

United States Department of the Interior

GEOLOGICAL SURVEY 701 Camino del Rio Durango, Colorado 81301

November 16, 1979

J. Gregory Merrion and Robert L. Bayless P. O. Box 1541 Farmington, New Mexico 87401

Gentlemen:

Reference is made to your operations on Federal oil and gas lease NM-4565 in Sandoval County, New Mexico. This office was advised April 12, 1978 by the Bureau of Land Management that the lease had terminated February 28, 1978 because of the lessee's failure to pay rent. You have advised that you have initiated appeal of termination and that you also hope for Congressional intervention to reinstate the lease.

Drilling operations were conducted at Well No. 2 Alemita, NELNWX sec. 28, T. 22 N., R. 7 W. Operations are suspended pending completion of your appeal. If appeal is denied, you are responsible for the proper plugging and the necessary reports for Well No. 2.

Drilling operations were not conducted at Well No. 1 Alemita, SEINWI sec. 19, T. 22 N., R. 7 W. Application for Permit to Drill, which was approved February 9, 1978, is rescinded effective February 28, 1978. Any construction of access road or well pad will have to be restored to the satisfaction of the Bureau of Land Management. If at some future date you decide to drill a well at this location, it will be necessary to submit a new application.

Sincerely yours,

(Orig. 5gd.) C. A. BARRICK

Carl A. Barrick Acting District Engineer

Enclosure: APD

cc: NMOCD Aztec



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