



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87503

(505) 827-7835

August 12, 1987

GARREY CARRUTHERS
GOVERNOR

Mr. L. O. Van Ryan, President
Big A Well Service
P.O. Box 1496
700 S. Tucker
Farmington, New Mexico 87499

TOM BAHR
CABINET SECRETARY

ANITA LOCKWOOD
DEPUTY SECRETARY

Dear Mr. Van Ryan:

I have considered your thoughtful and courteous presentation regarding the problems your firm encountered in the plugging of the Culpepper No. 1 well (Section 16, Township 29N, Range 3W NMPM, San Juan County New Mexico). I have also considered carefully the decisions made by the Contract Manager and Division Director.

It is my feeling that two questions of fact must be answered in order to render a fair decision in your case:

- 1) Did you receive inconsistent information from the Division's field representative and Division's contract manager regarding whether conditions downhole were other than represented in the Division's drilling program?
- 2) Did the Division's course of action including language in the Invitation For Bid lead Big A Well Service Co. to justifiably believe that the condition actually encountered would cause the Division to go off the contract and onto an hourly rate?

Because the Division Director is in the best position to answer these factual questions, I am remanding this matter for his consideration. These questions should be answered as promptly as possible and suitable action taken on the matter.

Again, thank you for the courtesy with which you have pursued this matter.

Sincerely,

TOM BAHR
Secretary

TB/CR/bcl

VILLAGRA BUILDING - 408 Galisteo

Office of the Secretary
827-7836
Forestry Division
PO Box 2167 827-5830
Park and Recreation Division
PO Box 1147 827-7485

MARQUEZ BUILDING - 525 Camino de los Marquez

Office of the Deputy Secretary
827-5950
Administrative Services
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Energy Conservation & Management
827-5900
Mining and Minerals
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LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
PO Box 2088 827-5800
CAMPUS STATION - Socorro, New Mexico 87801
State Mine Inspector
c/o New Mexico Tech. 835-5458