



United States Department of the Interior



BUREAU OF INDIAN AFFAIRS
NAVAJO AREA OFFICE
P. O. BOX 1060

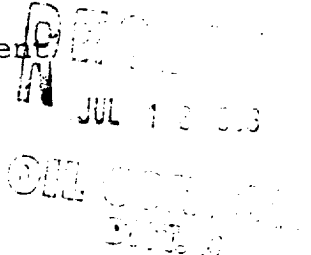
IN REPLY REFER TO:

Gallup, New Mexico 87305-1060

ARES/543

JUL 16 1996

New Mexico Energy, Minerals & Natural Resources Department
Mr. Frank T. Chavez
District Supervisor - Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410



Dear Mr. Chavez:

We are most grateful for your cooperation and assistance in plugging a Navajo well #22-31 (a.k.a. #3) which is located on Navajo Tribal Lease No. 14-20-603-5024.

We also wish to thank you for replacing the valve on the wellhead of Well #31 which was leaking saltwater which is also located on this lease.

Your letter of July 8, 1996 mentioned that you were enclosing the plugging procedure, a copy of the plugging company's invoice and other documents for our file. These enclosures were not with your letter. We ask that this information be provided for our records.

As we agreed, we will be sending you a check, under separate cover, in the amount of \$15,000 payable to "New Mexico Oil and Gas Reclamation Fund". These proceeds were collected from a surety bond on file for Pajarito Tract 20 Associates. Pajarito Tract 20 Associates had sold their interest to Vista Resources but this conveyance was never approved by this office because of the lack of bonding for Vista.

We understand that you will be placing the other three wells located on this lease into your regular plugging program and they will be plugged when the plugging fund has been replenished.

We received a letter dated June 21, 1996, copy enclosed, from Jim Walker, Environmental Engineer, with U. S. EPA, Region IX, and he requested a copy of the plugging plan for Well #20-2, which is an injection well. He also requested that they be notified at least two weeks in advance of plugging this well so that a representative can arrange to witness the plugging operations.

It is our understanding that Bill Blackard with the Bureau of Land Management (BLM), Farmington District Office, has already provided a copy of the plugging plan to Mr. Walker for his review. Mr. Blackard also advised us that he will be glad to provide advance notification to Mr. Walker.

We were also requested to advise David Burbank, a member of the Navajo Grazing Committee, of the plans for the plugging of these wells. We will send a letter to Mr. Burbank and provide an update of this situation.

Again, we sincerely appreciate your cooperation and assistance in this matter.

Sincerely,


Acting Area Director

Enclosure



762

JUN 27 1996

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street

San Francisco, CA 94105-3901

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SJS
MCD

NAVJO AREA OFFICE

RECEIVED

(W-6-3)

June 21, 1996

RECEIVED

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JUL 1 8 1996

JUN 27 1996

Mary Lou Drywater
Bureau of Indian Affairs
Navajo Area Office
P.O. Box 1060
Gallup, NM 87305

NAVJO AREA OFFICE
BUREAU OF REAL ESTATE SERVICES

Dear Ms. Drywater:

It has come to our attention that the grazing permittees on the Navajo Tribal lease 14-20-603-5024 are concerned about the continued leakage of oil and saltwater from two of the wells on this lease. The wells in question are the #20-2 injection well and #22-31 temporarily abandoned well. The complaint comes from David Burbank of the Shiprock area grazing committee. The permittees are concerned about the health of their livestock drinking from the ponds created by the leakage. We are concerned about protection of the environment as well as the threat to the livestock resulting from the discharges.

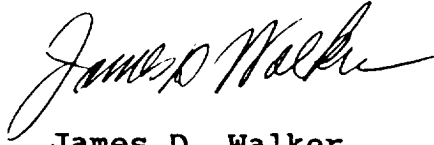
We understand from previous discussions with BIA and BLM staff that the former owner/operator (Vista Resources, Inc,) abandoned these wells several years ago without plugging the wells or reclaiming the disturbed areas on the lease. We are also informed that BIA holds a bond in the amount of \$15,000 for the lease, and that BIA intends to use these funds and perhaps State funds to plug the wells. The leaking wells should be plugged as soon as possible to prevent further damage to the environment and to protect the livestock.

Please inform Mr. Burbank and EPA of your plans and schedule for plugging the leaking wells. Mr. Burbank's mailing address is P.O. Box 3561, Shiprock, NM 87420 and his telephone number is (505) 368-5723.

The plugging plan for the #20-2 injection well should be submitted to the EPA Region 9 Underground Injection Control Program for approval. EPA should be notified at least two weeks in advance of plugging the injection well so that an EPA representative can arrange to witness the plugging operations.

Thank you for your cooperation in this matter. If you have any questions please call me at (415) 744-1833.

Sincerely,

A handwritten signature in black ink, appearing to read "James D. Walker". The signature is fluid and cursive, with the first name "James" being more prominent.

James D. Walker
Environmental Engineer

cc: David Burbank, Shiprock Area Grazing Committee
Lorenda Joe, Acting Director, Navajo Nation EPA
Charmaine Tso, Navajo Nation GPC Program