AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

January 3, 1996

Mr Rick Armstrong Mitchell Energy Corp PO Box 4000 The Woodlands TX 77387-4000

Re: Rosa #49, M-27-31N-04W, API-30-039-07945

Dear Jim:

Our records indicate that the above-mentioned well is inactive and requires P&A or TA approval under Rules 201, 202 and 203. Please review your records and contact our office indicating the status of this well. Plans to bring this well into compliance are to be submitted by January 21, 1996 and work completed by June 21, 1996. Rule 203 requires that a notice of intent to temporarily abandon a well be submitted on a Sundry Notice (OCD form C-103), and that a mechanical integrity test (MIT) be conducted on the casing before final approval. If there is a notice of intent to P&A filed and approved for this well, the work is to be completed by June 21, 1996. Also as we discussed in our phone conversation on December 21,1995, we received a letter from Robert H. Graham, P.C. Attorney at Law reminding us of rule 203 and asking to have the well plugged due to the leaking gas and lack of any production which in their opinion creates a hazard to the area. During my inspection I found a casing valve leaking and closed the valve the best I could and the leak stopped then.

Sincerely,

Johnny Robinson

Deputy O&G Inspector

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JR/sh

cc: well file