

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

**IN RE NOTICE OF VIOLATION ISSUED TO
THORNTON OPERATING CORPORATION**

**CASE NO. 21556
ORDER NO. R-21760**

ORDER

This matter came before the Director of the New Mexico Oil Conservation Division (“Division”) on the Notice of Violation (“NOV”) issued to Thornton Operating Corporation (OGRID # 23003) (“Thornton”). The Division Hearing Examiner conducted a public hearing on December 16, 2020. The Division Director, having considered the testimony and evidence presented, and the recommendation of the Hearing Examiner, enters the following findings, conclusions and order.

FINDINGS OF FACT

1. The Division has jurisdiction over the parties and the subject matter herein.
2. The Division gave notice of the hearing as required by 19.15.5.10 NMAC.
3. The Division presented the testimony of one witness, Mr. Daniel Sanchez, Chief of the Division’s Administrative and Compliance Bureau, and offered 14 exhibits in support of his testimony.
4. On August 27, 2020, the Division issued the NOV, which alleged 2 violations:
 - a. Thornton changed its address without notifying the Division as required by 19.15.9.8(C) NMAC. For this violation, the Division requested an order requiring Thornton to inform OCD in writing of its new address of record, and also proposed to assess a civil penalty of six hundred dollars (\$600).
 - b. Thornton failed to plug and abandon the Stevens Federal #003 Well (API 30-005-62868) (“Well”) which has not reported production and has been continuously inactive since January 2018 as required by 19.15.25.8(B)(3) NMAC. For this violation, the Division

requested an order requiring Thornton to plug and abandon the Well and proposed to assess a civil penalty of one thousand two hundred dollars (\$1,200).

5. The NOV provided that a process is available for the informal review and resolution of the alleged violations in the NOV. If the NOV is not resolved informally within 30 days after service of notice, the Division will hold a hearing. 19.15.5.10(C)(1)(f) NMAC. The Division served the NOV on Thornton. Thornton did not contact the Division during the informal resolution period, which expired on or about November 5, 2020.

6. On November 9, 2020, the Division filed and served the Docketing Notice.

7. Thornton did not file an answer to the Docketing Notice and the NOV as required by 19.15.5.10(E)(2)(b) NMAC.

8. Thornton appeared at the hearing and admitted the violations.

9. Thornton subsequently informed the Division in writing of its new address of record.

10. On June 8, 2021, the U.S. Bureau of Land Management (“BLM”) informed the Division that Thornton had retained a contractor to plug and abandon the Well, which is located on federal surface, and that BLM had approved the plugging procedure and imposed a condition requiring the well to be plugged within 90 days.

CONCLUSIONS OF LAW

11. The Division is authorized, when it determines that a person is violating, or has violated, the Oil and Gas Act (“Act”), or any provision of a rule, order, permit, or authorization issued under the Act, to seek compliance and civil penalties by issuing a notice of violation. NMSA 1978, §70-2-31(A).

12. The Division followed the requirements of the Act and the rules in issuing a Notice of Violation which described the alleged violations and possible sanctions and provided an opportunity for an informal resolution of the violations. The Division fulfilled the requirements to properly serve Thornton with the Notice of Violation and the Notice of Docketing.

13. Based on the Division’s testimony and evidence, the Director finds that Thornton violated 19.15.9.8(C) NMAC by failing to inform the Division in writing of its new address of record, and 19.15.25.8(B)(3) NMAC by failing to plug and abandon the Well.

14. The Act and the rules authorize a series of possible sanctions for violations. NMSA 1978, §70-2-31(B); 19.15.5.10(B) NMAC. Based on the evidence presented, the Director concludes that the proposed sanctions are appropriate for the violations.

ORDER

1. Thornton shall plug and abandon the Well within 90 days.
2. If Thornton fails to plug and abandon the Well within 90 days, the Division shall be authorized to plug and abandon the Well and to forfeit the financial assurance for the well, and Thornton shall pay the excess cost to plug and abandon the well no later than 30 days after actual or attempted service of the Division's written demand.
3. If Thornton fails to plug and abandon the Stevens well within 90 days, Thornton shall pay the civil penalty of one thousand two hundred dollars (\$1,200) for violating 19.15.25.8(B)(3) NMAC.
4. The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/bb

Date: 6/24/2021