

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"

SECOND NOTICE

18-Jul-01

CROSS TIMBERS OPER CO
3000 NORTH GARFIELD STE 175
MIDLAND, TX 79705-

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 reinspected.

INSPECTION DETAIL SECTION

SOUTHEAST MALJAMAR GB/SA A-32-17S-33E 30-025-01353-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|-----------------|-----------------|-----------------|------------|------------------------------|---------------------------|----------------|
| 07/12/2001 | Compliance | Johnny Robinson | Yes | No | 8/6/2001 | iJDR0119359777 |

Comments on Inspection: Checked status of well failing the 10/10/1996 pressure test and the 11/20/2000 BHT. Compliance due date was for the 11/2000 test was 2/23/2001

SOUTHEAST MALJAMAR GB/SA H-29-17S-33E 30-025-01553-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|-----------------|-----------------|-----------------|------------|------------------------------|---------------------------|----------------|
| 07/12/2001 | Compliance | Johnny Robinson | Yes | No | 8/6/2001 | iJDR0119359989 |

Comments on Inspection: Checked status of well failing the 11/20/2000 pressure test. The well is SI and hasn't been repaired. Compliance due date was 2/23/2001

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--------------------|-----------------|-----------------|------------|---------------------------------|------------------------------|----------------|
| /12/2001 | Compliance | Johnny Robinson | Yes | No | 8/6/2001 | iJDR0119359575 |

Comments on Inspection: Checked status of well failing the 11/20/2000 pressure test. Compliance repair due date was 2/23/2001. The well hasn't been repaired or plugged.

This is your second notice on the above mentioned wells. Failure to bring the wells in compliance by August 6, 2001 will result in a show cause hearing as to why the wells should not be plugged and abandoned.

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/BW

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.