



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Farmington Resource Area  
1235 Laplata Highway  
Farmington, New Mexico 87401



IN REPLY REFER TO:  
SF-078818-A (GC)  
3105 (019)

NOV 14 1991

**RECEIVED**

NOV 15 1991

**OIL CON. DIV.  
DIST. 3**

Lobo Production  
c/o Walsh Engineering  
P.O. Drawer 419  
Farmington, NM 87499

Gentlemen:

On October 21, 1991 this office received a copy of a letter sent to you by New Mexico Oil Conservation Division (NMOCD). This letter states that the No. 1 Scorpio located in NE/4 of sec. 15, T. 32 N., R. 13 W., is no longer authorized to produce and that all transporters will cease transporting products from this well.

NMOCD has authorized this action due to the fact that our office has informed the state that you have never sent in the request for a Communitization Agreement to dedicate the acreage needed for a Gallup and Dakota Formation well.

For the past five years we have sent several letters to you requesting this communitization agreement and all of them have been ignored.

In order for you to put this well back on production it will be necessary for you to submit a completed Communitization Agreement Form. I have enclosed a "Model Form of a Federal Communitization Agreement" along with instructions on how to complete it. If you need further assistance or have questions please call Janice Easley at (505) 599-8928 or 327-5344.

Sincerely,

/s/ John L. Keller

John L. Keller  
Chief, Branch of Mineral Resources

1 Enclosure

cc:  
New Mexico Oil Conservation Division, Aztec (w/o encl.)