



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

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

October 19, 1990

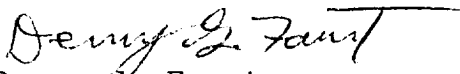
Ron Fellows
Bureau of Land Mgmt.
1235 La Plata Hwy.
Farmington, NM 87401

Dear Mr. Fellows:

I am writing in response to your note concerning Dugan Production Corporation's Muppet #3 well located in Section 2-T24N-R1W, State Lease LG-8804. A subsequent field inspection on 10-04-90 did confirm the trash pit was open plus the mousehole and rathole were not plugged. The only fecal pellets present contained hair, probably coyote in origin. Some black oxidized sage roots resembling human feces were present near the trash pit. A follow-up inspection on 10-10-90 revealed the trash pit had been burned, cable etc. from the well pad consolidated and the rathole and mousehole were closed.

The Muppet #3 well was plugged on 9-20-90. The operator was within time limits expressed in New Mexico Oil Conservation Division Rule 201 for cleaning up the location. As the reserve pit dries, it will be closed and final field inspections conducted. We appreciate your concern and we will insure the location is reclaimed as defined by state rules and regulations.

Yours truly,


Denny G. Foust
Deputy Oil & Gas Inspector
NMOCD District III

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Sherman Dugan
Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

RE: Muppet #3, Plugging and Abandonment

Dear Mr. Dugan;

The Oil Conservation Division Rules 202 and 1103 apply to plugging of wells. Your C-103 submitted 10-2-90 makes no reference to surface casing left in the hole or to the status of the location other than to the fenced reserve pit.

We were particularly concerned about this location because the mousehole and rathole were left open and the trash pit was not burned and buried. Almost three weeks passed before remedial action was taken.

Your people did get the location cleaned up plus the mousehole and rathole closed. Cable, thread protectors etc. were thrown in the reserve pit rather than the trash pit and the trash pit wasn't closed. Our particular concern is that the rathole, mouse hole and trash pit be closed when a rig is moved off-location. A subsequent C-103 will be filed showing the surface casing, plugging-program location clean-up and closure of reserve pits within 30 days of the work's completion.

Yours truly,

Denny G. Foust
Deputy Oil & Gas Inspector
NMOCD District III

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