



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 6, 2001

Elaine McClain, Production Assistant
Benson-Montin-Greer Drilling Corporation
4900 College 3LVD
Farmington, N.M. 87402

Re: Florance #1 30-039-20172 B-20-27N-01W
 Jicarilla 200 #1 30-039-08126 D-21-27N-01W
 Jicarilla 403 #1 30-039-21487 I-17-27N-01W

Dear Elaine:

Regarding your letter dated March 8, 1999, our office contacted Harold Tecube with the Bureau of Indian Affairs and Jesse Evans with the Jicarilla Energy Company.

Mr. Tecube told us that the transfer of the wells to the Tribe has not been accepted and BMG is still responsible for these wells.

Before the Tribe will accept these wells, JECO must test them and determine whether they will be economic for the Tribe to operate. Until that testing is done they are holding you responsible for these wells.

Consequently, BMG is still the operator of record for OCD and must operate and report these wells in compliance with OCD rules and regulations. Currently these wells are in violation of Rule 201 and must be brought into compliance before June 1, 2002.

If you have any questions, please call me at 505-334-6178, ext. 16.

Sincerely,

Charlie T Perrin
Deputy Oil & Gas Inspector
cperrin@state.nm.us

CTP/mk

Cc CTP
 BLM, Albu
 Well Files