

State Of New Mexico
Energy, Minerals and Natural Resources Department

22-Sep-25

HILCORP ENERGY COMPANY

1111 Travis Street
Houston, TX 77002

Pre Enforcement Notification

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

[nAPP2526148806] San Juan 29-7 #563S

OGRID: 372171

C-24-29N-07W

Inspection Date	Type Inspection	Inspector	Inspection No.
9/18/2025	Initial Inspection	[BZH] Brittany Hall	iBZH2526228133
Violation	Title		Corrective Action Due
cBZH2526230962	19.15.10.8 Safety Procedures for Drilling and Production Fire Hazard (Weeds around wellheads and equipment need to be removed.)		12/17/2025
cBZH2526540158	19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Permitting or Registration (Registration documents indicate that the BGT was not constructed within a 100-year floodplain. FEMA Map included in the registration has BGT location marked north of where the BGT was constructed, outside of the floodplain. Inspection performed on 9/18/2025, confirmed location of BGT is on the well pad and within the 100-year floodplain.)		10/17/2025
cBZH2526540205	19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Requirements (Construction, Operations or Closure) (Pursuant to 19.15.17.11 I. (3) NMAC effective 6/16/2008, The operator shall construct a below-grade tank to prevent overflow and the collection of surface water run-on. Inspection was prompted by landowner complaint as the BGT overflowed due to a precipitation event.)		10/17/2025

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.