



## United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington District Office  
1235 La Plata Highway  
Farmington, New Mexico 87401

IN REPLY REFER TO:

AUG 18 1998

14-20-600-3531 (GC)  
3162.3-2 (070)

## Memorandum

To: Area Director, Navajo Area Office, Bureau of Indian Affairs

From: Team Leader, Petroleum Management Team 7400

Subject: Collection of Surety Bond Covering Navajo Tribal Lease 14-20-600-3531

BK Petroleum, Inc was ordered to submit procedures to plug and abandon the below listed wells by August 17, 1998. The operator/lessee seems to be unable or unwilling to submit plug and abandon procedures for the wells as ordered by the date required. Therefore it is recommended that the surety bond be called upon to plug the wells. Plugging plans have been previously approved for well No. 1W only (January 16, 1998).

There are ten unplugged wells on the subject lease as listed below:

The wells located in the Many Rocks Gallup field, T. 31 N., R. 16 W., San Juan County, New Mexico, Lease 14-20-600-3531:

- |   |   |
|---|---|
| 1) No. 1W, 2253' FNL & 1865' FWL sec. 17. | Approved plans to P&A on file.            |
| 2) No. 17, 990' FNL & 400' FWL sec. 17.   | 3) No. 18, 660' FNL & 2030' FWL sec. 17.  |
| 4) No. 19, 2073' FNL & 641' FWL sec. 17.  | 5) No. 20, 1973' FNL & 1941' FWL sec. 17. |
| 6) No. 21, 1673' FNL & 1789' FEL sec. 17. | 7) No. 22, 2040' FSL & 2070' FWL sec. 17. |
| 8) No. 23, 1890' FSL & 2150' FEL sec. 17. | 9) No. 26, 660' FSL & 660' FEL sec. 17.   |
| 10) No. 16, 360' FNL & 855' FEL sec. 18.  |   |

It is also recommended that the portion of the lease in which BK Petroleum, Inc is lessee be segregated and terminated. T. 31 N., R. 16 W., Section 18: NW/4NE/4, E/2NE/4; Section 17: NW/4, NW/4NE/4, S/2NE/4, NW/4SW/4, SE/4.

**/S/ Duane W. Spencer**

cc:  
Navajo Nation Minerals Dept.

bcc:  
Lease File  
DOMR  
7400:SMMason:sm:08-18-98:BIA4