

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

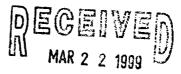


IN REPLY REFER TO: 7220 (07200)

Mr. Johnnie Francis
Department Director
Department of Water Resources
P.O. Box 678
Ft. Defiance, AZ 86504

Dear Mr. Francis:

MAR | 9 | 1999



OIL GOM. DIV

Reference is made to well No. 1 Foshay, 1,980 FNL & 660 FWL, Sec 9, T. 23 N., R. 13 W., San Juan County, New Mexico, terminated lease NM-0555915B. In the course of conducting field inspections, New Mexico State Land Office personnel identified water originating from the No. 1 Foshay flowing down the access road's barditch onto state land in section 32, T. 24 N., R. 12 W. The New Mexico State Land Office personnel then contacted the New Mexico Oil Conservation Division (NMOCD) and a joint field inspection was conducted by NMOCD and the Farmington Field Office (FFO). The uncontrolled flow of this water is impacting state lands through soil surface salt accumulations, killing native vegetation and reducing soil fertility and plant productivity. Also, the Farmington Field Office (FFO) is concerned with the potential of subsurface seepage and/or surface flows that may impact the Bisti Wilderness area located immediately north of the well location.

History of the well indicates that on November 2, 1971, a Sundry Notice was received from the Delaware Apache Corporation to drill Well No. 1 Foshay (copy enclosed) to test the Mississippi Sand. The well was temporarily abandoned until July 25, 1974, when Western Coal Company, Inc. submitted a Sundry Notice to reenter the subject well and test the Entrada Sandstone, Morrison Formation, and Gallup Sandstone. On September 3, 1974 Western Coal Company, Inc. submitted a Sundry Notice (copy enclosed) to plug back the well and convert it from a dry oil and gas well to a water well for use by the Bureau of Land Management.

A records search indicates that the subject well is located on lands that were selected by the Navajo Nation as part of the Navajo/Hopi relocation process. As part of the selection process all surface and mineral rights were transferred to the Navajo Nation. Field investigations by personnel from the FFO have confirmed that water from this well is an important source for livestock watering as well as supporting several wildlife species present in the area. Plugging the well would present a hardship to the livestock operators and indigenous wildlife that inhabit the area.

Please present your proposal within 45 days of receipt of this letter to re-enter and control the flow of water from this well. The FFO will provide technical assistance in preparing a re-entry plan to control the flow of water from this well, if requested by the Navajo Nation. If you have any questions, please contact Dale Wirth with this office at (505) 599-6320.

Sincerely,

poeke. Farrell

Assistant District Manager for Resources

2 Enclosure

cc: Ernie Busch, NMOCD