

*Culpepper #1 file*



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June 1, 1987

Oil Conservation Division  
Energy and Minerals Department  
525 Camino de Los Marquez  
Santa Fe, New Mexico 87501

ATTENTION: Director of Contracting Division

REFERENCE: Appeal of Decision

Dear Sir:

As set forth in your professional services contract, Big "A" Well Service is appealing the decision of the contract monitor. (Frank T. Chavez)

In Mr. Frank Chavez's response he referred to several conversations with Mr. Busch and Mr. Gholson about the unknown conditions of the well. We did not discuss the fact that if the casing were bad, the contractor would have to repair it, or that if circulation were established behind the casing that the contractor would have to remedy the situation. It was also not mentioned that severe lost circulation would be at the contractors expense. All of these items may occur on these types of wells but they are not normal.

The on-site supervisor for EMD said that to the best of his knowledge the most lost circulation any well in this area had encountered was between 100 and 150 bbls. We lost in excess of 640 barrels in the Culpepper #1. This is a substantial change in down hole conditions that was not represented by the Division in its plugging program.

Because the above conditions were not as represented by the Division in its plugging program and presented unsafe conditions, Big "A" feels that the EMD did not uphold its responsibilities as stated in the contract. We request payment for our services as stated in our letter of May 19, 1987.

Sincerely,

*Ron Fellabaum*

Ron Fellabaum  
Sales Supervisor

cc Bill LeMay  
Jeff Taylor

