

THE NAVAJO NATION

P. O. BOX 9000 • WINDOW ROCK, ARIZONA 86515 • (520) 871-6000

NAVAJO NATION MINERALS DEPARTMENT
P.O. Box 1910
Window Rock, Arizona 86515
(520) 871-6587, FAX: (520) 871-7095

PRESIDENT
THOMAS E. ATCITY

August 6, 1998

VICE PRESIDENT
MILTON BLUEHOUSE, SR.

Ms. Bertha Spencer
Realty Specialist
Bureau of Indian Affairs
P.O. Box 660
Gallup, NM 87301

Re: Termination of B.K. Petroleum as a Designated Operator for Navajo Oil and Gas Lease Numbers 14-20-600-3530 and 14-20-600-3531

Dear Ms. Spencer:

This is in response to your verbal request on August 6, 1998 for our concurrence to have B.K. Petroleum (Company) terminated as a Designated Operator for Navajo Oil and Gas lease numbers 14-20-600-3530 and 14-20-600-3531. This action is being taken in concurrence with the recommendation by the Bureau of Land Management (BLM), Farmington District Office through a letter dated July 15, 1998 to the Bureau of Indian Affairs (BIA), Window Rock Area Office.

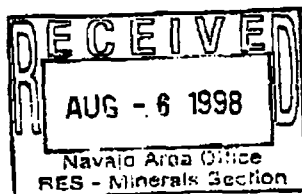
We have received copies of several letters from BLM ordering the company to perform various tasks on its oil and gas leases. All of the orders were ignored by the company. We are aware that the BLM has assessed a civil penalty of \$30,000 to the company for not complying with its orders within the given time frame. Based upon the fact that the company has been ignoring all the orders issued by the BLM, we find BLM's recommendation to terminate B.K. Petroleum as an operator of the subject two leases is justified.

If you have any questions, please do not hesitate to contact me or Mr. Bimal K. Shrestha, Petroleum Engineer at (520) 871-6587.

Sincerely,

MINERALS DEPARTMENT

Bimal K. Shrestha
for Akhtar Zaman, Director



cc: Gene Denetsonie, Asst. Area Director, Bureau of Indian Affairs, Box 660, Gallup, NM 87301
Duane Spencer, Bureau of Land Management, 1325 La Plata Hwy, Farmington, NM 87401

RECEIVED
BLM
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070 FARMINGTON, NM