State Of New Mexico Energy, Minerals and Natural Resources Department

15-Nov-24

TARCO ENERGY, LC

Pre Enforcement Notification

3805 109th Street Lubbock, TX 79423

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

[30-015-37762] RUSSELL C #007Y OGRID: 279579 O-35-17S-27E 445 FSL 1622 FEL

Inspection DateType InspectionInspectorInspection No.11/15/2024Routine Inspection[TZM] Timothy MartiniTZM2432036170ViolationTitleCorrective Action Due

cTZM2432052371 19.15.16.18 Well and Lease Equipment Substandard Equipment and/or Needs Repair 2/13/2025

(Well casing is open, well must be capped / shut in to prevent venting into atmosphere)

cTZM2432052372 19.15.16.8 Sign on Wells Inaccurate Information 2/13/2025

(Sign on well is for plugged well, must replace sign with correct information)

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.