

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN RE: NOTICE OF VIOLATION ISSUED TO SNOW OIL & GAS INC.**

**OGRID # 21013**

**CASE NO. 26299**

**OIL CONSERVATION DIVISION'S  
DOCKETING NOTICE**

The New Mexico Oil Conservation Division ("OCD"), pursuant to 19.15.5.10(E)(2)(a) NMAC, gives notice that it has docketed the Notice of Violation ("NOV"), a true and correct copy of which is attached as **Exhibit A**, and states the following in support thereof:

1. On or about June 18, 2026, OCD issued an original NOV to the above-referenced operator ("Respondent").
2. Based upon information, custom, and belief, certified mail containing the NOV arrived or will soon arrive at Respondent's address of record. Additionally, electronic mail was sent to Respondent's known email addresses of record and based upon past correspondence with Respondent, if any.
3. The NOV identifies the factual basis for the alleged violations, the compliance actions required to remedy the alleged violations, and the proposed sanctions.
4. The Original NOV stated that if Respondent did not informally resolve the NOV within 30 days of receipt of service, then OCD would proceed to a hearing.
5. Unless this case is resolved prior, the period for informal resolution will have elapsed without coming to a resolution prior to July 21, 2026.
6. The NOV states that OCD will hold a hearing on July 21, 2026, should this case fail to be resolved prior to that date.

WHEREFORE, OCD requests that the NOV be docketed for hearing on July 21, 2026.

Respectfully submitted,



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Michael Hall  
Assistant General Counsel  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Phone: (505) 479-1137  
Email: [Michael.Hall@emnrd.nm.gov](mailto:Michael.Hall@emnrd.nm.gov)

# Exhibit A

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan-Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Ben Shelton**  
Deputy Secretary

**Albert C.S. Chang**  
Division Director  
Oil Conservation Division



**BY CERTIFIED MAIL AND ELECTRONIC MAIL**

June 18, 2026

SNOW OIL & GAS INC  
P.O. Box 1277  
Andrews, TX 79714

Sarah Anderson, Production Secretary  
[sarah@lotusllc.com](mailto:sarah@lotusllc.com)

**NOTICE OF VIOLATION**

The Director of the Oil Conservation Division (“OCD”) issues this Notice of Violation (“NOV”) pursuant to 19.15.5.10 NMAC.

1. **Alleged Violator:** SNOW OIL & GAS INC, OGRID # 21013 (“Operator”).
2. **Factual and Legal Basis for Alleged Violation(s):**

Operator is the registered operator of 15 (15) wells. The seven (7) wells identified in **Exhibit A** have been continuously inactive since at least March 2023, and therefore out of compliance with 19.15.25.8 NMAC and are not already subject to an agreed compliance or final order.

These alleged facts constitute violations of the following:

**19.15.25.8 NMAC:**

A. *The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.*

B. *The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:*

1. *a 60 day period following suspension of drilling operations;*
2. *a determination that a well is no longer usable for beneficial purposes; or*
3. *a period of one year in which a well has been continuously inactive.*

**19.15.5.9(A) NMAC:**

State of New Mexico  
Energy, Minerals and Natural Resources Department

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*An operator is in compliance with Subsection A of 19.15.5.9 NMAC if the operator...*

4. *has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance or final order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:*
  - (a) *two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;*
  - (b) *five wells if the operator operates between 101 and 500 wells;*
  - (c) *seven wells if the operator operates between 501 and 1000 wells;*  
*and*
  - (d) *10 wells if the operator operates more than 1000 wells.*
  
3. **Compliance:** No later than thirty (30) days after receipt of this NOV, Operator shall:
  - a. plug and abandon the seven (7) wells listed in **Exhibit A**.
  
4. **Sanction(s):** OCD may impose one or more of the following sanctions:
  - a. civil penalty;
  - b. modification, suspension, cancellation, or termination of a permit or authorization;
  - c. plugging and abandonment of well(s);
  - d. remediation and restoration of well location(s) and associated facilities, including the removal of surface and subsurface equipment and other materials;
  - e. remediation and restoration of location(s) affected by a spill or release;
  - f. forfeiture of financial assurance;
  - g. shutting in well(s); and
  - h. any other remedy authorized by law.

For the alleged violations described above, OCD proposes the following sanctions:

- a. **Plug and Abandon Wells:** OCD will request an order requiring Operator to plug and abandon wells listed in **Exhibit A**, and/or an order authorizing OCD to plug and abandon those wells.
- b. **Termination of Authorization to Transport:** OCD will request an order terminating Operator's authority to transport from all wells listed in **Exhibit A**.
- c. **Civil Penalties:** OCD proposes to assess civil penalties as specified below. The civil penalty calculations are attached. OCD has taken into consideration the alleged violator's good faith effort (or lack thereof) to comply with the applicable requirements. Copies of the civil penalty calculations are attached as **Exhibit B**.

Civil Penalty: \$3,150.00

5. **Informal resolution:** A process is available to informally discuss and resolve the NOV. This process will run for 30 days from the date of your receipt of this letter. To initiate this

State of New Mexico  
Energy, Minerals and Natural Resources Department

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process, contact the OCD employee identified at the end of this letter.

6. **Hearing**: OCD will docket this matter for July 21, 2026, at which time this case will move forward to a formal hearing should informal resolution be unsuccessful. Please see 19.15.5.10 NMAC for more information regarding the hearing.

For more information regarding this NOV, contact Michael Hall at (505) 479-1137 or [Michael.Hall@emnrd.nm.gov](mailto:Michael.Hall@emnrd.nm.gov)

Regards,



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Albert C.S. Chang  
Director, Oil Conservation Division

cc: Office of General Counsel, EMNRD

## EXHIBIT A

# Inactive Well List

Total Well Count: 15 Inactive Well Count: 7

Printed On: Tuesday, December 30 2025

District	API	Well	UL STR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-27746	DUFFIELD FED COM #002	G-21-16S-27E		21013	SNOW OIL & GAS INC	F	F	G	10/2018	PENN		
2	30-015-22283	EDDY GK STATE COM #001	I-19-18S-25E	I	21013	SNOW OIL & GAS INC	S	P	G	02/2015			
2	30-015-22345	EDDY GK STATE COM #002	F-19-18S-25E	F	21013	SNOW OIL & GAS INC	S	P	G	05/2015			
2	30-015-22122	READ AND STEVENS STATE #001	H-10-19S-29E	H	21013	SNOW OIL & GAS INC	S	S	O	12/2021			
2	30-015-22761	READ AND STEVENS STATE #002	J-10-19S-29E	J	21013	SNOW OIL & GAS INC	S	S	O	12/2021			
2	30-015-24756	READ AND STEVENS STATE #003	K-10-19S-29E	K	21013	SNOW OIL & GAS INC	S	S	O	12/2021			
2	30-005-62701	TANNER FEDERAL #001	O-35-14S-27E	O	21013	SNOW OIL & GAS INC	F	F	G	03/2023			

## EXHIBIT B



Alleged Violator	SNOW OIL & GAS INC	
Alleged Violator OGRID	21013	
History of Non-Compliance	No history less than 50 wells or gross sales less than \$500,000	0
Economic Impact		0
<b>Total Penalty</b>	<b>\$</b>	<b>3,150</b>

API # or Facility ID	Violation Citation	Type of Violation	Description	MinPA(\$)	Multi Day / Single Day	Days in violation	Days Penalized	Penalty Subtotal	Effort to Comply	Negligence and Willfulness	Factor Subtotal	Outstanding Conditions	TOTAL	Comments
30-015-27746	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-22283	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-22345	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-22122	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-22761	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-24758	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-005-62701	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6 Negligence	0.2 1.8	No outstanding conditions	\$ 2,500.00	\$ 450

