

State Of New Mexico
Energy, Minerals and Natural Resources Department

19-Aug-25

DUGAN PRODUCTION CORP

PO Box 420
Farmington, NM 87499

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

[30-045-06915] KUTZ GOVT #007

OGRID: 6515

N-03-27N-10W 790 FSL 1650 FWL

Inspection Date	Type Inspection	Inspector	Inspection No.
8/18/2025	Routine Inspection	[TV] Thomas Vermersch	iTV2523052475
Violation	Title		Corrective Action Due
cTV2523161896 19.15.29 Releases Surface Leaks/Spills			11/17/2025
(There is some staining around the compressor and near the separator that needs cleaned up.)			
cTV2523161897 19.15.10.8 Safety Procedures for Drilling and Production General Housekeeping Required			11/17/2025
(There are some weeds around the steel topped tank that are preventing a proper inspection. Please have all weeds removed from around tank and equipment.)			

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.