State Of New Mexico Energy, Minerals and Natural Resources Department

28-Oct-25

Basin Oil & Gas Operating, LLC

Pre Enforcement Notification

1300 S University Drive Suite 600 Fort Worth, TX 76107

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

[30-039-06034] NORDHAUS WN FEDERAL #002 OGRID: 333090 F-18-25N-07W 1656 FNL 1752 FWL

Inspection DateType InspectionInspectorInspection No.10/28/2025Routine Inspection[CZS] Clarence SmithiCZS2530145592

Violation Title Corrective Action Due

cCZS2530156571 19.15.16.8 Sign on Wells Inaccurate Information

1/26/2026

(Sign missing WN location name, wrong operator.)

cCZS2530156572 19.15.10.8 Safety Procedures for Drilling and Production Fire Hazard 1/26/2026

(Weeds around well head need to be removed.)

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.