

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary



Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

11-Jul-01

MGM OIL & GAS CO
PO BOX 891
MIDLAND, TX 79702-

SECOND NOTICE

Dear Sirs:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with guidelines as established in the Division Rules and Regulations, corrective actions must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division.

Please notify the proper district office of the Division of the date corrective actions are scheduled and arrangements made so the well and/or facilities may be re-inspected.

INSPECTION DETAIL SECTION

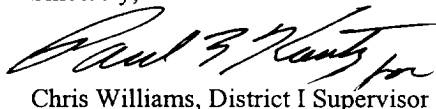
KEMNITZ WOLFCAMP UNIT 007 O-19-16S-34E 30-025-01916-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/11/2001	Compliance	Johnny Robinson	Yes	NO	07-30-2001	iJDR0119247819

Comments on Inspection: Checked status of well that was to be brought into compliance prior to 4-1-2001. Well hasn't been addressed. This is our second notice. Failure to bring the well in compliance by 7-30-2001 will result in a show cause hearing as to why the well should not be plugged.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,



Chris Williams, District I Supervisor

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.