



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

NAVAJO REGION

P. O. Box 1060

Gallup, New Mexico 87305-1060

RRRS/543

FEB 04 2003

Ms. Carmen J. Wood
Action Oil, Inc.
437 Road 2900
Aztec, New Mexico 87410

Dear Ms. Wood:

This responds to your request, for information regarding Navajo Nation Oil and Gas Lease Nos. N00-C-14-20-0603-639 and -903. Our records indicate that Action Oil, Inc. is the lessee of record and Action Oil, Inc., posted a collective bond in the amount of \$75,000 with the Bureau of Indian Affairs, Navajo Region, which was approved March 16, 1995.

The two leases above are located on Navajo Tribal Indian trust lands and are subject to 25 Code of Federal Regulations (CFR), Part 211.53. The section states in part, "(a) Approved leases or any interest therein may be assigned or transferred only with the approval of the Secretary. The Indian minerals owner must also consent if approval of the Indian mineral owner is required in the lease. (In this case the Navajo Nation is the minerals owner.) To obtain the approval of the Secretary of the assignee must be qualified to hold the lease under existing rules and regulations and shall furnish a satisfactory bond conditioned for the faithful performance of the covenants and conditions of the leases. (b) No lease or interest therein or the use of such lease shall be assigned, sublet, or transferred, directly or indirectly by working or drilling contract, or otherwise, without the consent of the Secretary."

If you have any questions regarding this matter, please contact our Real Estate Services, Minerals and Mining section at (928) 871-5933.

Sincerely,

Dale Underwood

Regional Realty Officer

ACTING

BEFORE EXAMINER <i>Stogner</i> OIL CONSERVATION DIVISION EXHIBIT NO. <u>7</u> CASE NO. <u>13237</u>

EXHIBIT <u>12</u>
