

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

**NOTICE OF VIOLATION ISSUED TO:
GRAND BANKS ENERGY CO., OGRID
#155471**

CASE NO. 25895

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

The New Mexico Oil Conservation Division (“OCD”) submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD served the Notice of Violation in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

This matter arises from two releases and the venting or flaring of natural gas associated with the Anderson Ranch Units #4, #14, and associated Tank Battery. OCD was notified of the releases in October of 2023 and attempted to work with the operator to seek remediation and reclamation of the incidents. By August of 2024, Operator’s inability to effectively move remediation forward resulted in OCD’s issuance of a Notice of Violation. Since, OCD has engaged with operator in informal resolution. Operator has not completed necessary steps in remediation, reclamation, or revegetation and does not have the ability to complete the necessary actions. OCD seeks sanctions in the form of the proposed civil

penalty and issuance of a plugging order for all related wells and facilities, allowing OCD to complete the necessary remediation.

III. PROPOSED EVIDENCE

WITNESSES:

1. Cory Smith, Environmental Scientist Supervisor

Mr. Smith is the Supervisor of OCD's Environmental Special Projects group. Mr. Smith has an Associates of Applied Science in Instrumentation and Controls Technology and has served with OCD in various positions for more than 12 years. Mr. Smith will testify regarding the general requirements of the release rule (19.15.29 NMAC), the natural gas waste rule (19.15.27 NMAC), and the process of environmental reporting (C-141 submissions by Operators and review by OCD staff) through OCD Permitting.

2. Ashley Maxwell, Environmental Specialist

Ms. Maxwell is a Senior Environmental Scientist working with OCD's Environmental Special Projects group. Ms. Maxwell has a Bachelor of Arts in Human and Community Services with a Minor in Environmental and Occupational Health and a Minor in Community Health. Ms. Maxwell has worked with the OCD in her current role since August of 2022. Ms. Maxwell is skilled in the review and processing of operator submissions related to environmental incidents (C-141), including the review of third-party inspection reports, compliance plans, and assessing operator compliance deadlines under Part 29. Ms.

Maxwell was primarily responsible for drafting the original Notice of Violation (NOV) issued to Grand Banks and provides her testimony as to the facts and circumstances giving rise to the NOV and this hearing.

3. Rosa Romero, Environmental Bureau Chief

Ms. Romero is the Environmental Bureau Chief that oversees the environmental incidents program, including review and approval of site characterizations, remediation plans, and site closures. Ms. Romero will testify as to the facts and circumstances regarding the alleged violations, operator actions and compliance after issuance of the NOV, and the OCD's requested sanctions.

EXHIBITS:

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| Exhibit 1 | Curriculum Vitae of Cory Smith |
| Exhibit 2 | Direct Testimony of Cory Smith |
| Exhibit 3 | Resume of Ashley Maxwell |
| Exhibit 4 | Direct Testimony of Ashley Maxwell |
| Exhibit 5 | Curriculum Vitae of Rosa Romero |
| Exhibit 6 | [Reserved] |
| Exhibit 7 | OCD Docket Notice Case 25895 |
| Exhibit 8 | Notice of Violation, August 7, 2024 |
| Exhibit 9 | Amended Notice of Violation, January 5, 2026 |

- Exhibit 10 Civil Penalty Calculation, August 7, 2024
- Exhibit 11 State Land Office email re Release Discovery
- Exhibit 12 OCD email re Anderson Ranch Unit #4 Inspection
- Exhibit 13 Operator email Response re Anderson Ranch Unit #4
- Exhibit 14 Notice of Release, application ID 276450
- Exhibit 15 C-141, application ID 276459, 15-day submission
- Exhibit 16 OCD Request for Information
- Exhibit 17 C-141N
- Exhibit 18 C-141 Remediation Closure Request
- Exhibit 19 Pre-enforcement Notification
- Exhibit 20 SLO email notification of release
- Exhibit 21 OCD Site Inspection Correspondence
- Exhibit 22 Incident nOY1805352581 Detail Page
- Exhibit 23 Incident 1RP-4971
- Exhibit 24 Incident 1rP-4971 Conditions of Approval
- Exhibit 25 Inspection Details Correspondence
- Exhibit 26 C-141 Release Notification Guidance
- Exhibit 27 Incident Timeline Demonstrative
- Exhibit 28 Part 29 Incident Details Page Demonstrative
- Exhibit 29 C-129 Guidance
- Exhibit 30 C-115B User Guide

- Exhibit 31 Venting and Flaring Demonstrative
- Exhibit 32 Operator Natural Gas Waste Summary
- Exhibit 33 Operator Email Indicating Inability to Comply

IV. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that on February 19, 2026, I served this pleading by electronic mail on:

Freya Tschantz

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Oil Conservation Commission Clerk

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