State Of New Mexico Energy, Minerals and Natural Resources Department

13-Jun-25

M & G DRLG CO INC

Pre Enforcement Notification

P.O. Box 5940 Farmington, NM 87499

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

[30-045-21459] HAMMOND #055 OGRID: 141852 B-26-27N-08W 990 FNL 1523 FEL

Inspection DateType InspectionInspectorInspection No.6/13/2025Routine Inspection[RF] Rooster FosteriRF2516429237

Violation Title Corrective Action Due

cRF2516459172 19.15.29 Releases Surface Leaks/Spills

9/11/2025

(Patched hole in tank leaking and has a large staining around tank needs cleaned up)

cRF2516459173 19.15.16.18 Well and Lease Equipment Substandard Equipment and/or Needs Repair

9/11/2025

(On production tank B VALVE was venting to tank and could be seen from main road, the enardo valve isn't on the tank needs to be installed again)

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.