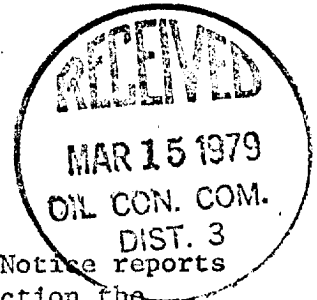


Federal Building  
701 Camino del Rio  
Durango, Colorado 81301

March 14, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

W. M. Gallaway  
101-2 Petroleum Plaza Building  
Farmington, New Mexico 87401



Dear Mr. Gallaway:

By letters August 24, 1977, this office requested Sundry Notice reports concerning your plans for deepening or returning to production the following wells on the Ute Mountain Tribal reservation in San Juan County, New Mexico:

<u>Well No.</u>	<u>Location</u>	<u>Lease Number</u>
2 Ute Indian A	SWNE 16-31N-15W	14-20-151-46
3 Ute Indian	NWSE 10-31N-15W	14-20-151-45

Notice of Intention to Abandon reports were requested if you had no plans for returning these wells to production. The requested Sundry Notice reports have not been received in this office, and Monthly Reports of Operation (form 9-329) indicate that both wells are not being produced.

Sundry Notices to deepen these wells to the Dakota zone were approved November 5, 1974, and October 31, 1974. Approval to deepen these wells is rescinded this date, and such deepening at a future date without approval will be in violation of Title 30 CFR 221.21(b) and 221.51(e).

Pursuant to 30 CFR 221.58(k), you have 30 days from receipt of this letter to file six copies of Notice of Intention to Abandon report for each well. Failure to file these reports in the allotted time will result in assessment of liquidated damages pursuant to 30 CFR 221.54(j). Liquidated damages will be assessed for all future delinquent reports without benefit of a warning letter.

After approval of Notice of Intention to Abandon, you will be allowed 60 days to properly plug and abandon these wells and file Subsequent Report of Abandonment Reports. Surface restoration requirements will be furnished after an inspection by the Bureau of Indian Affairs.

Sincerely yours,

(Orig. Sgd.) C. A. BARRICK

Carl A. Barrick  
Acting District Engineer

cc: NMOCC, Aztec