



BRUCE KING  
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

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AZTEC, NEW MEXICO 87410  
(505) 334-6178

March 19, 1979

Mr. Bill Armstrong  
Minerals Department  
Navajo Indian Tribe  
Window Rock, Arizona 86515

Re: Navajo Tract 4 #1 (gas well)  
C-20-27N-17W  
San Juan County, New Mexico

Dear Mr. Armstrong:

This letter is being written as per our telephone conversation  
March 16, 1979.

On March 7, 1979, Mr. Charles Gholson from our office was making a field inspection of a lease operated by Saguaro Oil Company in Section 34, Township 27 North, Range 18 West. He discovered a two inch flowline coming into the Saguaro battery that, to the best he was able to ascertain, came from the above mentioned well. At that time, he could not determine whether the line had been used or not. If the subject well has been produced into that line, such production would be illegal.

Secondly, the subject well is a multiple completion. We require tests to be run annually on such wells in order to prove that the zones are not contaminating each other and/or causing waste of pressure and resources.

As per our telephone conversation, we would like to meet with a person from your office Monday, March 26, at a location near the subject well to determine if the well is being produced illegally, and what tests will be necessary to prove zone separation in the well.

Please notify us, so that we can arrange a meeting place and time.

Yours truly,

Frank T. Chavez  
Deputy Inspector

FTC:no

xc: U.S.G.S., Farmington, New Mexico  
Oil Conservation Division, Santa Fe, New Mexico