

RECEIVED

APR 13 1989

OIL CON. DIV
DIST. 3

N00-C-14-20-5241 (WC)
3162.3-4 (019)

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CERTIFIED--RETURN RECEIPT REQUESTED
P-838-250-610

Coleman Oil and Gas, Incorporated
P. O. Drawer 3337
Farmington, NM 87499

Gentlemen:

We would like to express our thanks to you for responding in a timely manner to the re-entry and re-plugging the No. 2 Navajo Wood well.

Based upon testimony presented at the hearing in December 1988, the No. 2 Dry Creek well, located in the NW/4NW/4 sec. 5, T. 24 N., R. 10 W., on Navajo Allotted lease N00-C-14-20-3585 (Terminated) in San Juan County, New Mexico, was plugged using the same equipment and procedures as those used in plugging the No. 2 Navajo Wood well. Following the re-entry of the No. 2 Navajo Wood well, and where the plugs were located in relationship to where they should have been, and the condition and weight of the mud, we have very good reason to believe that the No. 2 Dry Creek well also, is not properly plugged.

You are hereby given twenty (20) days from receipt of this letter to submit a Sundry Notice (Form 3160-5, 5 copies) for the No. 2 Dry Creek well, with your proposed methods of complying with our order of April 12, 1988, which referred specifically to the No. 2 Navajo Wood well. A copy of that letter is attached. The same requirements apply for the No. 2 Dry Creek as applied to the No. 2 Navajo Wood as set forth in the attached letter.

You are further advised that all work proposed shall be completed within 45 days after receipt of this letter.

No work shall be performed on this well, Dry Creek No. 2, unless a Bureau of Land Management representative is on site. Please advise this office (telephone 327-5344) 24 hours prior to any activity, in re-entry of this well.

Failure to submit a Sundry Notice (Form 3160-5) will be a failure to comply with a written order and will be subject to an assessment pursuant to 43 CFR 3163.1, and BLM contacting your surety to attain compliance.

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Under provisions of 43 CFR 3165.3, you may request an administrative review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 1449, Santa Fe, NM 87504-1449. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from decisions or orders are contained in 43 CFR 3165.4.

Sincerely,

Linda Runden

Ron Fellows
FOR Area Manager

1 Enclosure

cc: NMOCD, Aztec, NM
BIA, Window Rock, AZ