

State of New Mexico
Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



BY ELECTRONIC MAIL

July 25, 2025

Ann Cox Tripp
Hinkle Shanor LLP
Counsel for U.S. Energy Development Corporation
Roswell, New Mexico 88202-0010
atripp@hinklelawfirm.com

Re: US Energy Development Corporation's Request to Plug and Abandon Wells

Dear Ms. Tripp:

The Oil Conservation Division ("OCD") received your emails of July 3, 2025, requesting permission for US Energy Development Corporation ("USED") to plug and abandon the following well: Spruce State 10 Well (API No. 30-015-33002). Sellers & Fulton Oil, LLC is the registered operator ("Operator") of this well, and OCD consents to USED's request to plug, abandon, and remediate the aforementioned well.

On or about November 21, 2024, a hearing was conducted regarding Operator's Notice of Violation, including Operator's violations of 19.15.25.8 NMAC. Operator was ordered to plug and abandon 36 wells, including the Spruce State 10 well. Order R-23566 is incorporated by reference herein as though set forth in full. Despite proper notice from OCD, Operator remained out of compliance with Order R-23566 and failed to plug and abandon the wells within 30 days. Pursuant to that Order, OCD is authorized to plug and abandon certain wells, including Spruce State 10 well. OCD hereby authorizes USED to plug, abandon, and remediate the above-identified well(s) on OCD's behalf.

Please contact Michael Hall, Assistant General Counsel, at Michael.Hall@emnrd.nm.gov with questions, including the submission of plugging sundries, as OCD will not be transferring operatorship to USED and will need to insert the plugging sundries into the wellfiles.

Regards,



Albert C.S. Chang
Division Director
Oil Conservation Division

7/25/2025

Date