

**Midland Operating, Inc.**

3300 North "A", Bldg TWO, Suite 104  
Midland, Texas 79705

3-20-2000

New Mexico Energy, Minerals & Natural Resource Department  
Oil Conservation Division  
District 1 Hobbs  
PO Box 1980  
Hobbs, New Mexico 88241  
Attn: Mr. Gary W. Wink

Re: New Mexico DM State NCT-2 #1  
Request for Reclassification  
To Discontinuance of Operations

Mr Wink,

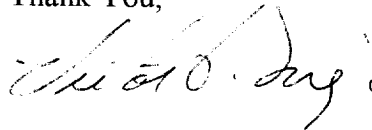
I am writing to respectfully request that the status of the subject well be changed to "Discontinuance of Operations" for a period of six months. We have demonstrated through pressure testing of the production casing that the well does not pose a threat to ground water in the area. We consider this well vital to our operations in this area.

As you are aware the well has a split in the casing at approximately 7050'. This split will pressure test to 3000 psi indefinitely. But will allow approximately 100 psi to build up in the casing overnight. The only way to repair it is to perforate the split and acidize the perforations and then pump cement in the perforations.

Because the well poses no threat we ask that the well be permitted to be shut in as it exist today.

Please let me know if this meets with your requirements under section 705 of the State Rules and Regulations.

Thank You,



Victor J. Sirgo  
President-Midland Operating, Inc.

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