State Of New Mexico Energy, Minerals and Natural Resources Department

15-Aug-25

Spur Energy Partners LLC

Pre Enforcement Notification

9655 Katy Freeway Suite 500 Houston, TX 77024

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

[30-015-40644] VERMEJO SWD #001 OGRID: 328947 O-15-17S-28E 900 FSL 2530 FEL

Inspection DateType InspectionInspectorInspection No.8/15/2025Routine Inspection[DA] David AlvaradoiDA2522741338

Violation Title Corrective Action Due

cDA2522743460 19.15.29 Releases Unauthorized Release

11/13/2025

(POLY LINES HAVE BEEN SPLICED AND FLUID DRAINED ONTO CR 208 IN TWO DIFFERENT PLACES FIRST RELEASE WAS A 60'x60' IMPACTED AREA LOCATED 32.828267 -104.166773 SECOND RELEASE WAS LOCATED FROM 32.829308 -104.166549 DRAINING NORTH TO 32.833995 -104.167732, RELEASE WAS COVERD UP WITH SOME SORT OF HEAVY EQUIPMENT. Remediation will be required and a C-141 turned in.)

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.