

**State Of New Mexico**  
**Energy, Minerals and Natural Resources Department**

03-Feb-26

**SCOUT ENERGY MANAGEMENT LLC**

13800 Montfort Road  
Suite 100  
Dallas, TX 75240

**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*

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[30-025-12293] WEST DOLLARHIDE DRINKARD UNIT #066                      OGRID: 330949                      K-31-24S-38E 2312 FSL 2309 FWL

<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Inspection No.</b>
2/3/2026	Routine Inspection	[RZC] Rolando Chavarria	iRZC263447450
<b>Violation</b>	<b>Title</b>	<b>Corrective Action Due</b>	
cRZC263457163	19.15.16.8 Sign on Wells Absent Well Identification Sign (API MISSING )	5/4/2026	
cRZC263457164	19.15.26 Injection Pressure exceeds permit pressure (PRESSURE EXCEEDS PERMITTED PRESSURE )	5/4/2026	

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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.