



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
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Cabinet Secretary

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Director  
Oil Conservation Division

January 31, 2001

Dugan Production Corp  
PO Box 420  
Farmington NM 87499-0420

**RE: Rainbow Seeker #1, G 29-31N-13W API 30-045-26406**

Dear Mr. Blair:

Mr. Stan Harris and I drove to the above location where we discussed his concerns regarding the condition of the fence around the pit. The fence is not in compliance with Rule 313. The pit appeared to have recently had condensate in it and condensate contaminated soil was evident. The poor condition of the fence would not keep a cow from pushing in or under and drinking from the pit. There appeared to be recent digging along the top and inside edge of the berm, and part of it had been raked. The condition of the area raised suspicion of the cow drinking condensate and dying on location. There were vehicle tracks leaving location dragging something. We followed these tracks and found cow hair on rocks. We continued following the tracks around the hill and down towards the ravine where we found the dead cow.

It is my understanding that the switcher said the cow had been lying on the location dead for awhile. He dragged the cow away from location because it had started to smell.

Is this Dugan's standard procedure for dead animals on location?

You are hereby directed to bring the fence into compliance with Rule 313 before February 2, 2001.

If you have any questions, please call me at 505-334-6178, ext. 16.

Sincerely,

Charlie T Perrin  
Deputy Oil & Gas Inspector  
cperrin@state.nm.us

CTP/mk

CC: CTP  
Well file