

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

IN RE: NOTICE OF VIOLATION ISSUED TO CRAFT OPERATING NM, LLC

CASE NO. 25939

FINAL ORDER

ORDER NO. 24445

PROCEDURAL HISTORY

1. The Oil Conservation Division (“OCD”) issued a Notice of Violation (“NOV”) to Craft Operating NM, LLC (“Respondent”) on or about February 2, 2026, via electronic mail and certified mail. The certified mailing was presented to Respondent on or about February 9, 2026, but Respondent refused delivery. *See Affidavit of Sara Griego (Prehearing Statement, Exhibit 4).*
2. The NOV set a hearing for March 5, 2026, and informed Respondent of a 30-day informal resolution period. *See Prehearing Statement, Exhibit 3.* The matter was continued to April 15, 2026, and Respondent received notice of the new setting.
3. Respondent appeared at the April 15, 2026 hearing.
4. OCD submitted its Prehearing Statement and Exhibits 1–4, which were admitted without objection.

FINDINGS OF FACT

1. The OCD has jurisdiction over the parties and subject matter pursuant to the New Mexico Oil and Gas Act, NMSA 1978, § 70-2-1 et seq.
2. Respondent was properly served with the NOV and Docketing Notice through electronic mail and certified mail, satisfying the notice requirements of 19.15.5.10 NMAC. *See Prehearing Statement, Exhibit 4.*
3. Respondent did not pursue informal resolution and did not correct the violations identified in the NOV during the 30-day period. *Prehearing Statement, p. 2.*
4. Respondent is the registered operator of one well in New Mexico. As of the hearing date, that well remains inactive and out of compliance with 19.15.25.8 NMAC (inactive well requirements) and 19.15.5.9 NMAC (operator compliance obligations). *Prehearing Statement, Exhibit 3.*
5. The evidence presented by OCD—including the Affidavit of Rob Jackson, his resume, the NOV and its attachments, and the Affidavit of Sara Griego—was credible, uncontroverted, and sufficient to establish each alleged violation.
6. The proposed civil penalty for the violations is \$450.00. *Prehearing Statement, Exhibit 3.*

CONCLUSIONS OF LAW

1. Proper notice of the NOV and hearing was provided to Respondent in accordance with 19.15.5.10 NMAC.
2. Respondent did not dispute the violations at hearing and presented no evidence to rebut OCD's case.
3. Respondent violated:
 - **19.15.25.8 NMAC** by maintaining an inactive well without an approved extension or compliance plan.
 - **19.15.5.9 NMAC** by failing to maintain the well in compliance with OCD rules.
 - **19.15.7.24 NMAC** by failing to meet operator reporting or administrative requirements as identified in the NOV.
4. OCD is authorized to impose civil penalties and other sanctions under NMSA 1978, § 70-2-31 and 19.15.5.10 NMAC.
5. The \$450 civil penalty is appropriate and supported by the evidence.
6. OCD is further authorized to pursue additional remedies—including plugging and abandonment, termination of authorization to transport, and cost recovery—if Respondent fails to comply with this Order.

ORDER

IT IS ORDERED THAT:

1. Violations Established. Respondent is adjudged to be in violation of 19.15.5.9, 19.15.7.24, and 19.15.25.8 NMAC.
2. Civil Penalty. Respondent shall pay a civil penalty of \$450.00 to the "New Mexico Oil Conservation Division" within thirty (30) days of the date of this Order.
3. Corrective Action. Within thirty (30) days, Respondent shall submit to OCD a plan to bring the inactive well into compliance with 19.15.25.8 NMAC or a plan for plugging and abandonment.
4. Failure to Comply. If Respondent fails to comply with this Order, OCD is authorized to:
 - Direct plugging and abandonment of the non-compliant well;
 - Terminate Respondent's authorization to transport from all wells;
 - Recover costs incurred by OCD in performing corrective actions.

5. Continuing Jurisdiction. OCD retains jurisdiction to issue further orders necessary to enforce this Order.
6. Appeal Rights. Respondent may seek review of this Order pursuant to 19.15.5.14 NMAC and applicable provisions of the Oil and Gas Act.



Albert C.S. Chang
Director, Oil Conservation Division

7/20/2026

DATE