

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

IN RE: NOTICE OF VIOLATION ISSUED TO DC ENERGY, LLC

CASE NO.:26036

FINAL ORDER

ORDER NO.:24396

This matter came before the NM Oil Conservation Division for a scheduled hearing at 8:30 a.m. on April 15, 2026, at Santa Fe, New Mexico, before a duly appointed Hearing Officer.

NOW, the Division Director, having considered the record in this matter and the failure of the Respondent to appear, issues the following Order pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Section 70-2-1 et seq., and 19.15.5.10 NMAC.

FINDINGS OF FACT

1. The OCD has jurisdiction over the parties and the subject matter in this proceeding.
2. The OCD duly filed a Notice of Violation ("NOV") and a Docketing Notice in this matter and properly served these documents on the Respondent, DC Energy, LLC, via electronic mail and certified mail to their designated addresses on or about March 6, 2026. *Prehearing Statement Exhibit 3, Exhibit 4.* These documents were sent to the addresses provided to OCD by Respondent. *Prehearing Statement, Exhibit 4.*
3. The NOV specified that a hearing would be held on April 14, 2026, and that a process for informal resolution was available for 30 days from receipt of the NOV. *Prehearing Statement, Exhibit 3.* The case was continued until April 15, 2026, of which setting Respondent was duly notified.
4. The Respondent failed to avail itself of the informal resolution period and did not correct its continued non-compliance. *Prehearing Statement, p. 2.*
5. The Respondent failed to appear at the scheduled hearing on April 15, 2026.
6. The Respondent is the registered operator of three (3) wells in New Mexico, of which all three (3) are inactive and out of compliance with OCD regulations 19.15.25.8 and 19.15.5.9 NMAC. *Prehearing Statement, Exhibit 3.*
7. The proposed civil penalty for these violations, as outlined in the NOV and supporting documents amounts to \$1,350.00. *Prehearing Statement, Exhibit 3.*
8. The evidence admitted into the hearing record consisted of the following exhibits attached to the Pre-Hearing Statement and offered without objection by the Oil Conservation Division (OCD):
 - a) Exhibit 1: Affidavit of Rob Jackson. *Prehearing Statement, Exhibit 1.*

- b) Exhibit 2: Resume of Rob Jackson. *Prehearing Statement, Exhibit 2.*
 - c) Exhibit 3: NOV (Notice of Violation) (with attached exhibits). *Prehearing Statement, Exhibit 3.*
 - d) Exhibit 4: Affidavit of Madai Corral. *Prehearing Statement, Exhibit 4.*
9. The evidence of Notice of the NOV and Hearing admitted without objection at the hearing demonstrates that the Respondent was provided notice of the NOV and the hearing through several methods, as detailed in the Affidavit of Madai Corral (Exhibit 4) and the Pre-Hearing Statement itself:
- a) Electronic Mail: The Docketing Notice and attached NOV were emailed to Respondent. *Prehearing Statement, Exhibit 4.*
 - b) Certified Mail: The documents were also sent by certified mail on or about March 6, 2026, to the address provided to OCD by the Respondent. *Id.*
10. a) **Respondent's Duty to Maintain Contact Information.** Under the Division's rules, Respondents are required to maintain current and accurate contact information, including a valid mailing address and email address, to ensure the effective service of regulatory notices and enforcement actions.
- b) **Exhaustion of Available Contact Methods.** The OCD proactively attempted to provide notice of the Notice of Violation (NOV) and the scheduled Hearing through every available channel of communication provided by the Respondent. The Division's efforts went beyond mere formal compliance, seeking to ensure actual notice despite the Respondent's failure to provide complete contact data.
- c) **Attempted Electronic Notice.** The Division attempted to facilitate expedited notice via electronic mail. However, this method was rendered impossible because the Respondent failed to fulfill its obligation to provide the OCD with a functional email address. The lack of electronic service is attributable solely to the Respondent's omission, rather than a lack of diligence by the Division.
- d) **Diligent Service by Certified Mail.** On or about March 6, 2026, the Division dispatched the NOV and Hearing documents via United States Postal Service (USPS) Certified Mail, Return Receipt Requested. This service was directed to the Respondent's address of record.
- e) **Proactive Monitoring of Service.** Rather than relying on the mere act of mailing, the Division proactively monitored the status of the delivery.
- f) **Sufficiency of Process.** The Evidence of Notice, including the Affidavit of Madai Corral (Exhibit 4) and the Prehearing Statement, demonstrates that the OCD utilized methods "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action." Any deficiency in the Respondent's receipt of actual

notice is a direct result of the Respondent's failure to monitor its own physical and/or electronic addresses, and does not reflect a lack of due process by the Division.

CONCLUSIONS OF LAW

1. The Respondent's failure to appear at the duly noticed hearing constitutes a default.
2. Pursuant to 19.15.5.10 NMAC, the OCD may impose sanctions, including civil penalties, termination of authorization to transport, and plugging and abandonment of wells, for violations of Division rules. *Prehearing Statement, Exhibit 3.*
3. The evidence presented by the OCD staff in the Prehearing Statement and supporting exhibits is sufficient to establish the alleged violations. *See Prehearing Statement, Exhibits 1, 2, 3, and 4.*

ORDER

IT IS THEREFORE ORDERED THAT:

1. The Respondent is found to be in default for its failure to appear at the hearing on April 15, 2026.
2. The Respondent is in violation of 19.15.5.9, 19.15.7.24, 19.15.25.8 NMAC. *Prehearing Statement, Exhibit 3.*
3. A civil penalty in the amount of \$1,350.00 is hereby assessed against Respondent. *Id.*
4. The civil penalty shall be paid to the "New Mexico Oil Conservation Division" within thirty (30) days from the date of this Order.
5. The OCD is authorized to proceed with the remedies sought in its Pre-Hearing Statement and NOV, including directing the Respondent to plug and abandon the non-compliant well(s), terminating the Respondent's authorization to transport from all wells, and seeking indemnification for costs incurred by the OCD. *Prehearing Statement p.2; Prehearing Statement, Exhibit 3.*
6. Jurisdiction of this matter is retained for the entry of such further orders as the Division may deem necessary.



Albert C.S. Chang
Director, Oil Conservation Division

5/27/2026

DATE