

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

IN RE LLJ VENTURES

CASE NO. 22223

**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 witness, Mr. Rob Jackson, Compliance Officer and Bond Administrator, with OCD’s Administrative and Compliance Bureau, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

II. DIRECT TESTIMONY

On July 20, 2021, OCD issued a Notice of Violation to LLJ Ventures, LLC (“Operator”). Exhibit 2. The NOV alleges three violations and requests specific relief.

First, Operator has more than five (5) inactive wells. 19.15.9(A)(4)(b) NMAC states that an operator with 101 to 500 wells must plug and abandon or place into approved temporary abandonment status those inactive wells that exceed the threshold of five (5) wells. At the time of the NOV, Operator was registered as the operator of one hundred sixty-five (165) wells, one hundred sixteen (116) of which were inactive and none of which have been plugged and abandoned or placed into approved temporary abandonment status. Exhibit 2, Table 1. At the time of this statement, Operator has registered one-hundred fifty wells (150), 87 of which are inactive. *See* Exhibit 10. Operator transferred wells after the date of the NOV. For this violation, OCD requests an order requiring Operator to plug and abandon the wells by a date certain or to allow OCD to do

so, and if OCD plugs and abandons the wells, to forfeit the financial assurance for the wells and require Operator to pay the excess cost to plug and abandon the wells. OCD also proposes to assess a civil penalty of forty-four thousand four hundred dollars (\$44,400) for exceeding the inactive well threshold. Exhibit 5.

Second, the Operator does not have sufficient financial assurance for active wells. Operator is registered as operator of sixty-four (64) qualifying wells, requiring blanket financial assurance of one-hundred twenty-five thousand dollars (\$125,000). 19.15.8.9(C) NMAC. Alternatively, Operator may provide single well financial assurance. Operator has no blanket or single well financial assurance. Exhibit 2, Table 2. For this violation, OCD proposes a civil penalty of twenty-two thousand four hundred dollars (\$22,400). Ex. 6.

Third, Operator does not have sufficient financial assurance for inactive wells. 19.15.8.9(D) NMAC requires one million dollars (\$1,000,000) in blanket plugging financial assurance for more than twenty-five qualifying wells. Operator currently has thirty qualifying wells. Alternatively, Operator may provide single well inactive financial assurance in the amounts detailed in Exhibit 2, Table 3. For this violation, OCD proposes a civil penalty of ten thousand five hundred dollars (\$10,500). Exhibit 7.

Operator accepted service of the NOV by certified mail on August 9, 2021. *See* Exhibit 4. OCD also served its Notice of Docketing by certified mail, which was accepted on October 4, 2021. *See* Exhibit 4. The Notice of Docketing was also served by email on September 22, 2021, to Operator's email of record and notably the email designated by Mr. Marker in recent litigation against OCD and repeated on separate form C-103s signed after the date of the NOV. Exhibits 8 & 9. Further, OCD received a delivery receipt regarding the Notice of Docketing Statement on

September 22, 2021. Exhibit 13. In response to unexpectedly long delivery times by the United States Postal Service, OCD moved to continue the hearing set for October 6, 2021. OCD has not received any response from Operator. Operator did not file an answer to the NOV Docketing Notice as allowed by 19.15.5.10(E)(2)(b) NMAC.

OCD requests an order revoking Operator's registration, terminating Operator's authority to transport from all wells, requiring Operator to plug and abandon inactive wells or alternatively, authorizing OCD to plug and abandon inactive wells, forfeiting financial assurance for inactive wells, requiring Operator to pay the excess cost to plug and abandon inactive wells, and assessing civil penalties against Operator in the amount of seventy-seven thousand three hundred dollars (\$77,300).

III. EXHIBITS

Exhibit 1	Resume of Rob Jackson
Exhibit 2	Notice of Violation
Exhibit 3	Notice of Docketing Statement
Exhibit 4	Certified Mail Tracking Information
Exhibit 5	Civil Penalty Calculation - 19.15.5.9(A)(4)(a) NMAC
Exhibit 6	Civil Penalty Calculation - 19.15.7.24 NMAC
Exhibit 7	Civil Penalty Calculation - 19.15.8.9 NMAC
Exhibit 8	C-103 Gates State 1, received August 30, 2021
Exhibit 9	C-103 Gates State 3, received August 30, 2021
Exhibit 10	LLJ Ventures Complete Well List from November 24, 2021
Exhibit 11	C-145, LLJ Ventures Well Transfer of July 23, 2021
Exhibit 12	C-103 Homan 1, received September 20, 2021
Exhibit 13	Delivery receipt from September 22, 2021 Notice of Docketing Statement

III. PROCEDURAL MATTERS

OCD reserves the right to call rebuttal witnesses.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on November 24, 2021, I served this pleading by electronic mail only on:

LLJ Ventures, LLC
Dba Marker Oil & Gas
P.O. Box 3188
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Jesse K. Tremaine