



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

IN REPLY REFER TO:
NM-86925
3108 (06200)

January 22, 1999

CERTIFIED-RETURN RECEIPT REQUESTED
Z 263 870 169

Burlington Resources Oil and Gas Company
P. O. Box 51810
Midland, Texas 79710-1810

JAN 22 1999

Gentlemen:

A review of our files concerning your Well No. 1-Pronghorn 12 Federal, Federal Lease NM-86925, NE¼NW¼ sec. 12, T. 23 S., R. 32 E., Lea County, New Mexico, shows that the well was shut-in during April 1997. This lease has been in its extended term by production since August 31, 1998. Therefore, this lease must contain a well capable of producing hydrocarbons in paying quantities, or it will expire effective the date of receipt of this letter. Paying quantities is defined as enough to pay the day-to-day operating and lease maintenance costs, including minimum royalty on a sustained basis.

We have determined that this lease may not be capable of production in paying quantities. Under 43 CFR 3107.2-2, you are allowed 60 days from receipt of this letter within which to commence reworking or drilling operations on the lease. The lease will remain in full force and effect if approved operations are commenced within the 60-day period and are continued with reasonable diligence until paying production is restored.

If you believe that the lease is capable of production in paying quantities, you must submit justification within 60 days of receipt of this letter to this office. If you have any further questions regarding this letter, please contact David Glass of this office at phone (505) 627-0275.

If a reworking or drilling operation proposal or justification that the well is capable of production in paying quantities is not submitted within 60 days of receipt of this letter, the lease will automatically terminate. A Notice of Intention to Abandon (NIA) must be filed within 90 days of receipt of this letter.

The aforementioned information is furnished so you may take such action as you consider appropriate. You are further reminded that no production tests or other operations should be conducted on the lease without prior approval of this office.

Sincerely,

Armando A. Lopez
Acting Assistant Field Office Manager,
Lands and Minerals

RECEIVED

FEB 23 99

BLM
ROSWELL, NM

FILE