

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

IN RE THORTON OPERATING CORPORATION

CASE NO. 21556

**NEW MEXICO OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement in accordance with 19.15.5.10(E)(2)(e) NMAC.

I. WITNESSES

OCD will present one (4) witness, Mr. Daniel Sanchez, OCD's Administrative and Compliance Manager, 1220 S. St. Francis Drive, Santa Fe, New Mexico. He has served in this position since 2004. Prior to joining OCD, Mr. Sanchez was an engineer for the New Mexico Public Regulatory Commission, Westinghouse Electric Corporation, and Public Service Company of New Mexico. He holds a B.S. in Mechanical Engineering from New Mexico State University. His qualifications are described in Exhibit 1.

II. TESTIMONY

Mr. Sanchez will testify that on August 27, 2020, OCD issued a Notice of Violation to Thornton Operating Corporation ("Thornton"). The NOV alleged that Thornton violated 19.15.25.8 NMAC, which requires the operator of a well that has been continuously inactive for a year to either plug and abandon the well or place the well in approved temporary abandonment status. Thornton is registered as the operator of the Stevens Federal #003 Well (API 30-005-62868), a produced water disposal well, which has not reported injection and has been continuously inactive since January 2018. However, Thornton has not plugged and abandoned the well or placed the well in approved temporary abandonment status. OCD ordered Thornton to

submit a plan to plug and abandon the well no later than thirty (30) days after receipt of the NOV, and to plug and abandon the well no later than sixty (60) days after receipt of the NOV. OCD proposed to assess a civil penalty of one thousand two hundred dollars (\$1,200) for the violation of 19.15.25.8 NMAC. OCD served the NOV electronically and by certified mail to Thornton's address of record. Electronic service of the NOV was not rejected, but certified mail at Thornton's address of record failed.

After locating and confirming Thornton's current address, on October 1, 2020, OCD issued a revised NOV. The revised NOV alleged the same violation of 19.15.25.8 NMAC, and further alleged that Thornton violated 19.15.9.8 NMAC, which requires an operator that changes its address of record to inform OCD in writing within thirty (30) days of the change. Thornton changed its address of record from 5427 Collinwood Avenue, Fort Worth, Texas and moved to a new address at 7928 Vista Ridge N Drive, Fort Worth, Texas without informing OCD in writing within thirty (30) days of the change, and still has not notified OCD of the change. OCD again ordered Thornton to submit a plan to plug and abandon the well no later than thirty (30) days after receipt of the NOV, and to plug and abandon the well no later than sixty (60) days after receipt of the NOV, and to inform OCD in writing of its new address of record. OCD again proposed to assess a civil penalty of one thousand two hundred dollars (\$1,200) for the violation of 19.15.25.8 NMAC, and also proposed a penalty of six hundred dollars (\$600) for the violation of 19.15.9.8 NMAC. The revised NOV stated that if Thornton did not informally resolve the NOV within thirty (30) days of receipt of service, then OCD would hold a hearing. OCD served the revised NOV electronically and by certified mail to Thornton's new address. Electronic service of the NOV was not rejected, and certified mail at Thornton's new address was accepted on October 7, 2020.

Thornton did not contact OCD during the informal resolution period, and the period expired on November 5, 2020, without resolution of the NOV.

III. EXHIBITS AND OHER EVIDENCE

Mr. Sanchez will offer the following exhibits:

- Exhibit 1 Curriculum Vitae of Daniel Sanchez
- Exhibit 2 Notice of Violation, August 27, 2020
- Exhibit 3 Civil Penalty Calculation - 19.15.25.8 NMAC, August 27, 2020
- Exhibit 4 Electronic Mail Service for Notice of Violation, August 27, 2020
- Exhibit 5 Certified Mail Ticket for Notice of Violation, August 27, 2020
- Exhibit 6 USPS Tracking Page for Certified Mail Ticket for NOV - August 27, 2020
- Exhibit 7 Notice of Violation, October 1, 2020
- Exhibit 8 Civil Penalty Calculation - 19.15.25.8 NMAC, October 1, 2020
- Exhibit 9 Civil Penalty Calculation - 19.15.9.8 NMAC, October 1, 2020
- Exhibit 10 Electronic Mail Service for Notice of Violation, October 1, 2020
- Exhibit 11 Certified Mail Ticket for Notice of Violation, October 1, 2020
- Exhibit 12 USPS Tracking Page for Certified Mail Ticket for NOV – October 1, 2020
- Exhibit 13 OCD Permitting, Thorton Address of Record, December 5, 2020
- Exhibit 14 OCD Permitting, Stevens Well, December 5, 2020

III. PROCEDURAL MATTERS

Thornton failed to file an answer. *See* 19.15.5.10(E)(2)(b) NMAC.

OCD reserves the right to call rebuttal witnesses.

Respectfully submitted,



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Resources Department
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CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading was mailed electronically on December 9, 2020 to:

Robert Thornton
President
Thornton Operating Corporation
7928 Vista Ridge Drive North
Fort Worth, TX 76132
topco@att.net

A handwritten signature in black ink, appearing to read 'E.A.' or 'Eric Ames', written in a cursive style.

Eric Ames