

**State Of New Mexico**  
**Energy, Minerals and Natural Resources Department**

24-Mar-25

**DUGAN PRODUCTION CORP**

**Pre Enforcement Notification**

PO Box 420  
Farmington, NM 87499

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section 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 on the date indicated.

Please notify the Compliance Officer copied on this letter, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

*INSPECTION DETAIL SECTION*

[30-045-29419] APRIL SURPRISE #008

OGRID: 6515

P-30-24N-09W 680 FSL 470 FEL

| Inspection Date                                                                                     | Type Inspection                                                                                                                                                                                                           | Inspector             | Inspection No.        |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| 3/24/2025                                                                                           | Routine Inspection                                                                                                                                                                                                        | [TV] Thomas Vermersch | iTV258349534          |
| Violation                                                                                           | Title                                                                                                                                                                                                                     |                       | Corrective Action Due |
| cTV258359835 19.15.29 Releases Surface Leaks/Spills                                                 | (There is some staining around the base of the below grade tank. There is also some staining near the production tank, wellhead and to the rear of pumpjack that needs cleaned up. Please have all staining cleaned up. ) |                       | 6/22/2025             |
| cTV258359836 19.15.10.8 Safety Procedures for Drilling and Production General Housekeeping Required | (There are some weeds inside fenced tank areas that needs to be removed. Please have weeds removed from inside fenced areas and from around equipment. )                                                                  |                       | 6/22/2025             |

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

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