

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



**BY CERTIFIED MAIL -RETURN RECEIPT REQUESTED
AND ELECTRONIC MAIL**

August 27, 2020

Robert Thornton
President
Thornton Operating Corporation
5427 Collinwood Avenue
Fort Worth, TX 76107
topco@att.net

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:* Thornton Operating Corporation, OGRID # 23003 ("Thornton").

(2) *Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

19.15.25.8 WELLS TO BE PROPERLY ABANDONED:

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.*

Thornton is registered as the operator of the Stevens Federal #003 Well (API 30-005-62868). The well has been reported production and has been continuously inactive since January 2018.

(3) *Compliance*: Thornton shall submit a plan to plug and abandon the well no later than thirty (30) days after receipt of this NOV, and plug and abandon the well no later than sixty (60) days after receipt of this NOV.

(4) *Sanction(s)*: OCD may impose one or more of the following sanctions for the alleged violation:

- civil penalty
- modification, suspension, cancellation, or termination of a permit or authorization
- plugging and abandonment of a well
- remediation and restoration of a well location and associated facilities, including the removal of surface and subsurface equipment and other materials
- remediation and restoration of a location affected by a spill or release
- forfeiture of financial assurance
- shutting in a well or wells
- any other remedy authorized by law

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

- 1) Civil Penalty: 19.15.28(B)(3) NMAC: \$ 1,200
- 2) Plug and Abandon Well: Thornton shall plug and abandon the well no later than sixty (60) days after receipt of this NOV.

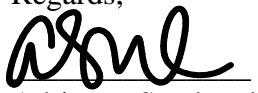
OCD will take into consideration the alleged violator's good faith effort to comply with the applicable requirements.

(5) *Informal Review and Resolution*: A process is available for the informal review and resolution of the alleged violation(s) in the NOV. To initiate the informal review process, contact the OCD employee identified at the end of this letter. If OCD and the alleged violator agree to resolve the alleged violations in the NOV, the agreement will be incorporated into a stipulated final order signed by both parties and stating that the alleged violator admits OCD's jurisdiction to file the NOV, consents to the specified relief, including the civil penalty, if any, and waives the right of review by the Oil Conservation Commission.

(6) *Hearing*: If this NOV is not resolved within thirty (30) days of receipt of service, OCD will hold a hearing on November 5, 2020. Please see 19.15.5.10 NMAC for more information regarding the hearing. However, please note that the hearing does not prohibit OCD from negotiating with the alleged violator at any time to settle the NOV.

For more information regarding this NOV, contact Daniel Sanchez, OCD Compliance and Enforcement Manager, at (505) 476-3493 or Daniel.Sanchez@state.nm.us.

Regards,


Adrienne Sandoval
Director

cc: OCD Southern District
Office of Legal Counsel, EMNRD