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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-02319
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Mary Lou
8. Well Number 005
9. OGRID Number 372279
10. Pool name or Wildcat Millman; S-RVERS, East
4. Well Location Unit Letter <u>G</u> : <u>2310</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>29</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
LLJ Ventures LLC., DBA Marker Oil & Gas

3. Address of Operator
PO Box 3188, Roswell, NM 88202

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☒
 CASING/CEMENT JOB ☐
 OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy Inc., has P&A'd the above mentioned well per the attached P&A summary report and WBD, on behalf of operator LLJ Ventures LLC., DBA Marker Oil & Gas and OCD, please see the attached OCD Authorization Letter. Please see attached DHM Photos. CBL has also been submitted.

Spud Date:

04/25/1962

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Sherry Morrow

TITLE Regulatory Analyst

DATE 05/22/2025

Type or print name Sherry Morrow

E-mail address: sherry.morrow@exxonmobil.com PHONE: (432) 967-7046

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

Mary Lou 005
API 30-015-02319
P&A Summary Report

4/13/25: Spot Equipment. SD due to collapsed cavern along csg. Notified NMOCD of situation.

4/14/25: Decision made to move to the next well by the NMOCD.

4/26/25: Level ground. Set rig mats. Weld on PU. Spot PU. MIRU.

4/27/25: ND WH. NU BOP. RU WF. TOH LD 35 jnt 2-3/8 L80 tbgs, 1 1' sub and perforated sub.

4/28/25: ND BOP removed Bowl NU. MIRU WL. RIH w/GR. RIH w/GR 3.625" to 1060' ROH w GR. MU RIH CIBP Set @ 1035'. ROH WL RD Lubricator and Equip. Secured Well.

4/29/25: MIRU WLU and Equip. TIH w/ RCBL Tool, Attempted Three times could not pass through 615' ROH, Ran RCBL up to surface. LD WLU Equip. and Tools. MIRU BHA, Wash. Head RIH 18 Jts.(610') and (8') of Jt. 19 worked multiple times slight tight spot did not feel any other issues to bottom. Tag CIBP 1035' (32 Jts.) Spaced out 2' above CIBP Cmt.Ops Sqz. 34 Sxs.(CTOC-505'/FW Mix:- 5.1/Slurry Vlm-8bbls) Dsip. w/ 2.75 bbls. TOH LD 32 Jts. and BHA Secured Well.

4/30/25: RIH TTOC @ 554' (6' of jt. 18). TOH 5 jts.(13 jts. In Hole) MIRU WLU and equip. Wireline 1-1/8" strip gun RIH through 2 3/8" tbgs.. Perf. @ 500' Spot 30 Sxs. (CTOC-114'/ FW Mix-5 bbls/ Slurry Vlm.7 bbls) Dis. w/ 2 bbls. POOH LD 13 Jts 2 3/8" WOC. RIH TTOC 467' (16' of JT 15). POOH LD 15 jts (2 3/8" L80) Secured Well.

5/1/25: Wait on NMOCD Orders. RU WLU 1 1/8" Strip gun RIH Tag @ 320' ROH secured strip gun. RIH 14 Jts. 2 3/8' Tbg. TAG 451' POOH 2 jts. to a EOT 386'. RU WLU 1 1/8" strip gun RIH inside 2 3/8" and WL gun Tag @ 320 ROH installed a weight bar RIH and Tag again @ 320' ROH. POOH RD WLU and Equip. POOH LD Tbg. to verify Tbg. was clean. Secured Well.

5/2/25: RIH w/ 4' of jt 13 2 3/8 tbgs TTOC @ 390" MIRU WLU. RDMO WLU, change of plans NMOCD POOH LD Tbg. ND BOP. RIH 11 jts (2 3/8" Tbg,) for Cmt Ops. Per NMOCD Cmt. Ops from 390' to surface Spot 30 Sxs. (CTOC-Surface/ FW Mix-5 bbls/ Slurry Vlm.7 bbls). Cont. to fill spilled over to and 1" 7 Csg untill full and spilled into cellar to fill hole. RDMO.

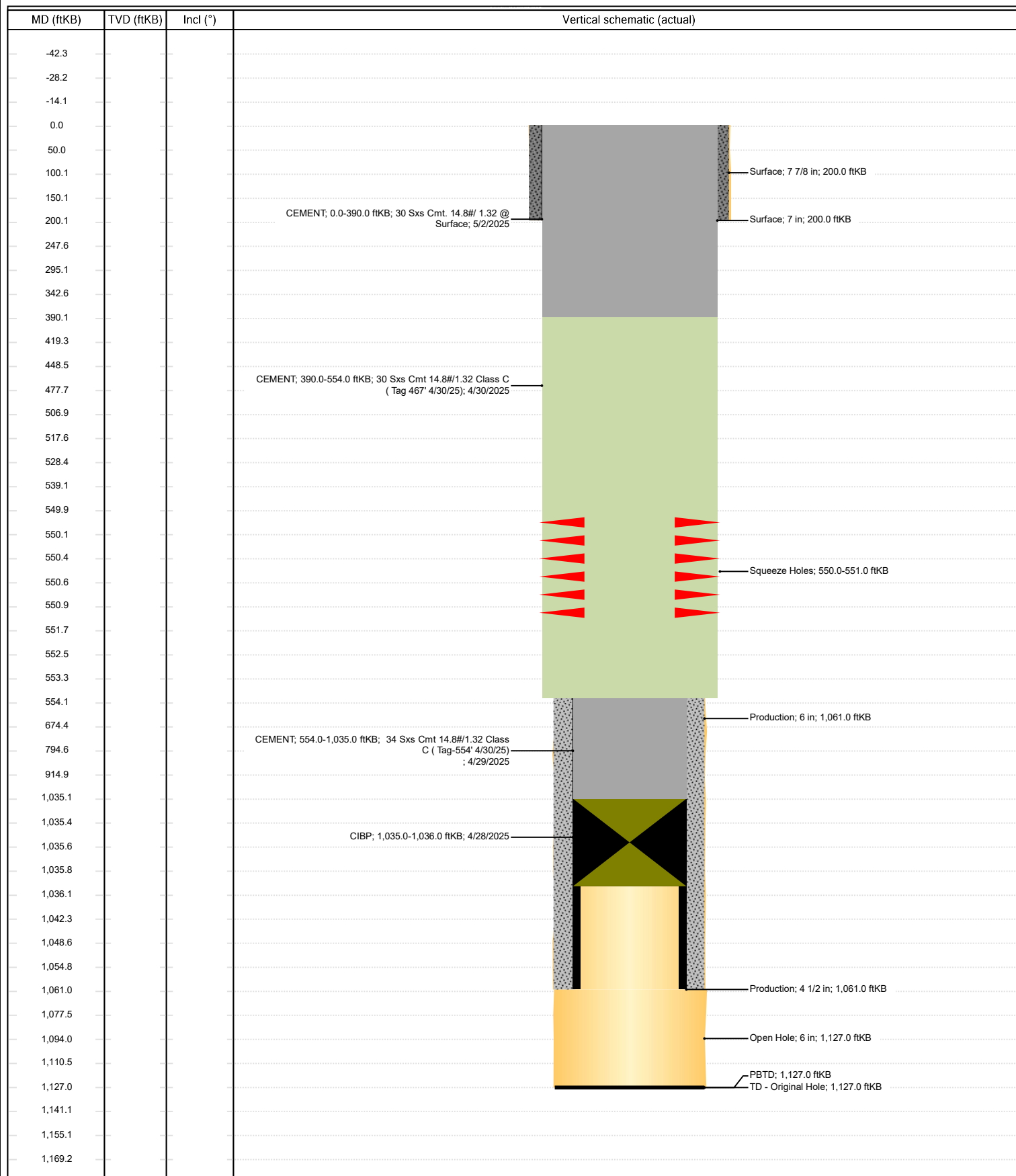
5/20/25: Cut off Wellhead and set DHM.



Schematic - Vertical with Perfs

Well Name: Mary Lou 005

API/UWI 3001502319	SAP Cost Center ID	Permit Number	State/Province New Mexico	County Eddy
Surface Location T19S-R28E-S29	Spud Date 4/25/1962 00:00	Original KB Elevation (ft)	Ground Elevation (ft)	KB-Ground Distance (ft)



















State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary-Designate

Benjamin Shelton
Deputy Secretary (Acting)

Gerasimos Razatos, Division Director (Acting)
Oil Conservation Division



BY ELECTRONIC MAIL

Amanda Garcia
Regulatory Supervisor
ExxonMobil Upstream Company
XTO Energy
6401 Holiday Hill Road
Midland, Texas 79707

Re: Oil Conservation Division Authorization for ExxonMobil Upstream Company to Plug and Abandon Well(s)

Ms. Garcia :


The Oil Conservation Division ("OCD") received your request of Pqxgo dgt 29, 2024, requesting authorization for ExxonMobil Upstream Company ("XTO"), to plug and abandon the following wells: Mary Lou #004, API # 30-015-02318 and Mary Lou #005, API # 30-015-02319. LLJ Ventures, LLC DBA Marker Oil & Gas, ("LLJ") is the registered operator of this well and XTO is the leaseholder where the well is located. As the leaseholder, XTO may be deemed a responsible operator for purposes of plugging and remediation activities or for indemnification of costs incurred by OCD for such activities.

On October 11, 2024, OCD issued Final Order No. R-23494 ("R-23494"). R-23494 setting forth plugging compliance deadlines to be met by LLJ. That R-23494 and R-23494-A is incorporated herein as though set forth in full.

OCD hereby authorizes XTO, to plug and abandon the above-identified well on OCD's behalf pursuant to its authority under R-23494.

Please contact Assistant General Counsel, Christy Treviño at (505)-607-4524 or Christy.Trevino@emnrd.nm.gov, with questions, including the submission of plugging sundries as OCD will not be transferring operatorship to you and will need to place the plugging sundries into the well files.

Regards,


Gerasimos Razatos
Director (Acting)

1/24/2025

Date

cc: EMNRD-OGC

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

**OIL CONSERVATION DIVISION,
PETITIONER**

v.

**LLJ VENTURES, LLC
DBA MARKER OIL & GAS,
RESPONDENT**

**CASE NO. 24801
ORDER NO. R-23494**

ORDER

This matter came before the Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) on the Notice of Violation (“NOV”) dated on or about July 23, 2024, issued to LLJ Ventures, LLC DBA Marker Oil & Gas, OGRID #372279 (“Operator”). The Division’s Hearing Examiner conducted a public hearing on October 3, 2024. The Director, having considered the testimony and evidence presented, and being otherwise fully advised in the premises, finds, concludes and orders:

FINDINGS OF FACT

1. The Division has jurisdiction over the parties and the subject matter herein.
2. On or about July 9, 2024, the Division issued the NOV, which alleged three violations:
 - a. Operator allegedly violated 19.15.5.9(A)(4)(a) NMAC. At the time of the NOV, Operator was the registered operator of one hundred and fifty wells in New Mexico. Under 19.15.5.9(A)(4)(a) NMAC, as the operator of 100 wells or less, Operator was not permitted to have more than two inactive wells out of compliance with 19.15.25.8 NMAC, which requires inactive wells to be plugged and abandoned or placed into approved temporary abandonment status. At the time of the NOV, Operator had one hundred and fifty inactive

**FINAL ORDER
CASE NO. 24801
1**

wells, which were not plugged and abandoned or placed into temporary abandonment status as demonstrated by OCD Ex. 4-A.

- b. Operator allegedly violated 19.15.8.9 NMAC by lacking financial assurance for fifty wells.
- c. Operator allegedly violated 19.15.7.24 NMAC by not filing the required monthly production reports, form C-115, as demonstrated by OCD Ex 4-B. Operator had not submitted a C-115 for any well since at least June 2022.

OCD Ex.4

- 3. Operator transferred two wells, authorized by OCD to another operator. On October 2, 2024, OCD filed updated Inactive Well Report, Financial Assurance Report, and Civil Penalty Calculator to reflect the approved transfer. OCD Ex. 8A-D.
- 4. Based on the approved transfer of two wells, the correct number of inactive wells is one hundred and forty-eight (OCD Ex. 8-A), and the wells lacking sufficient financial assurance is forty-eight. OCD Ex. 8-C.
- 5. The NOV demanded the following relief:
 - a. Operator shall plug and abandon all one hundred and forty-eight wells listed in by a certain date or failing to do so, the Division would assume that duty,
 - b. Operator's financial assurance shall be forfeited,
 - c. Operator's authority to transport from the one hundred and forty-eight registered wells identified in shall be terminated,
 - d. Operator is civilly liable for violations of 19.15.5.9(A)(4)(a), 19.15.8.9 and 19.15.7.24 NMAC in the amount of \$414,000.00.

6. The NOV informed Operator of OCD's informal resolution process, and in the event Operator did not respond to the NOV, that a formal hearing would occur on the October 3, 2024 docket.
7. Operator did not contact the Division during the informal resolution period or provide any evidence that the alleged violations had not occurred. Operator did not file a prehearing statement to enter an appearance or otherwise present evidence pursuant to 19.15.5 NMAC.
8. On August 14, 2024, OCD filed and served the Docketing Notice and formally requested a hearing. Operator did not answer the NOV as contemplated by 19.15.5.10(E)(2)(b) NMAC.
9. The Division provided Operator with notice of the October 3, 2024 hearing as required under 19.15.5.10 NMAC.
10. A hybrid hearing (in-person at Pecos Hall in Santa Fe, NM and virtually through Microsoft Teams) on the NOV was held on October 3, 2024 before a Division Hearing Examiner. Operator did not appear.
11. The Division presented the Affidavits of Nicholas Karns, Compliance Officer and Bond Administrator with the Division's Administrative and Compliance Bureau, and Sara Griego, OCD Law Clerk and corresponding exhibits.
12. The Division provided evidence of notice of the Docketing Statement. OCD Ex. 6.
13. Eight Exhibits were admitted into evidence without objection in support of the NOV.
14. Mr. Karns, who was previously qualified as an expert in administrative compliance before the Division, provided the following evidence in support of the ongoing violations:
 - a. As of October 3, 2024, Operator remained out of compliance with the inactive well requirements of 19.15.5.9(A)(4)(a) NMAC. As of October 1, 2024, Operator had one hundred and forty-eight wells, all of which were

inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status. OCD Ex. 8-A.

- b. Operator remained out of compliance with 19.15.8.9 NMAC by lacking financial assurance for forty-eight wells. OCD Ex. 8-C.
- c. Operator remained out of compliance with 19.15.7.24 NMAC, because Operator had not filed the required C-115 production reports since June 2022. OCD Ex 4-C.

15. The Oil and Gas Act provides that “[i]n assessing a penalty authorized by this section, the division shall take into account the seriousness of the violation, any good faith efforts to comply with the applicable requirements, any history of noncompliance under the Oil and Gas Act and other relevant factors.” NMSA 1978, §70-2-31(C). OCD provided evidence that the penalties were reasonable and in accordance with the law. OCD Ex. 8-D

CONCLUSIONS OF LAW

16. The Division has met its burden to show by a preponderance of evidence that Operator has violated 19.15.5.9(A)(4)(a) NMAC by failing to plug and abandon one hundred and forty-eight inactive wells.
17. Operator has violated 19.15.8.9 NMAC by lacking financial assurance for forty-eight of the subject wells.
18. Operator has violated 19.15.7.24 NMAC by failing to submit the required C-115 forms for all subject wells.
19. The civil penalties calculated by the Division are allowed by law, reasonable under 19.15.5.10(B) NMAC, and are supported by the evidence in the Administrative and Hearing Records.

FINAL ORDER
CASE NO. 24801

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ORDER

20. Operator's authority to transport from subject wells is hereby suspended until such time as Operator is compliant with this Order and the NM Oil and Gas Act.
21. Operator shall plug and abandon all twelve wells listed in OCD Ex. 8-A no later than 30 days after issuance of this Order.
22. If Operator fails to plug and abandon the subject wells as directed herein, the Division shall be authorized to plug and abandon the wells and to forfeit the financial assurance for the wells. Such plugging activities may include necessary reclamation or remediation work associated with wells that have been partially plugged and abandoned, Operator shall pay the excess cost to plug and abandon the wells no later than 30 days after actual or attempted service of the Division's written demand. If the excess costs to the Division are not received, the Division may seek indemnification.
23. 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**



**GERASIMOS RAZATOS
ACTING DIRECTOR**

**FINAL ORDER
CASE NO. 24801
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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

OIL CONSERVATION DIVISION
PETITIONER

v.

LLJ VENTURES, LLC
DBA MARKER OIL & GAS
RESPONDENT

CASE NO. 24801
ORDER NO. R-23484-A

NUNC PRO TUNC ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having determined that an error occurred in Order R-23484 in this matter, which requires correction, issues the following *Nunc Pro Tunc* Order.

FINDINGS OF FACT

1. Order R-23484, issued October 11, 2024, (“Order”) contains an error the number of wells in paragraph 21 of the Order.
2. Exhibit 8-A is not reflective of the total number of wells OCD requested authorization over.
3. An administrative error was discovered in that Exhibit 8-A was missing a well that was included in the original filings, Exhibit 2-A of the Notice of Violation. API # 30-015-00689 GATES STATE #001 was to be included in the supplemental Exhibit 8-A. Exhibit 2-A was generated on July 24, 2024, showing one hundred and fifty wells. API # 30-015-00689 GATES STATE #001 was plugged on August 12, 2024. Amended exhibits were filed on October 11, 2024, showing one hundred and forty-seven wells. Exhibit 8-A was a regeneration of Exhibit 2-A, which was intended to show the two wells transferred off the inactive well list. However, since API # 30-015-00689 GATES STATE #001 was plugged, not released it was inadvertently removed from the inactive well list report as well.
4. Unbeknownst to OCD API # 30-015-00689 GATES STATE #001, was plugged and certain site inspections still need to be complete to release the well.
5. The number of wells OCD was seeking authorization over was indicated as one hundred and forty-eight throughout the record for Case No. 24801 on page 28 through page 40 of the transcript.

ORDER

6. Paragraph 21 of the Order is corrected to read as follows:

“21. Operator shall plug and abandon all remaining non-compliant wells listed in OCD Ex. 2-A no later than 30 days after issuance of this Order.”

7. The corrections are effective *nunc pro tunc* as of the date of the Order.

8. All other provisions of the Order remain in full force and effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**Gerasimos Razatos
ACTING DIRECTOR**

Date: 12/24/2024

CASE NO. 24801
ORDER NO. R-23484-A

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Sante Fe Main Office
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General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 466678

CONDITIONS

Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707	OGRID: 5380
	Action Number: 466678
	Action Type: [C-103] Sub. Plugging (C-103P)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	None	6/2/2025