State Of New Mexico
Energy, Minerals and Natural Resources Department

23-Oct-26

FAE II Operating LLC
11757 Katy Freeway, Suite 725
Houston, TX 77079

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

[30-025-08803] TOM CLOSSON #003 OGRID: 329326 G-06-22S-36E 2310 FNL 2310 FEL

Inspection Date	Type Inspection	Inspector	Inspection No.
10/20/2026	Routine Inspection	[SZM] Stephanie McCarty	iSZM2629649866

Violation	Title	Corrective Action Due
cSZM2629652586	19.15.29 Releases Unauthorized Release	1/18/2027

(The NMOCD observed a release at (32.420408, -103.305967) Tom Closson Battery 2. As stated in the 19.15.29 NMAC "For all releases regardless of volume, the responsible party shall comply with 19.15.29.8 NMAC and shall remediate the release. For major and minor releases, the responsible party shall also comply with 19.15.29.9, 19.15.29.10, 19.15.29.11, 19.15.29.12, and 19.15.29.13 NMAC." A Notification of Release (NOR) and form C-141 may be required in accordance with 19.15.29 NMAC. Provide the following information: (1) What was the volume of the release and include volume calculations. (2) If the release is of a reportable volume, when will the Notification of Release (NOR) and Initial C-141 be submitted to the OCD? (3) Explain how the source of the release was eliminated and how site security was established, include the date(s) that this was accomplished. (4) Explain how the release at the site was contained, include the date(s) that this was accomplished. (5) Explain how the release at the site was stabilized, include the date(s) that this was accomplished. (6) Explain how the release was/is being remediated, include the date(s) of activities performed. (7) Provide disposal documentation for any recovered free liquids and recoverable material taken to a division-approved facility. Site photos are available upon request.)

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.