



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

October 15, 1998

Duane Spencer, Team Leader  
Petroleum Management Team  
U.S. Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401

RE: NMNM-12201 (GC)  
3162.3-4 (7400)

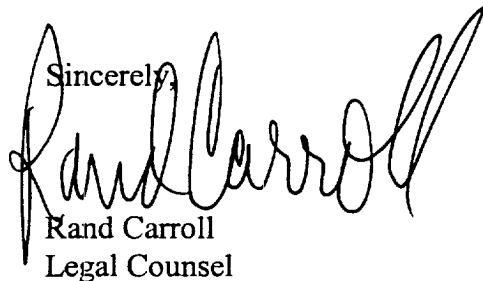
Nerdlihc operated wells--Marcelina Wells No. 1(330 FNL, 330 FEL), 5 (990 FNL, 280 FEL) and 6 (1650 FNL, 330 FEL) in Section 24, T-16-N, R-10-W, McKinley County, NM; Lease NMNM-12201

Dear Duane:

The Division agrees with your proposal that the New Mexico Oil and Gas Reclamation Fund be utilized for any plugging and reclamation costs above the \$10,000 bond collected by the BLM and that the \$10,000 be transferred to the Reclamation Fund to aid the Division in contracting for the plugging and reclamation of the above-referenced wells.

We appreciate your financial assistance and cooperation. If you have any questions or desire any additional information, please feel free to call me at 505/827-8156.

Sincerely,

  
Rand Carroll  
Legal Counsel

c: Charlie Perrin-OCD Aztec  
Frank Chavez-OCD Aztec

RECEIVED  
OCT 13 1998

OIL CON. DIV