State Of New Mexico Energy, Minerals and Natural Resources Department

06-Dec-24

RUTHCO OIL, LLC

Pre Enforcement Notification

P.O. Box 1212 Eunice, NM 88231

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

[30-025-07950] HOBBS EAST S A #104

OGRID: 230835

F-30-18S-39E 1980 FNL 2310 FWL

Inspection DateType InspectionInspectorInspection No.12/6/2024Routine Inspection[GR] Gary RobinsoniGR2434131935

Violation Title Corrective Action Due

cGR2434155337 19.15.26 Injection Detection of Deficient Mechanical Integrity

3/6/2025

(Failed 2023 UIC testing - no injection since 12-2019 violation of rule: 19.15.5.9 (B) - no BHT since 1-2017 rule: 19.15.26.11 - Well may have lost authority to inject, contact Phillip Goetze 505-660-8274 for more information. WELL IS TO BE SHUT IN ASAP.)

cGR2434155338 19.15.26 Injection Noncompliance with Permitting or Registration

3/6/2025

(Failed 2023 UIC testing - no injection since 12-2019 violation of rule: 19.15.5.9 (B) - no BHT since 1-2017 rule: 19.15.26.11 - Well may have lost authority to inject, contact Phillip Goetze 505-660-8274 for more information. WELL IS TO BE SHUT IN ASAP.)

cGR2434155339 19.15 Oil and Gas Mechanical Integrity Failure Recorded

3/6/2025

(Auto Generated Violation - MIT Failure exits.)

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.