



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

CONSERVATION DIVISION
DISTRICT I HOBBS
PO BOX 1980, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

May 9, 2000

Midland Operating Inc.
3300 North 'A' Bldg. 2
Ste. 104
Midland, TX 79705

RE: E.J. WELLS #2, SWD
M. I. T. FAILURE

Dear Mr. Sirgo:

At the time the mechanical integrity test was performed, February 3, 2000, you had 90 days, to make necessary repairs to bring the E.J. Wells #2 SWD into compliance. I feel this is ample time to address the problem. I will give you 15 days from receipt of this letter to begin workover operations. We will need 24 hours notice prior to rigging up, so we can have a representative on location to witness workover operations.

If you have any questions, please do not hesitate to call me @ 505-393-6161 ext. 114.

Sincerely,

A handwritten signature in black ink that reads "Gary W. Wink".

GARY W. WINK
Field Representative II, District I