

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 27, 1989

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SANTA FE, NEW MEXICO 87504
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Mr. Tom Thornhill
Secretary
General Services Department
715 Alta Vista
Santa Fe, New Mexico 87504

Re: Emergency Bid Proposal - Site Reclamation
for Knightsbridge Petroleum Corporation
Triple Crown Well No. 1

Dear Mr. Thornhill:

The Oil Conservation Division proposes to enter into an emergency contract for the filling of reserve pits location of the Knightsbridge Petroleum Corporation Triple Crown Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 6, Township 9 North, Range 31 East, Quay County, New Mexico.

This work must be done on an emergency basis due to the surface conditions of the location. The Triple Crown well was drilled by Knightsbridge Petroleum in 1987. Apparently the operator filed Chapter 11 Bankruptcy petition shortly after the well reached total depth and no completion and site reclamation work was ever done on the well location.

Dennis Cattle Company, the land owner of the surface upon which the well is located, has advised the Division that they have lost a mother cow and calf in the reserve pit when they became stuck in the mud and drowned. That loss amounted to approximately \$1,000 to \$1,500 to the rancher. The pits are not fenced and are currently dry and suitable for filling. If the pits are not filled in prior to the rainy weather, there is substantial risk that additional livestock may be lost. Therefore, the Division proposes to undertake emergency operations to fill the pits and the cost of this work will be paid either from the conservation fund subject to reimbursement if the Division is successful in collecting on the operator's bond.

This matter was brought to the attention of the Division and the Division attempted to contact the operator to arrange to have the well plugged and abandoned in accordance with law or to be placed into operation and site reclamation done on the drilling location. At that time the Division learned that Knightsbridge Petroleum was in bankruptcy and the Division initiated procedures to forfeit the bond posted by the operator and to plug the well in accordance with a Division-approved plugging program. However, even after the order is entered, it will take 60-90 days to have the well plugged.

The Division's supervisor has met with three contractors at the site and their bids are attached. The Division believes that these are reasonable bids for the work to be performed and requests their approval. The contractor selected to perform the services is Hartley Construction, La Cinta Ranch, Roy, New Mexico 87743. The cost is \$2,600.00.

Sincerely,



for WILLIAM J. LEMAY,
Director

WJL/RGS/dr

