



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 31, 2000

M&G Oil Inc
1934 N. Fowler
Hobbs, NM 88240

*9/29/00
Bill Prichard
OCL*

RE: State K # 1
Unit Letter O, Section 2, Township 10 South, Range 33 East
Sante Fe # 1
Unit Letter C, Section 30, Township 9 South, Range 37 East
Morton Federal # 2
Unit Letter F, Section 12, Township 9 South, Range 35 East

Gentlemen:

Through routine inspection it has come to our attention that the above referenced wells have been shut in for an extended period of time. A review of our records show that these wells have not been Temporarily Abandoned. Order R-9210 states that producing wells can not be shut in for longer than a year.

The following options are available regarding the future disposition of these wells:

1. Restore the wells to production.
2. Wells to be Temporarily Abandoned in accordance with Rule 203.
3. Wells to be Plugged and Abandoned in accordance with Rule 202.

To avoid further action, we request that you exercise one of the above options no later than **Sep 30,2000**. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TXA status.

Very truly yours
OIL CONSERVATION DIVISION

Billy Prichard
Deputy Inspector, District 1

BP:pc

Xc: Chris Williams
Gary Wink
Lyn Hebert
Sylvia Dickey
File