



# United States Department of the Interior

## FARMINGTON INDIAN MINERALS OFFICE

1235 La Plata Highway Suite B  
Farmington, New Mexico 87401-1805

IN REPLY REFER TO:

April 30, 1997

Attn: <<CONTACT>>  
<<NAME>>  
<<ADDRESS\_1>>  
<<ADDRESS\_2>>  
<<CITY>>, <<STATE>> <<ZIP>>

Dear Operator/Payor:

Thank you for attending our April 22, 1997, meeting. As you know, this meeting was initiated in part to receive your input regarding our proposed information request and to advise you of the direction our office is taking. We hope your expectations were met.

Historically, the Navajo allottees were concerned that the Department of the Interior failed to meet the trust responsibilities established under the treaty of 1868 between the Navajo people and the U.S. government. As a result of the law suit, it was determined that Navajo allotted lands were neglected and thereby in 1992 the Federal government established the Farmington Indian Minerals Office (FIMO). At that time, FIMO operated under the BLM, BIA, and MMS, without delegation of authority and with a focus on customer service. In November 1996, FIMO evolved into a tri-bureau office under a single director with full delegation of authority from the respective bureaus and with new objectives encompassing both customer service and fiduciary responsibilities. More specifically, FIMO monitors dual accounting and major portion, verifies production, audits, conducts leasing, inspects and enforces oil and gas laws, and answers allottee questions. Therefore, it is imperative that FIMO secure necessary information to carry out these tasks.

Based on your input, we modified our information request, as proposed in our April 1, 1997, letter, to include the following:

<u>INFORMATION TYPE</u>	<u>SOURCE</u>	<u>FREQUENCY</u>
Oil Run Statements	Transporter	Monthly
Gas Run Statements	Transporter	Monthly
Gas Allocation on CDP	Operator	Monthly
Gas Purchaser Statements	Payor	Upon Request
Gas Contracts	Payor	Upon Request
Dual Accounting Calculation	Payor	Upon Request
Gas Transportation Charges	Transporter	Upon Request
Gas Meter Charts/Electronic Flow Meter	Operator	Upon Request
Gas Plant Statements	Gas Plant/MMS	Upon Request
Gas/Oil Used on Lease	Operator	Upon Request
Gas Meter Calibration Adjustments	Operator	As occurs
Oil Run Tickets (Unwitnessed by FIMO)	Transporter	As occurs

Other issues discussed in the meeting are as follows:

- FIMO will witness oil sales and meter calibrations, spudding and abandonments. Operators will notify BLM 24 hours in advance and specify if allotted.
- FIMO will randomly perform lease audits and major portion analysis, and request dual accounting worksheets. We will request needed information from the appropriate source.
- When calibration adjustments necessitate a reporting adjustment, the operator will notify FIMO of the adjustment.
- We discussed changes in 25 CFR 211 and 212.
- Enclosed is a list of allotted wells and leases.
- Beginning June 8, 1997, FIMO will collect bonus monies, non producing rentals, and fees on Navajo allotted lands. Mail these monies to:

Farmington Indian Minerals Office  
1235 LaPlata Highway, Suite B  
Farmington, New Mexico 87401

- Enclosed is a list of staff and E-mail addresses.
- If FIMO is unable to secure information from the transporter or purchaser, we will contact you.

If you have questions or comments, please call us at (800) 238-2839, or (505) 599-8961.

Sincerely,

*/S/ KEVIN L. GAMBRELL*

Kevin Gambrell  
Director

Enclosures