



IN REPLY REFER TO:
3162.5 (922)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT NEW MEXICO STATE OFFICE

Post Office and Federal Building
P.O. Box 1449
Santa Fe, New Mexico 87504-1449

MAY 28 1991

Mr. William J. LeMay
Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Dear Mr. LeMay: *Bill*

Over the past several years, discussions have taken place between our agencies concerning the use of the oil and gas reclamation fund administered by your division. The division may use the fund to plug abandoned Federal wells where there is no bond, after all means to establish liability have been exhausted.

There are 36 Federal wells in New Mexico that qualify for plugging by the fund. Our goal is to have all of these wells plugged by the end of 1998. Based on a risk assessment, the three wells listed below need to be plugged as soon as possible. We request that the fund be utilized to plug these wells by the end of 1991. Please note that the Aztec Totah Unit Well No. 7 was the subject of a Division Hearing (Case 9213) on October 21, 1987, but has not yet been plugged.

Aztec Totah Unit Well No. 7, located 660 feet from the south line and 1980 feet from the east line of Section 20, Township 29 North, Range 13 West, San Juan County.

Aztec Totah Unit Well No. 1, located 820 feet from the south line and 675 feet from the west line of Section 21, Township 29 North, Range 13 West, San Juan County.

Keys Federal Well No. 1, located 990 feet from the north line and 330 feet from the west line of Section 33, Township 6 South, Range 26 East, Chaves County.

Please have your office contact Bill Dalness, Branch of Fluid Minerals, NM (922), at 988-6117 to initiate this process. We are prepared to provide all necessary technical information and to testify at all required hearings.

Bob S.
Draft a letter to Larry over my signature explaining status your contact w/ Bill Dalness

Bill

We believe that procedures to award a contract to plug the Aztec Totah Unit Well No. 7 should commence immediately.

Sincerely,



Larry L. Woodard
State Director

cc:
NM (015)
NM (019, J. Keller)

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Bill -
We really need to
get going on this
program. Larry