

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

IN RE PETRO MEX, LLC

CASE NO. 22817

**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 Supervisor, with OCD’s Administrative and Compliance Bureau, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

II. DIRECT TESTIMONY

On January 19, 2022, OCD issued a Notice of Violation to Petro Mex, LLC, OGRID #236452 (“Operator”). Exhibit 2. The NOV alleges one violation and requests specific relief.

Operator has more inactive wells than is permitted by 19.15.9(A)(4)(a) NMAC, which states that an operator with less than 100 wells must plug and abandon or place into approved temporary abandonment status those inactive wells that exceed the threshold of two (2) wells or fifty percent of all wells, whichever is less. Operator is registered as the operator of five (5) wells, all of which were inactive and none of which have been plugged and abandoned or placed into approved temporary abandonment status. Exhibit 2, Table 1. Because all five wells registered to the operator are inactive, all five wells must be plugged and abandoned. 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 one thousand five hundred dollars (\$1,500) for exceeding the inactive well threshold. Exhibit 5.

Operator accepted service of the NOV by certified mail on March 14, 2022. *See* Exhibit 4. The Notice of Docketing was also served by email on May 3, 2022, to Operator's email of record.

OCD requests an order requiring Operator to plug and abandon all wells or alternatively, authorizing OCD to plug and abandon all 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 one thousand five hundred dollars (\$1,500).

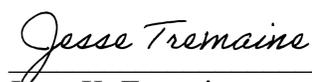
III. EXHIBITS

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 NMAC

III. PROCEDURAL MATTERS

OCD reserves the right to call rebuttal witnesses.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that on August 11, 2022, I served this pleading by electronic mail only on:

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