substantially different from the division approved plugging program; therefore, constitutes a Breach of Contract.

The conditions that I have just brought to your attention we feel are circumstances that warranted a cost-reimbursement or unit price situation.

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<u>DATE</u>	<u>DESCRIPTION</u>	<u>COST</u>
5/11/87	2-Hour Rig Time Casing Failure	\$ 200.00
5/12/87	3-Hours Rig Time Nipple Down Weld Casing Nipple Up	300.00
5/12/87	2-Hours Welding	52.50
5/12/87	Fight Lost Circulation 4 Hours Rig Time	400.00
5/12/87	480 BBLS Lost Circulation 6 loads @ (1 hour/load)	229.50
5/13/87	160 BBLS Lost Circulation 2 loads @ (1 hour/load)	76.50
5/13/87	Rig Time Lost Circulation, Communication Behind Surface Casing, Communication & Negotiations w/on Site Representative, Aztec, and Santa Fe people-9-1/2 Hours	<u>950.00</u>
TOTAL DUE		\$ 2208.50

We feel that the cost of the work above should of been on an hourly situation. This cost represents a small portion of the actual cost incurred. Big "A" Well Service completed approximately 18% of the entire well; therefore, Big "A" Well Service should also be paid for the percentage of the well completed.

BID ON CULPEPPER #1

\$4,352.75

18% Completed

TOTAL DUE \$783.50

Big "A" Well Service should be reimbursed for the total amount of \$2,992.00. The E.M.D. breached the contract when they did not correct the abnormal and unsafe conditions found in the well. Since we could not come to agreement with E.M.D. we expect payment in full for the above amount.

Sincerely,



Ron Fellabaum
Sales Supervisor

cc Bill LeMay
Jeff Taylor