



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT 1 HOBBS
1625 N. French Drive, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

April 28, 2000

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

RE: State K # 1
UL O, Sec. 2, T10S, R33E

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well has been shut in for an extended period of time. A review of our records show that this well has not been Temporarily Abandoned. Producing wells can not be shut in for longer than a year.

The following options are available regarding the future disposition of this well:

1. Restore the well to production .
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the wells, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved

To avoid further action on these wells the NMOCD request that you submit a NMOCD form C-103 telling us your intent for each of your wells within 30 days of receipt of this letter. If you do not respond we will have no choice but to schedule a Show Cause Hearing. 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

Xc: Chris Williams
Gary Wink
Sylvia Dickey
Stephen Ross
File