



P. O. BOX 2267, MIDLAND, TEXAS 79701

(915) 683-4871

July 20, 1976

United States Department
of Interior
Geological Survey
Post Office Drawer "U"
Artesia, New Mexico 88210

Attention: Mr. Jim Kaunf

Re: Coles Federal "31" No. 1
Section 31, T-24-S, R-27-E
Eddy County, New Mexico

Gentlemen:

Following a recent rain which left water standing around the referenced well, a small amount of gas was observed bubbling from around the dry hole marker. The amount of gas is so small that it presents no present danger to inhabitants or live-stock in the area, however, we have placed a fence around the well and do plan to re-plug the well in the immediate future.

Enclosed is a schematic of the well bore showing the existing plugs and casing points. It is our opinion that the 150 sack plug placed in the 4-1/2" liner across the Morrow perforations is holding and that the gas is probably coming in from the Delaware section that is open from 2200' to the casing cut plug at 3500'.

The proposed plugging procedure is outlined on the attached Form 9-331. The work will be performed as soon as possible.

Very truly yours,

HNG OIL COMPANY

A handwritten signature in cursive script that reads "R. R. Frazier".

R. R. Frazier
District Production Supt.

RRF/sp

Enclosure

RECEIVED
JUL 21 1976
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO