

P. O. Drawer 600  
Farmington, New Mexico 87499

March 18, 1983

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Joseph B. Gould  
2829 East 2nd Avenue  
Denver, Colorado 80206

Gentlemen:

This letter refers to your well No. 1 Phillips 32, SW $\frac{1}{4}$ SW $\frac{1}{4}$  sec. 32, T. 25 N., R. 3 W., on Federal lease No. Santa Fe 079549. This well was completed on December 11, 1981 and has been on production for over one year. It has come to our attention that no Monthly Reports of Operations (Form 9-329) nor Monthly Reports of Sales and Royalty (Form 9-361) have ever been submitted for this well. Also, that you have been venting the casinghead (Solution) gas produced from this well without prior approval.

Today, we were informed by the New Mexico Oil Conservation Division that you never received a production allowable from the State of New Mexico, nor have you ever submitted any production reports to the State.

Today, your Mr. Adkins of your Denver office was given verbal instructions to shut the well in immediately. This letter confirms those verbal orders. Furthermore, the well is to remain shut in until all State and Federal reports have been submitted from the date of first production up to date. The Federal reports should be submitted to our Royalty Accounting office in Roswell, New Mexico. However, in order that we may know, expeditiously, when these reports have been submitted, on a one-time basis send this office a copy of all 9-329s and 9-361s to the attention of Mr. John Keller. Finally, you may not vent any gas from the production of this well without prior approval from this office. NTL-4A explains how applications for approval to vent should be prepared. By copy of this letter we are requesting our Royalty Compliance office in Albuquerque to assess you the full value of all gas vented to date in accordance with NTL-4A and 30 CFR 221.

Procedures governing appeals from final decisions and orders by Bureau of Land Management officials are contained in the regulations in 30 CFR Part 290 and 221.73. A notice of appeal must be filed in this office within 30 days of receipt of the final decision or order being appealed.

Sincerely yours,

James F. Sims  
District Oil and Gas Supervisor