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## 6   **OCD Special NOV Docket April 15, 2026-** 7   **20260415\_140342UTC-Meeting Recording**

8   April 15, 2026, 2:03PM

9   1h 46m 36s

10  
11 **PH Pecos Hall 26:33**

12   The oil Conservation Division, we have a special docket today.

13   Nov cases filed on behalf of the Oil Conservation Division by Mr. Michael Hall.

14   We're going to go through these in the order that I see them on the final docket  
15   worksheet prepared yesterday and sent out to all the parties. I'm going to start with  
16   case number 25921.

17   This is the oil conservation division versus.

18   Bill L Miller.

19   Good morning, Mr. hearing Officer Michael Hall, on behalf of OCD.

20   We're ready, but I would like to announce that we have agreed to an SFO that Mister  
21   Bain, on behalf of Bill L Miller, has signed. And so we are kind of did that yesterday.

22   So we don't have the directors reviewing signature on that, but.

23   But.

24   I, on behalf of OCD, have have agreed to the terms and Mr. Bain.

25   Has has also, namely there was an issue with Bill Miller had plugged a well many  
26   years ago. The paperwork had been filed with BLM.

27   Mr. Bain was finally able to get some of that old paperwork, and he's in the I've seen  
28   evidence of this.

29   He's in the process of trying to get that submitted to OC.

30   You D properly and and so I'm satisfied. He's agreed to to have until April 30th to get  
31   that done properly.

32   He's in the process of that.

33   I'm optimistic he'll. He'll get that done earlier as well as a \$100 civil penalty.

34   What's an SFO?

35   That's a stipulated final order.

36 In in Nov cases.  
37 That's instead of an agreed compliance order in the case where we haven't filed an  
38 Nov.  
39 A stipulated final order is an agreement between the parties. What was it?  
40 Was Mr. Bain made aware of today's hearing?  
41 He he was.  
42 In fact, he's emailing me this morning.  
43 I I anticipated he would be here, but he might be relying on the fact that he signed  
44 off on the SFO as we had discussed.  
45 So if he's not, that's why he prior to that, he he said he would be here and he's he's  
46 been.  
47 In not overwhelming constant contact, but he's been in constant contact.  
48 With me.  
49 Kind of keeping me up to date with some of his difficulties with filing and finding  
50 some of that paperwork.  
51 So he's been very responsive.  
52 So in the Nov, let's just get it on the record. What was what was Bill L Miller.  
53 Well, what's Mr. Baines relationship with Bill L Miller? Well, in my understanding is  
54 Mr. Miller himself passed away some years ago.  
55 Mr. Bain, I believe, had been a pumper operator.  
56 Or something oil filled work related.  
57 I can't remember the exact.  
58 Relationship. But he knew Mr. Miller through that.  
59 Think he purchased or inherited?  
60 Somehow he came into possession of the operatorship of Bill L Miller.  
61 Only one well was involved.  
62 It was this one. He understood it to be plugged, which in fact it was.  
63 But but but making OCD properly aware that has been the issue.  
64 So has Mr. Bain updated our database with his name and contact information?  
65 I don't think so.  
66 I think he's he has another operatorship.  
67 I believe it's called RNM.  
68 He's trying to submit through that.  
69 So whether that's acceptable to the powers that be, I don't know.  
70 He might need to to get re registered.

71 I believe he's also been in contact with Mr. McClure and also maybe even Mr.  
72 Jackson.

73 He I'm satisfied that he's trying to do the right thing and and maybe maybe.  
74 Maybe computer work isn't his Forte, but but what are the terms of the SFO?  
75 Terms of the SFO are that by April 30th he will have that paperwork as properly  
76 submitted to OCD and that he will pay. It's by the same time \$100 civil penalty. OK.  
77 And then the case will be closed.

78 Case will be dismissed once Director Chang is signed off on that. OK. And and you're  
79 submitting the SFO directly to director Shane.

80 I do.

81 And then I will.

82 I will submit it with a motion to dismiss.

83 To to.

84 To you as so. So, so will Mahdi E be the go between between you and director  
85 Chang.

86 Normally.

87 Normally I think I submit those direct directly to Director Chang, but I'm happy to to  
88 do it. However you would like me to.

89 OK.

90 I I with the other novs that we submitted to the director.

91 A month or so ago, we submitted them through Moda 8.

92 That way she could make sure that their order numbers on there she puts the order  
93 numbers on.

94 She makes sure that there's places for him to sign and date, and then she also  
95 uploads the document to the file and make sure to serve it on the respondent.

96 So so the way.

97 The way I'm accustomed that is as opposed to an order.

98 On an SFO, I would send that to Director Chang.

99 But the motion to dismiss would be sent through Mide, and I believe that's what's  
100 ultimately uploaded into the case system with the SFO attached to the motion to  
101 dismiss.

102 So but but again, you're you're the boss here.

103 However, you'd like me to do it. I will do it that way.

104 Well, just for consistency sake, I think let's have everything go through, Motta E that  
105 way, because the way you're the way you're proposing it, you would send it directly

106 to the director, but he would not send it directly to back to you.  
107 He would send it to Mata E for filing.  
108 He would send it to me. I would.  
109 I would submit a motion to dismiss upon all the proper parties having signed off on  
110 this.  
111 That's fine if that's how you want to do it. If you want to wait to submit the motion  
112 to dismiss until you get the signed SFO, I understand that that would be a check on  
113 your list that maybe rather do it that way. So are you gonna?  
114 Add the order number to the document.  
115 It will. I'll add the case number and that since it's not.  
116 I guess it is an order, but it's a little different than than the orders we've been doing  
117 this year so far other than one case.  
118 So you're saying we won't have it?  
119 Will have a case number and it will have the attached stipulated final order, but it's I  
120 guess it's not something that you at least an OCD is custom. In practice I don't think  
121 the hearing officer is generally signed off on on the SFO. I just meant if it.  
122 Has an order number. Then someone could look up that order.  
123 In the database with the order number absolutely and ultimately it is a type of order.  
124 It's a final order, as you said, and that maybe that's something I should get clear with  
125 leadership, whether we want a motion to dismiss with that attached as well as the  
126 SFO as a separate document that will be easy to do. However, the powers that be  
127 want that.  
128 Listed in OC DS, the imaging system, and if you want my he can provide the order  
129 number to you. If you want to control the document.  
130 And just keep it between you and the director.  
131 That's fine. Don't you usually assign it an order once?  
132 That's the system generated number. OK, put the SF over data.  
133 Generate that number. OK. Sorry, I I was. I was getting a little confused about case  
134 number and order number.  
135 That's right, Rob Rob's.  
136 Yeah, Rob's done that with the couple of SF OS we've done.  
137 I didn't that you had the capability of assigning an order number. That's great.  
138 Excellent.  
139 Alright then. It sounds like from what I understand, I'm just gonna repeat this back.  
140 So sure, we all understand what's going on.

141 You're going to, once Mr. Bain does what he's supposed to, whatever that may be,  
142 between you and Mr. Bain.

143 You're going to provide the director with an SFO with an order number on it.  
144 Once you get that back, you will provide a copy of that to modify along with the  
145 motion to dismiss the case.

146 That would be with prejudice or without prejudice.  
147 I don't know that it says either I guess.

148 On the spot here, I would say without in the event that they're non compliant with  
149 the SFO, we would have the ability to then. But actually the SFO's generally say we  
150 have the right if they if they don't comply with any deadline, we have the right to.  
151 Go plug.

152 Take away their right to transport so it may be 6 of 1/2 a dozen of another.  
153 But if I'm on the spot, I'm gonna say without prejudice.

154 That you'll provide that to Mata E Yes, Sir.

155 And then she will close the case in the system and she will upload the documents  
156 and serve, I guess, I guess serve.

157 Mr. Bayne, now you don't need her to serve it. Certified mail in this case, right?  
158 Not in this case, Mr. Bain, in fact, has already signed the SFO, and we're confident  
159 he's receiving emails.

160 We've been in contact with him that way. So in this particular case, I don't think that  
161 would be necessary.

162 Perfect. All right.

163 Is there anything else on this case?  
164 No, Sir. All right.

165 And Mari, you don't see Mr. Vane online, do you?  
166 He I believe last hearing he was maybe by a phone number, so I don't know that it,  
167 said Roy.

168 Man, my recollection may be off on that, but.  
169 But he appeared at the last hearing.  
170 In March, he did OK.  
171 Alright then.

172 If there's nothing else, we're off the record in 25921.  
173 K.

174 All right, let's go to number 2 on our docket 25922.  
175 This is the oil conservation division versus Benton crude oil. This is another case

176 that's been settled.  
177 Benton's representatives have signed off on an SFO, which is which is awaiting the  
178 director's review and signature.  
179 They have.  
180 They have a lot of inactive wells.  
181 The terms of the SFO.  
182 Is they purchased the operatorship.  
183 They purchased the company as my understanding, so they are now producing all  
184 these wells. And so it's it's just been a question of getting some of the paperwork  
185 from prior to their ownership submitting and they have sent me all that.  
186 I don't know that it's now in the system, but they also have a deadline coming up of  
187 that.  
188 What is it?  
189 I believe it's May 1st. I'll have to pull it up.  
190 It might be April 30th.  
191 And so.  
192 Who have you been dealing with?  
193 I've been dealing primarily.  
194 I've also been emailing Benson crude 25, which is Thai Guffey, who I think is the new  
195 owner but primarily dealing with the land man or land person in Texas named Rachel  
196 Reasoner. I believe is her last.  
197 How you pronounce her last?  
198 Name I don't know.  
199 Let me let me pull it up.  
200 Sorry I don't have the hearing pulled up.  
201 I should do that.  
202 I see mada.  
203 He's trying to find them. I I don't think she's having much luck.  
204 With, but they they have.  
205 They have signed.  
206 Mr. Guffey has represented.  
207 He has the power to bind the operator and he has signed off on the terms. The other  
208 part of that is a civil penalty based on some dealings and some delays on their part.  
209 I believe the NLV says 16,200 are there abouts on the civil penalty.  
210 We agreed that they would pay 15,003 thousand a month for the next 5 months, and

211 that's in the SFO.  
212 All right, all right.  
213 And they knew about today's hearing.  
214 Yes. At least Rachel, who I've been talking to. But again.  
215 I can't speak for why they are or are not here other than they have signed off on on  
216 the paperwork. I I proposed to them and submitted to them.  
217 In fact, negotiate in the future. If you do have. If you do have an SFO and you, they  
218 get it signed, please let them know that I'd still like to hear from them.  
219 I just want to hear from the respondent what they understand the SFO means to  
220 them.  
221 That they're going to comply with it, etc.  
222 So if you could let them know that in the future, I certainly will.  
223 Anything else on this case?  
224 No, sorry, very good.  
225 Let's move on to case number three. On the docket 259.  
226 26 burns express.  
227 OK, OCD is present and ready. And who have you been communicating with at Burns  
228 Express?  
229 It's been some time, but I communicated in, for instance, regarding the previous  
230 continuance with a man named Kenyon Barnes. OK and we served him with the Nov  
231 and the Docketing notice and all of that.  
232 Yes. And in fact, I know he's aware of it because he's called me so and he knows  
233 about today's hearing.  
234 I haven't.  
235 He should.  
236 I can't.  
237 I can't speak to that.  
238 He what is his name?  
239 Kenyan burn. Kenyon burns. OK, Mr. Kenyon burns, are you with us?  
240 All right, Scott.  
241 I don't believe he's with us, but go right ahead, Mr. Hall.  
242 Yes, OCD would offer exhibits 123 and four attached to his pre hearing statement.  
243 Tell me a little bit.  
244 Thank you.  
245 There's obviously no one here to object to that, so I'll admit those without exception

246 into evidence.

247 What's the general allegations here and what's the fine general allegations are?

248 Regarding and then I believe it's. Let me look at the number.

249 I'm just gonna get to the NLB here.

250 Sorry, my computer's going slow.

251 You tried it differently.

252 OK.

253 Sorry, Mr. hanging officer \*\*\*\*. I guess when I plugged in my Internet, it's my global

254 share isn't working well. I apologize.

255 Let me see if I can reconnect.

256 Had it pulled up, but no, it's not showing.

257 OK, let me.

258 I'm sorry.

259 This thing will go protect.

260 I think so.

261 I think that's what I have to.

262 Sorry, Mr. hanging officer. I'm having some technical difficulties here. I've had to call

263 it about this problem before and I'm worried I may have to do that again.

264 Do you have?

265 You may not have.

266 A secure Internet access, but do you have any Internet access it?

267 I don't think so.

268 Let me see here.

269 Are you connected?

270 Yeah, it says connected and secured on the inner.

271 But then there's this.

272 Global Connect, which when I come down here I have to use and it's not. It's not it's

273 not working.

274 I mean, that's happened to me before.

275 Let me see if I can.

276 Let me see if I can pull it up.

277 OK.

278 That way I can put it on there either the Nov or the Prehearing statement would be

279 helpful for me to answer your questions.

280 I apologize.

281 I'm unable to give me just a minute.  
282 Oh, and I have the same server error.  
283 Oh, you do.  
284 I'm the runtime error.  
285 I'm getting it as well.  
286 Do you want to?  
287 You know it is right here.  
288 Why don't we take a 5 minute break?  
289 Why don't you take your computer right over here?  
290 Great. And. And let's get them 'cause. I'm having the same error and I need to put  
291 some stuff on the record.  
292 Perfect. Perfect.  
293 So we're gonna take a 5 minute break. Thank you.  
294 We're off the record.  
295 All right, it is 2 minutes before 9:00 AM.  
296 We're back on the record.  
297 It is Wednesday, April 15.  
298 Council for the New Mexico Department Oil Conservation Division had to move  
299 upstairs to gain Internet access. We.  
300 Were discussing case 25926.  
301 This is oil conservation division versus Burns Express, Mr. Hall.  
302 Is he muted?  
303 Would you unmute yourself?  
304  
305 **HE Hall, Michael, EMNRD 55:21**  
306 Yes. Can you hear me now?  
307  
308 **PH Pecos Hall 55:22**  
309 Now we can, yes.  
310  
311 **HE Hall, Michael, EMNRD 55:24**  
312 OK, my my computer is still messing up on my phone. I am able to use that.  
313 Let me see here.  
314 I'm trying to pull up burns.  
315 I'm still having some of the same issues, but I'm gonna try again.

316 OK.

317 I think I'm gonna be able to do that part anyway.

318

319 **PH** Pecos Hall 55:54

320 OK.

321

322 **HE** Hall, Michael, EMNRD 55:59

323 OK.

324 Yes. Are you ready for me to proceed, Mr. hearing officer?

325

326 **PH** Pecos Hall 56:04

327 Yeah. Do you remember the question that I asked or should I ask it again?

328

329 **HE** Hall, Michael, EMNRD 56:08

330 No, I do, I recall it.

331 The general is this operator has one.

332

333 **PH** Pecos Hall 56:09

334 OK.

335 Go right ahead.

336

337 **HE** Hall, Michael, EMNRD 56:13

338 Well, that one well has been continuously inactive since at least September of 2021.

339 So we're seeking our typical inactive well.

340 Remedies, namely a civil penalty of \$450 in this case.

341 The ability to cancel or terminate.

342 Permits or authorization the ability to plug and abandon the well as well as

343 remediate and restore the location.

344 Forfeiture of financial assurance, shutting in well and termination of ability to

345 transport.

346

347 **PH** Pecos Hall 56:55

348 OK. And who have you been communicating with at Burns Express?

349

350 **HE** Hall, Michael, EMNRD 57:00

351 A man named Kenyon Barons sometime before the last continuance. I have not  
352 heard from them since that time.

353

354 **PH Pecos Hall 57:02**

355 OK.

356 OK. And may I thought I saw a picture of someone.

357 That looked like a respondent.

358 Do we know who that gentleman is?

359

360 **HE Hall, Michael, EMNRD 57:25**

361 If you're asking me, Mr. Burns is the I believe the only person I've communicated with  
362 the relationship to the software.

363

364 **PH Pecos Hall 57:32**

365 OK.

366 Very good.

367 I understand, Mr. Hall.

368 I'm wondering who this gentleman is with the hat on with his, with his camera on.

369 Sir, are you here for a case?

370

371 **HE Hall, Michael, EMNRD 57:41**

372 After that is Mr. Bain who agreed to the SFO Bill Miller.

373

374 **CC Candace Craft 57:42**

375 I.

376

377 **PH Pecos Hall 57:46**

378 Yes, OK.

379 Very good.

380 So Mr. Bain, just stay with us for a minute.

381 I'm going to come back to your case in just a moment.

382 So all right, so, Mr. Hall.

383 Let's see. You've entered the evidence into the record.

384 I've accepted it.

385 You've told me a little bit about the case.

386

387 **HE** Hall, Michael, EMNRD 58:03

388 Great.

389

390 **PH** Pecos Hall 58:07

391 How you want to proceed on the case?

392

393 **HE** Hall, Michael, EMNRD 58:10

394 We would seek an order to the effect of the relief sought in the NLV.

395

396 **PH** Pecos Hall 58:16

397 OK, as a as a default order.

398

399 **HE** Hall, Michael, EMNRD 58:19

400 Correct.

401

402 **PH** Pecos Hall 58:20

403 Alright, sounds good.

404 So are you gonna draft that?

405

406 **HE** Hall, Michael, EMNRD 58:23

407 Yes, I'm happy to.

408

409 **PH** Pecos Hall 58:25

410 All right.

411 Sounds good.

412 Very good. OK and.

413 Two weeks. Does that sound reasonable?

414

415 **HE** Hall, Michael, EMNRD 58:35

416 Yes.

417

418 **PH** Pecos Hall 58:36

419 OK.

420 All right then.

421 I don't think we have anything else to do on this case, so we're off the record in  
422 25926.

423 Let's go back to 25921.

424 Mr. Bain, would you enter your appearance, please?

425 Is he muted?

426

427 **RB** Roy Bain 58:57

428 Hello there we go.

429 There we go. I started hitting the wrong button, Sir.

430

431 **PH** Pecos Hall 58:59

432 There no problem.

433

434 **RB** Roy Bain 59:01

435 I apologize.

436

437 **PH** Pecos Hall 59:01

438 I hear you.

439 I hear you.

440 Would you enter your appearance please?

441

442 **RB** Roy Bain 59:07

443 Roy Bane, on behalf of Bill Miller.

444

445 **PH** Pecos Hall 59:10

446 OK, perfect. I recognize you from a month ago.

447

448 **RB** Roy Bain 59:13

449 Yes, Sir.

450

451 **PH** Pecos Hall 59:14

452 It's my understanding.

453 I don't know if if you heard when I called your case about 15 minutes ago, but we

454 were advised by Mr. Hall that you've entered into an agreement with the division to

455 deal with your case.

456 And that you have signed.  
457 A stipulated final order is all that correct.

458

459 **RB** Roy Bain 59:39

460 Yes, Sir.

461

462 **PH** Pecos Hall 59:40

463 OK.

464 Very good.

465 And you entered into that agreement voluntarily.

466

467 **RB** Roy Bain 59:46

468 Yes, Sir.

469 Yes, Sir.

470

471 **PH** Pecos Hall 59:47

472 OK.

473 Alright, OK, very good.

474 And did you know that you have a deadline of April 30th to produce some  
475 information for Mr. Hall?

476

477 **RB** Roy Bain 59:58

478 Yes, Sir. We talked about that yesterday.

479 And got a couple more reports to redo, but I should have it all done within a time  
480 within that time frame with no no problems.

481

482 **PH** Pecos Hall 1:00:10

483 OK.

484 Very good. And Mr. Bain, I.

485 'LL Venture a guess here that if you need more time that what you should do is to  
486 discuss it with Mr. Hall.

487 You know, instead of just missing a deadline, just discuss it beforehand.

488

489 **RB** Roy Bain 1:00:27

490 Oh, oh, yes, Sir. Yes, Sir.

491 Always, always. We come quite friendly on the phone.

492

493 **PH Pecos Hall** 1:00:33

494 Oh, that's great.

495 Well, I'm glad to hear it.

496 Thank you for participating today and good luck with your with your endeavors.

497

498 **RB Roy Bain** 1:00:42

499 Thank you, Sir.

500

501 **HE Hall, Michael, EMNRD** 1:00:43

502 Bye, Mr. Ben.

503

504 **PH Pecos Hall** 1:00:43

505 All right, we're we're off the record.

506 In that case, Mr. Hall, let's move on to 25939. Number four on our docket. This is the  
507 division versus craft operating.

508

509 **HE Hall, Michael, EMNRD** 1:00:58

510 The division is present and ready.

511

512 **PH Pecos Hall** 1:01:01

513 OK. And do we have anyone who have you been meeting with Ohio? I see someone  
514 there.

515

516 **HE Hall, Michael, EMNRD** 1:01:07

517 I.

518 I believe I I haven't seen her or or I don't believe, spoken on the phone, but I have.

519 Received an e-mail or two from Miss Candace craft, who I believe is present.

520

521 **PH Pecos Hall** 1:01:20

522 Miss craft?

523

524 **CC** Candace Craft 1:01:21

525 Yeah, I'm president.

526

527 **CC** Candace Craft 1:01:22

528 I.

529 I don't know if my mic is on.

530

531 **CC** Candace Craft 1:01:22

532 I don't know if my mic is on.

533

534 **PH** Pecos Hall 1:01:27

535 I'm sorry, what did you say?

536

537 **CC** Candace Craft 1:01:28

538 I am present.

539

540 **CC** Candace Craft 1:01:29

541 I am present.

542

543 **PH** Pecos Hall 1:01:31

544 Or I think you might have two microphones at the same time going.

545

546 **CC** Candace Craft 1:01:35

547 Oh well, OK.

548

549 **PH** Pecos Hall 1:01:37

550 Because of the echo.

551 Why don't you try muting one of them, either your phone or your computer and just

552 and just talk with one microphone.

553

554 **CC** Candace Craft 1:01:50

555 OK. How did that work?

556

557 **CC Candace Craft** 1:01:51

558 How did that work?

559

560 **PH Pecos Hall** 1:01:52

561 Good. Would you like to enter your appearance in this case?

562

563 **CC Candace Craft** 1:01:57

564 Yes, this is Candace craft.

565

566 **PH Pecos Hall** 1:01:59

567 And what is your relationship to craft operating?

568

569 **CC Candace Craft** 1:02:05

570 I am the owner and President, President of craft operating.

571

572 **PH Pecos Hall** 1:02:12

573 OK. And you received the notice of violation and the docket notice in the mail?

574

575 **CC Candace Craft** 1:02:21

576 I did.

577

578 **PH Pecos Hall** 1:02:22

579 OK, good. Do you understand the charges against Kraft operating?

580

581 **CC Candace Craft** 1:02:26

582 Yes.

583

584 **PH Pecos Hall** 1:02:27

585 You do OK.

586 Do you intend to present evidence in on your behalf?

587

588 **CC Candace Craft** 1:02:40

589 Can represent myself today.

590 My attorney is still in Japan.

591 It's about a 16 hour difference and I am the agent.

592 Was the agent for M&M Energy.

593 And in the operation of this well.

594

595 **PH Pecos Hall** 1:03:00

596 I'm not sure how does Eminem energy relate to craft operating?

597

598 **CC Candace Craft** 1:03:06

599 Eminem Energy owns the least for the well and the majority working interest of the  
600 well.

601

602 **PH Pecos Hall** 1:03:20

603 But what is your relationship to Eminem?

604

605 **CC Candace Craft** 1:03:24

606 I'm their agent.

607

608 **PH Pecos Hall** 1:03:26

609 Oh, you're their agent. OK.

610

611 **CC Candace Craft** 1:03:27

612 And yes.

613

614 **PH Pecos Hall** 1:03:29

615 Do you?

616 Do you mean that you're registered at the Secretary of State as their agent?

617

618 **CC Candace Craft** 1:03:37

619 No, I mean under the rules of the.

620 Lease agreements and well operating agreement.

621 I'm the agent for M&M Energy.

622

623 **PH Pecos Hall** 1:03:50

624 OK.

625 I'm gonna go to Mr. Hall now, Mr. Hall.

626 I'm not sure what Eminem has to do with craft operating, besides what Miss Kraft just  
627 told me.

628 I understand what she told me.

629 Did you understand that as well?

630

631 **HE** **Hall, Michael, EMNRD** 1:04:07

632 I understood what she said.

633 I can.

634 I can probably clarify that some on vordyre or cross examination.

635 But I would represent to you, Mr. Hearing officer, that the the leaseholder of this well  
636 is not a concern to OCD. The registered operator is that being.

637 Craft.

638

639 **PH** **Pecos Hall** 1:04:29

640 OK.

641 That makes sense, I understand.

642 Have you sent miss craft?

643 The the exhibits that you intend to present.

644

645 **HE** **Hall, Michael, EMNRD** 1:04:40

646 Yes, they were emailed to her.

647

648 **PH** **Pecos Hall** 1:04:43

649 OK, Miss Kraft, how many?

650 How many exhibits are there, Mr. Hall?

651

652 **HE** **Hall, Michael, EMNRD** 1:04:47

653 Therefore, but actually we would only offer 1-2 and three, given her appearance and  
654 acknowledgement of notice.

655

656 **PH** **Pecos Hall** 1:04:55

657 OK, miss. Miss Kraft, have you received the the exhibits marked by the division that  
658 we will be talking about today?

659

660 **CC** **Candace Craft** 1:05:07

661 Yes, and I sent response to and I spoke to Mr. Hall as well.

662 About the state Land Office.

663 They're saying the least is no longer M&M energies, and I sent a letter to hall about  
664 that, Mister Holm.

665

666 **PH Pecos Hall 1:05:29**

667 OK. Mr. Hall, did you receive that?

668

669 **HE Hall, Michael, EMNRD 1:05:32**

670 I don't know if it's the same document. Yes, I'm aware.

671 That the the state Land Office terminated their lease and there was some back and  
672 forth, Mr. Biernoff.

673 General Counsel for the State Land Office also sent me some communications.

674 I would just just for purposes of this hearing.

675 Our concern is.

676 Well, in activity and I think it's undisputed.

677 Thank Miss Kraft will agree that the well has not been operated or produced.

678 Or plugged for a period of greater than 15 months.

679

680 **PH Pecos Hall 1:06:16**

681 OK, what are the allegations in the Nov?

682 Because I can't see it.

683 We don't have the imaging system available.

684

685 **HE Hall, Michael, EMNRD 1:06:24**

686 I will be happy to tell you it's another case with one well operator ship that well-  
687 being inactive and has been since at least April of 2024.

688 And.

689 And we, we seek the same remedies we do in every case, but that allocation, as the  
690 wells been inactive since at least that time and I think Miss Kraft would acknowledge  
691 or or states that that's because.

692

693 **PH Pecos Hall 1:06:43**

694 OK.

695

696 **HE** **Hall, Michael, EMNRD** 1:06:54

697 She lost the leasehold with state land office.

698 It's on state land.

699

700 **PH** **Pecos Hall** 1:06:57

701 OK.

702 All right, Miss Kraft.

703 Before I ask you any questions, I want to make sure you understand your rights here  
704 at the hearing.

705 This is an administrative hearing. The rules of evidence don't apply here.

706 I'm here to provide the director with.

707 A full and complete.

708 Transcript.

709 Hurt.

710 And and any evidence that you have as well as the division so that he can make a  
711 decision on whether or not the allegation is true or not, we operate by a  
712 preponderance of evidence.

713 And you have the right to challenge any evidence that the division.

714 Seeks to admit at this hearing.

715 Do you understand that?

716

717 **CC** **Candace Craft** 1:07:56

718 Yes.

719

720 **PH** **Pecos Hall** 1:07:57

721 All right. So the allegation here is that there's a single well that has been inactive for  
722 approximately 2 years. If I got the dates right.

723 Is that right?

724 Yeah. OK. So, miss Kraft.

725 What do you have to say about that?

726

727 **CC** **Candace Craft** 1:08:22

728 I'm well. I'm saying that Mister Burn off was incorrect when he said the well was

729 inactive and he told me to cease and desist in in producing it and I at that point I

730 ceased and desist. So since then it has been inactive and I was not allowed.

731 To go on location.

732

733 **PH Pecos Hall** 1:08:43

734 OK, I understand.

735 Is there a Mr. Hall?

736 Is there a filing requirement when a well goes inactive?

737

738 **HE Hall, Michael, EMNRD** 1:08:54

739 Oh the the C 115 reports are required even if if no production occurs, which I don't  
740 believe has happened, and so under OCD rules and regulations, when a well hasn't  
741 been.

742 No production's been reported for a period of 15 months, so that will is is included  
743 on the inactive Wellness.

744 In fact, that's craft's only.

745 Only will.

746 And OC DS records.

747 Mr. Hearing Officer, may I ask a question of Miss Kraft?

748

749 **PH Pecos Hall** 1:09:31

750 Yes, please go right ahead.

751

752 **HE Hall, Michael, EMNRD** 1:09:32

753 Miss craft, what steps have you taken to contest?

754 The State Lands Office determination that your lease had terminated.

755

756 **CC Candace Craft** 1:09:43

757 It was Eminem Energy's lease, not mine, and I've been trying to get in touch with  
758 Eminem Energy.

759 It's my understanding.

760 That.

761 Mr. McGee is in court ordered rehab for a few more months and I'm not able to get  
762 in touch with him.

763 He's the majority interest owner of the well and he is the owner. Was is, was.

764 The owner of the lease that he required years ago for 1/4 of \$1,000,000.

765

766 **HE** Hall, Michael, EMNRD 1:10:22

767 So you have not you as agent for M&M or you would agree that craft operating is  
768 the operator of this well, correct.

769

770 **CC** Candace Craft 1:10:33

771 Correct.

772

773 **HE** Hall, Michael, EMNRD 1:10:35

774 OK.

775 So as Kraft operating filed any litigation in District Court to contest the state land  
776 offices determination that this lease had expired.

777

778 **CC** Candace Craft 1:10:51

779 Knows that should be M&M energies responsibility.

780

781 **HE** Hall, Michael, EMNRD 1:10:56

782 Has Eminem done so?

783

784 **CC** Candace Craft 1:10:59

785 Not that I'm aware of.

786

787 **HE** Hall, Michael, EMNRD 1:11:01

788 So is it your position that?

789 OCD should just never enforce its rules against craft operating. Don't you think you  
790 have some affirmative obligations to contest the determinations of state Land Office  
791 if you disagree with them?

792

793 **CC** Candace Craft 1:11:19

794 I would love.

795 I would love for the OCD to help me with Mr. Burn off and get me to be able to get  
796 back on the well.

797 Do an acid fract and I wanted to.

798 I I would love for their help on that.

799

800 **HE** **Hall, Michael, EMNRD** 1:11:33

801 Did you understand my question, ma'am?

802

803 **CC** **Candace Craft** 1:11:39

804 Did you understand my response?

805 I would love for you to help.

806

807 **HE** **Hall, Michael, EMNRD** 1:11:43

808 So you do you think you want us to help you?

809 Acid fracked oil.

810 That's your defense.

811

812 **CC** **Candace Craft** 1:11:49

813 No, I'd like you to help me with Mr. Burn off at the state Land Office to help me get

814 the lease back to M&M Energy. So as agent Kraft can get on the well and acid

815 bracket in the Yates Formation.

816

817 **HE** **Hall, Michael, EMNRD** 1:12:05

818 So do you think it's our job to help you with stay land office or to enforce the Oil

819 Conservation Division's rules?

820

821 **CC** **Candace Craft** 1:12:17

822 I don't know the answer to that.

823

824 **HE** **Hall, Michael, EMNRD** 1:12:19

825 Well, isn't it your job to deal with that, not OCD?

826

827 **CC** **Candace Craft** 1:12:27

828 Well, I've tried to deal with it and I've sent information to Mr. Bernhoff and he is not

829 amenable to to discussing it with me.

830

831 **HE** **Hall, Michael, EMNRD** 1:12:40

832 And and to be clear, you have not filed any kind of litigation to contest that, correct?

833

834 **CC Candace Craft** 1:12:47

835 As it's not and never was, my least it's not my lawsuit.

836

837 **HE Hall, Michael, EMNRD** 1:12:54

838 You are the operator of this.

839 Well, correct.

840

841 **CC Candace Craft** 1:12:58

842 I am the agent and operator for M&M Energy.

843

844 **HE Hall, Michael, EMNRD** 1:13:02

845 And you are the listed contact for craft operating NMLLC, correct.

846

847 **CC Candace Craft** 1:13:09

848 Yeah, you're correct.

849

850 **HE Hall, Michael, EMNRD** 1:13:11

851 Do you agree that this will has not produced in two years?

852

853 **CC Candace Craft** 1:13:18

854 Last produced in April of 2024.

855

856 **HE Hall, Michael, EMNRD** 1:13:28

857 Are you aware?

858 That.

859 You are required to produce AC 115 reports regardless of whether a well is

860 producing or not.

861

862 **CC Candace Craft** 1:13:46

863 I thought if he wasn't producing, you didn't have to do the those reports.

864

865 **HE Hall, Michael, EMNRD** 1:13:52

866 Are you aware that oil is considered inactive if it hasn't produced in more than 15

867 months?

868

869 **CC Candace Craft** 1:13:59

870 Yes.

871

872 **HE Hall, Michael, EMNRD** 1:14:01

873 And do you contest that determination by OCD?

874 I'll pass the witness.

875

876 **PH Pecos Hall** 1:14:15

877 OK.

878 So have you offered your exhibits into evidence?

879

880 **HE Hall, Michael, EMNRD** 1:14:21

881 I did.

882 I don't know if you've accepted them.

883 We we again offer exhibits 1-2 and three attached to OC DS pre hearing statement.

884

885 **PH Pecos Hall** 1:14:30

886 OK, M's craft. Have you seen exhibits 1-2 and three?

887

888 **CC Candace Craft** 1:14:38

889 I think so, your honor, yes.

890

891 **PH Pecos Hall** 1:14:40

892 OK.

893 Do you challenge them for for some reason, or do you?

894 Not challenge them.

895

896 **CC Candace Craft** 1:14:54

897 Just challenge him that I I was told to cease and desist and stop producing when Mr.

898 Bernos told me.

899

900 **PH Pecos Hall** 1:15:01

901 OK.

902 I understand that if that's the challenge, then I accept the evidence into the record.

903 It's not a direct challenge, Miss Kraft.  
904 That to the evidence that the state is offering, that's a different issue and I  
905 understand what you're saying and I'm not.  
906 I'm not passing any judgment on what you're saying. I'm neutral here.  
907 That's my role is to be neutral and give you a fair opportunity. Do you have?  
908 Any.  
909 The evidence? So the allegation, as I understand that Miss Kraft is that the will has  
910 been inactive long enough that you're required to produce.  
911 Some documents that you have not produced, that's my understanding of the  
912 allegation.  
913 Mr. Hall, would you read the allegation from the Nov?

914

915 **HE** Hall, Michael, EMNRD 1:16:01

916 Yes. Yeah. Let me pull it up there. If Mr. hearing officer.

917

918 **PH** Pecos Hall 1:16:05

919 OK.

920

921 **HE** Hall, Michael, EMNRD 1:16:06

922 OK.

923 Again one well.

924 Is operated by this operator that will is inactive and has been continuously inactive  
925 and is uncontroverted and it's inactivity since April of 2024.

926 The operator of wells drilled for oil and gas or service wells.

927 This is from 1915258 MEC.

928 Including seismic, core exploration or injection wells, whether cased or uncased, shall  
929 plug the wells as subsection B of 191525. A requires operator shall either plug in  
930 abandoned oil or place the oil and approve temporary abandonment in accordance  
931 with 191525 Mack within 90.

932 Days after a 60 day period following suspension of drilling operations, a  
933 determination that a well is no longer usable for.

934 The beneficial purposes or a period of.

935 The one year in which it will has been continuously inactive, which that is the  
936 operative provision here and an operator is in compliance with subsection A of  
937 191559 M Mac if the operator.

938 Has no more than the following number of wells out of compliance with 1915258  
939 Mac that are not subject to an agree, compliance or final order. Setting a schedule  
940 for bringing the wells into compliance.  
941 With 1915258 and imposing sanctions if the schedule is not met, two wells or 50% of  
942 the wells of the operator operates, whichever is less. If the operator operates less  
943 than operates 100 wells or less. In this case, this operator has one well.  
944 100% of which are inactive.

945

946 **PH Pecos Hall 1:17:50**

947 OK.

948 So now in plain language.

949

950 **HE Hall, Michael, EMNRD 1:17:54**

951 Implant sure, it's been longer than one year in which your wells been continuously  
952 inactive.

953

954 **PH Pecos Hall 1:17:54**

955 Without reading, yes.

956

957 **HE Hall, Michael, EMNRD 1:18:00**

958 It is craft's obligation to plug and abandon that well.

959

960 **PH Pecos Hall 1:18:05**

961 OK.

962 It is a plug in abandoned or I thought there was an or in the in the rule that said they  
963 could plug an abandoned or do something else.

964

965 **HE Hall, Michael, EMNRD 1:18:15**

966 They're able to put it, if approved, temporary abandonment status.

967

968 **PH Pecos Hall 1:18:20**

969 If approved.

970

971 **HE Hall, Michael, EMNRD 1:18:21**

972 That that, that is not even attempted to happen.

973

974 **PH Pecos Hall** 1:18:25

975 OK.

976 I'm just.

977 I just remembered an or in the in the rule and that's why I asked you about it.

978

979 **HE Hall, Michael, EMNRD** 1:18:31

980 Absolutely correct.

981

982 **PH Pecos Hall** 1:18:32

983 OK.

984

985 **HE Hall, Michael, EMNRD** 1:18:32

986 That's the war.

987

988 **PH Pecos Hall** 1:18:33

989 OK, so so miss craft, now that you've heard the plain language, the plain language of  
990 what you're what you're what craft operating is is alleged to have not done. Do you  
991 have any evidence that shows that you have done?

992

993 **CC Candace Craft** 1:18:37

994 Yes, Sir.

995 I have emails to the state Land Office and phone call records to the state Land Office.

996 I.

997 Have.

998 Text back and forth from the pumper that I had to. He had to let go because I was  
999 told not to get on location.

1000 Since when the well has been not producing since April of 2024.

1001

1002 **PH Pecos Hall** 1:19:22

1003 So so I understand that you have been told by the state Land Office certain things  
1004 that have made plugging and abandoning.

1005 Not an option for you. I I hear that, but it sounds to me like there was another option  
1006 for you that you could have petitioned the division to change the status of the well

1007 and that wasn't done either.

1008 Is that right, Mr. Hall?

1009

1010 **HE** **Hall, Michael, EMNRD** 1:19:49

1011 I'm not aware of any any attempt to to enter approved temporary abandonment  
1012 status.

1013

1014 **PH** **Pecos Hall** 1:19:59

1015 But I'm asking you, Mr. Hollis, did I? Did I?

1016 Did I say that correctly?

1017

1018 **HE** **Hall, Michael, EMNRD** 1:20:05

1019 That has, could you restate the question, I apologize.

1020

1021 **PH** **Pecos Hall** 1:20:09

1022 I said to Miss Kraft.

1023 I said.

1024 I understand that you're not allowed to go back on state land.

1025 But when was that effective? By the way, Miss Kraft?

1026 When were you told you can't come back on state land?

1027

1028 **CC** **Candace Craft** 1:20:25

1029 It was back in.

1030 Around March of 2024.

1031

1032 **PH** **Pecos Hall** 1:20:38

1033 Oh, OK.

1034 So OK, I understand.

1035

1036 **CC** **Candace Craft** 1:20:43

1037 May I ask a question, your Honor?

1038

1039 **PH** **Pecos Hall** 1:20:45

1040 You you can just let me finish this train of thought then by all means, you can ask the  
1041 questions.

1042 So when you when you receive that information from Mr. Bjornoff at the state Land  
1043 Office that you know you, you were not allowed to come back on the land.  
1044 It sounds like you had another option under our rules, and that is to.  
1045 To submit a petition to the division to declare that well to be inactive, is that correct,  
1046 Mr. Hall?

1047

1048 **HE** Hall, Michael, EMNRD 1:21:19

1049 I don't know if I would say it that way. She she had lots of options.  
1050 Namely, she could have contested that finding by the state Land Office, but but just  
1051 coming in and complaining about the state Land Office.  
1052 If that were allowed to happen, then wells could sit there unplugged indefinitely just  
1053 because you claim you disagree with a finding, you have to take affirmative steps to  
1054 to contest that allegation if you'd agree.  
1055 Disagree with it?

1056

1057 **PH** Pecos Hall 1:21:50

1058 And that's why.

1059

1060 **HE** Hall, Michael, EMNRD 1:21:51

1061 OC yes.

1062

1063 **PH** Pecos Hall 1:21:51

1064 And that's why you asked her about the court about possible litigation.

1065

1066 **HE** Hall, Michael, EMNRD 1:21:56

1067 Yes, Sir.

1068

1069 **PH** Pecos Hall 1:21:57

1070 OK. But according to the rule, you read a minute ago, does she not?  
1071 Also, did she not also have the option within a certain amount of time of the well  
1072 going inactive to alert the division of that change in status?

1073

1074 **HE** Hall, Michael, EMNRD 1:22:12

1075 She could have seek approved temporary abandonment status.

1076 She could have submitted C115's, which it would remain inactive if there's no

1077 production, but.

1078 I mean, she could have called the division and asked, you know, but but but  
1079 essentially we have no control over release. If the state Land Office says she can't get  
1080 on there to produce it because Elise is expired, that's a dispute between them.

1081 Under our rules and regulations, it it it's a is this well active or not?

1082

1083 **PH Pecos Hall** 1:22:42

1084 I understand.

1085 I I understand, I understand.

1086

1087 **HE Hall, Michael, EMNRD** 1:22:47

1088 And she is taking all steps to contest that finding.

1089

1090 **PH Pecos Hall** 1:22:47

1091 I understand.

1092

1093 **HE Hall, Michael, EMNRD** 1:22:52

1094 And so.

1095 I guess her her claim is that we're supposed to help her fight the state Land Office in  
1096 that we have sure.

1097

1098 **PH Pecos Hall** 1:22:59

1099 I understand, Mr. Hall. I I got it.

1100 I got it.

1101 Thank you, Mr. Hall.

1102 So So what is your question, Ms. Craft?

1103

1104 **CC Candace Craft** 1:23:08

1105 Well my question is until I can get this sorted through with the state Land Office, can  
1106 you put the little on TA the status?

1107 Is that allowed?

1108 Can we all do that?

1109 The state Land Office is telling me operating the well without a valid lease in place is  
1110 considered trespass and it's I'm subject to.

1111

1112 **PH Pecos Hall** 1:23:22

1113 So.

1114

1115 **CC Candace Craft** 1:23:33

1116 My company to a civil action.

1117

1118 **PH Pecos Hall** 1:23:35

1119 I understand.

1120 So, Miss, Miss Kraft, what your? I'd like to answer your question, but unfortunately I'd

1121 be giving you legal advice if I answered your question.

1122 So I think I so so may I suggest that you find an oil and gas attorney.

1123

1124 **CC Candace Craft** 1:23:46

1125 OK, OK.

1126

1127 **PH Pecos Hall** 1:23:51

1128 There are some in Roswell.

1129 There, there are definitely oil and gas attorneys down in Lee County or in Eddy

1130 County that you could consult with for a path forward with the state Land Office.

1131 But from what I've heard so far that I have no evidence to show that the allegation by

1132 the division is not true.

1133 Again, we operate under a preponderance of evidence standard here at the

1134 administrative hearing level.

1135 And Mr. Hall has submitted evidence that is has been admitted into the record.

1136 And that evidence shows that, you know, this one well is out of compliance.

1137 So with that.

1138 I'm going.

1139 To.

1140 Say that Mister hall.

1141 It's you've.

1142 You've you've.

1143 You've supported.

1144 Your burden of persuasion that the allegation is true, that the civil pen, what is the

1145 civil penalty?

1146

1147 **HE** **Hall, Michael, EMNRD** 1:24:57

1148 \$450 Mr. Hanser.

1149

1150 **PH** **Pecos Hall** 1:24:59

1151 Dollars. OK, that the civil penalty is reasonable.

1152 And.

1153 It sounds to me like the only thing left is a final order.

1154

1155 **HE** **Hall, Michael, EMNRD** 1:25:12

1156 I would agree with that.

1157

1158 **PH** **Pecos Hall** 1:25:14

1159 OK, so so miss, Miss Kraft, since the division did prove its case on this one allegation

1160 and the penalty is reasonable at \$450, the division will issue an order signed by the

1161 director for you to comply with the order within thirty, I think it.

1162 Within 30 days, Mr. Hall.

1163 Of receiving of receiving the order by e-mail.

1164

1165 **HE** **Hall, Michael, EMNRD** 1:25:39

1166 Correct.

1167

1168 **PH** **Pecos Hall** 1:25:46

1169 M's craft do we have a?

1170 Do we have a correct e-mail for you?

1171

1172 **CC** **Candace Craft** 1:25:51

1173 Yes, your honor.

1174

1175 **PH** **Pecos Hall** 1:25:52

1176 All right.

1177 Do you have any other questions?

1178

1179 **CC** **Candace Craft** 1:25:59

1180 What am I forgetting to ask you?

1181

1182 **PH Pecos Hall** 1:26:02

1183 Well, you've asked me what you should do in this situation with the state Land Office,  
1184 and I suggested that you consult with an oil and gas attorney, someone who  
1185 specializes in this type of law.

1186

1187 **CC Candace Craft** 1:26:14

1188 So this \$450 is it'll it'll be OK to be T and eight until everything's cleared up with the  
1189 state Land Office.

1190

1191 **PH Pecos Hall** 1:26:22

1192 Oh, I'm not. I'm not.

1193 Hold on, Mr. Hall.

1194

1195 **HE Hall, Michael, EMNRD** 1:26:24

1196 I agree.

1197

1198 **PH Pecos Hall** 1:26:25

1199 Mr. Hall, I'm not.

1200

1201 **HE Hall, Michael, EMNRD** 1:26:25

1202 It's an officer.

1203

1204 **PH Pecos Hall** 1:26:28

1205 I'm not saying.

1206 I'm not saying that at all.

1207 Miss Kraft, I think the order will tell you what you need to do to to satisfy this case.

1208

1209 **CC Candace Craft** 1:26:30

1210 Oh, OK, OK.

1211

1212 **PH Pecos Hall** 1:26:41

1213 Now, if you don't want any further cases with this, well, the oil and gas attorney that  
1214 you consult can explain that.

1215 That to you and also how to gain access to the state land or how to contest the state  
1216 Land Office finding?

1217

1218 **CC Candace Craft** 1:27:01

1219 OK.

1220

1221 **PH Pecos Hall** 1:27:03

1222 Mr. Hall, anything further.

1223

1224 **HE Hall, Michael, EMNRD** 1:27:05

1225 No, Mr. hanging officer.

1226

1227 **PH Pecos Hall** 1:27:07

1228 All right, so M's craft.

1229 Thank you for your participation and I wish you the best.

1230

1231 **CC Candace Craft** 1:27:14

1232 Thank you, your honor.

1233

1234 **PH Pecos Hall** 1:27:16

1235 You're welcome.

1236 Alright. Well for the record, in this case, let's move on to case #5 on our docket.

1237 This is 25940 oil Conservation division versus colturst.

1238 MGT and INV.

1239

1240 **HE Hall, Michael, EMNRD** 1:27:34

1241 Yes, well, as a OCD is present and ready.

1242 We have been in discussions with.

1243 School tourists. I'll call them for for brevity.

1244 Has recently, I believe as of maybe yesterday, hired Mr. Suazo, who I've spoken with,

1245 and we have. I believe you're aware Mistering officer OCD has agreed to request for

1246 a continuance.

1247 So Mr. Suazo has a chance to get up to speed.

1248 It as well as maybe do some negotiation with BLM.

1249

1250 **PH Pecos Hall** 1:28:08

1251 OK. Thank. Thank you.

1252

1253 **HE Hall, Michael, EMNRD** 1:28:08

1254 We no object to that.

1255

1256 **PH Pecos Hall** 1:28:10

1257 Thank you, Mr. Hall.

1258 I was just calling for entries of appearance at this point and I do see Mr. Suazo.

1259 So, good morning, Mr. Suazo.

1260

1261 **MS Miguel Suazo** 1:28:17

1262 Good morning, Mr. hearing examiner Miguel Suazo for Colthurst.

1263 Sorry, I'm looking for yeah.

1264

1265 **PH Pecos Hall** 1:28:26

1266 MGT. Yes.

1267

1268 **MS Miguel Suazo** 1:28:29

1269 Management and investments. Sorry, I was looking for better, yes.

1270

1271 **PH Pecos Hall** 1:28:30

1272 Oh, management. OK, very good.

1273 Thank you.

1274 So, Mr. Suazo, have you been provided a copy of the Nov?

1275

1276 **MS Miguel Suazo** 1:28:38

1277 Yes, I have.

1278 I've reviewed the client is in the process of working with the BLM, our federal lens  
1279 group here at the law firm has a meeting scheduled with with them for today.

1280 It's my understanding that Colthurst has found a potential buyer for these assets and  
1281 assuming that that is acceptable to the BLM, we are optimistic that we may be able  
1282 to sort those issues.

1283 Out with the BLM.

1284 Umm, get an operator that's active in the area to acquire these assets and assume  
1285 the liabilities and then I can work with Mr. Hall in the division on the issues that  
1286 they've identified in the Nov.

1287

1288 **PH Pecos Hall** 1:29:21

1289 What are the issues identified in the Nov?

1290

1291 **MS Miguel Suazo** 1:29:24

1292 Well, I can't pull it up right now because I'm having the same issue that you and Mr.  
1293 Hall were having.

1294 But as I recall from reviewing it last night, there's a number of wells that have not  
1295 produced in some time.

1296 And you know, I think related to that early associate issues with reporting the division  
1297 typically wants to see. And so I know that the client before retaining me to represent  
1298 him had been communicating with Mr. Hall about those.

1299 Issues and he was granted some additional time to to work that out with the BLM  
1300 along their timeline. And I think in the past few weeks it's gotten to the point where.  
1301 The prospects of of them entering into a transaction related to these assets looks  
1302 fairly promising.

1303

1304 **PH Pecos Hall** 1:30:14

1305 OK.

1306 Thank you, Mr. Suazo, Mr. Hall.

1307

1308 **HE Hall, Michael, EMNRD** 1:30:16

1309 Yes, to be specific, three wells.

1310 All three of which are inactive.

1311 So that's the number was at issue.

1312 I.

1313 I 100% agree with Mr. Suazo's representations from within reason reasonable time  
1314 period.

1315 OCD would prefer to see these wells become productive.

1316 And or.

1317 Someone with assets inactive in the area with the ability to plug and abandoned  
1318 them properly in the event.

1319 So even though we've agreed to one continuous, I consider Mr. Suazo's request a  
1320 reasonable and in the best interests of of state of New Mexico.

1321

1322 **PH Pecos Hall 1:31:00**

1323 OK.

1324 How much?

1325 When do you want me to recall this case?

1326

1327 **HE Hall, Michael, EMNRD 1:31:08**

1328 I believe we agreed to the June 25th docket. The other special docket, I think is  
1329 maybe May 5th and I I believe Mr. Suazo to to be comfortable, needed a little more  
1330 time.

1331 There's there's some moving parts. I can certainly let him speak for himself, but that's  
1332 the date we agreed to June 25th.

1333

1334 **PH Pecos Hall 1:31:28**

1335 And you said them and and what is the special docket date in May?

1336

1337 **HE Hall, Michael, EMNRD 1:31:33**

1338 I take those a grain of salt.

1339 I believe it's May 5th, so it's it's only a couple way.

1340

1341 **PH Pecos Hall 1:31:38**

1342 May 5th. OK all right.

1343 I I understand. Mr. Suzu, you just got this case and you need to, you know, work on  
1344 it.

1345 But I'd like to hear what's going on with this case in a month.

1346 So I'm going to ask Mr. Hall to continue this case to May 5th as a status conference,  
1347 not as a hearing by affidavit.

1348 But as a status conference.

1349 So I can understand the progress the parties are making.

1350

1351 **MS Miguel Suazo 1:32:11**

1352 Understood. We will be prepared to give you an update at that time as soon as the  
1353 date is set. And I'm assuming that is May 5th. So that should that should be fine.

1354

1355 **PH Pecos Hall** 1:32:20

1356 Right. Thank you.

1357 So Mr. Hall, does that work for you?

1358

1359 **HE Hall, Michael, EMNRD** 1:32:23

1360 Sure. Just just a logistical question, would you like me to submit an order or just send

1361 out an e-mail confirming that or?

1362

1363 **PH Pecos Hall** 1:32:31

1364 I.

1365 I think obviously we don't charge the division to continue gazes. So I think a simple

1366 e-mail to Mata E or Freya asking them to continue this case to May 5th as a status

1367 conference is sufficient.

1368

1369 **HE Hall, Michael, EMNRD** 1:32:47

1370 Certainly I'll. I'll make sure Mr. Suazo is is copied on there.

1371

1372 **PH Pecos Hall** 1:32:50

1373 Excellent.

1374 I appreciate that.

1375 Thank you, Mr. Suazo. Anything further?

1376

1377 **MS Miguel Suazo** 1:32:55

1378 No, Mr. Heinz examiner. But thank you for your time in the division's time today.

1379

1380 **PH Pecos Hall** 1:33:01

1381 And did you receive?

1382 Did you receive?

1383 A.

1384 The exhibits in this case as well as the Nov.

1385

1386 **MS Miguel Suazo** 1:33:10

1387 I did. I assume you're referring to the affidavits from the division staff, OK?

1388

1389 **PH Pecos Hall** 1:33:11

1390 OK.

1391 I am.

1392 I am I.

1393

1394 **MS Miguel Suazo** 1:33:15

1395 Yes, sure did.

1396

1397 **PH Pecos Hall** 1:33:17

1398 I think I think there's more than just affidavits. I think there's also documents from or  
1399 or a database print out as well showing whatever the status is that it's showing.

1400 But I'll you know, I just wanted to know if you received the the proposed evidence in  
1401 the case.

1402

1403 **MS Miguel Suazo** 1:33:36

1404 Yes, we have.

1405 We do have those printouts of the well data and the affidavits.

1406

1407 **PH Pecos Hall** 1:33:38

1408 OK.

1409 Perfect. Perfect. OK, excellent. Mr. Hall.

1410 I already asked you if there's anything else you said. No, Mr. Swazil said no.

1411 So we're off the record in this case. Thank you.

1412

1413 **MS Miguel Suazo** 1:33:51

1414 Thank you.

1415

1416 **HE Hall, Michael, EMNRD** 1:33:51

1417 Thank you.

1418

1419 **PH Pecos Hall** 1:33:52

1420 All right, moving on to case number six.

1421 This is 26032, the division versus respondent Kress Green Energy.

1422

1423 **HE** **Hall, Michael, EMNRD** 1:34:04

1424 CD present and ready to proceed Mr. Hang officer.

1425

1426 **PH** **Pecos Hall** 1:34:07

1427 And and Mr. Hall, have you been in contact with anyone at Crest?

1428

1429 **HE** **Hall, Michael, EMNRD** 1:34:12

1430 I have not.

1431

1432 **PH** **Pecos Hall** 1:34:14

1433 OK.

1434 Did we send out the Nov and the Docketing notice by certified mail?

1435

1436 **HE** **Hall, Michael, EMNRD** 1:34:23

1437 Yes, and.

1438 To to the address.

1439 Electronic and physical addresses designated by Chris.

1440 Two OCD.

1441

1442 **PH** **Pecos Hall** 1:34:34

1443 And what was the response?

1444

1445 **HE** **Hall, Michael, EMNRD** 1:34:36

1446 None. I'm I'm trying. I'm trying no.

1447

1448 **PH** **Pecos Hall** 1:34:38

1449 I'm sorry. I didn't mean it that way.

1450 What I meant was what was the result of the mailing in the e-mail?

1451

1452 **HE** **Hall, Michael, EMNRD** 1:34:45

1453 I am having a hard time pulling up my documents that aren't already pulled up.

1454 I'm having Internet issues if if I recall correctly.

1455 They bounced back.

1456

1457 **PH Pecos Hall** 1:34:59

1458 OK.

1459

1460 **HE Hall, Michael, EMNRD** 1:34:59

1461 I'm not sure about the electronic. The pretty positive, the the physical mail bounced  
1462 back.

1463

1464 **PH Pecos Hall** 1:35:07

1465 OK.

1466

1467 **HE Hall, Michael, EMNRD** 1:35:09

1468 Actually, the e-mail I sent out the pre hearing notice I believe and I didn't.

1469

1470 **PH Pecos Hall** 1:35:09

1471 I'm gonna.

1472 Right.

1473

1474 **HE Hall, Michael, EMNRD** 1:35:15

1475 I don't think that came back although.

1476 I do apologize.

1477 The technical difficulties are making it hard for me to give unequivocal

1478 representations right now. I I simply can't pull up my verifications of of things at the

1479 moment.

1480

1481 **PH Pecos Hall** 1:35:22

1482 Right.

1483 OK.

1484 Did was there an agent or a responsible party that you were targeting?

1485

1486 **HE Hall, Michael, EMNRD** 1:35:43

1487 Pressed green.

1488 I believe is the name I'm working off memory.

1489 Because I can't pull up the the operator page either right now, but.

1490 Crest. I think the name is Crest Green and that's the I understood it to be a green  
1491 energy company. But Crest Green I believe is the designated contact.

1492

1493 **PH Pecos Hall 1:36:05**

1494 Alright, OK.

1495 How do you wanna proceed?

1496 Because I don't believe we have anyone here, I'll call again.

1497 Is there anyone representing Crest Green?

1498 Appearing virtually.

1499 I don't hear anyone.

1500 So, Mr. Hall, how do you want to proceed?

1501

1502 **HE Hall, Michael, EMNRD 1:36:29**

1503 I would like to and just for clarification as to why it might have been an issue.

1504 To serve anyone, these wells have been continuously enacted.

1505 There's six wells, all six of which are inactive.

1506 They have been.

1507 Inactive since at least December of 2017, so nothing since. So based upon that.

1508

1509 **PH Pecos Hall 1:36:51**

1510 OK, OK.

1511

1512 **HE Hall, Michael, EMNRD 1:36:56**

1513 OCD would offer.

1514 Exhibits 123 and four attached to its pre hearing statement.

1515

1516 **PH Pecos Hall 1:37:03**

1517 OK.

1518 They're admitted into evidence without exception.

1519 Are you gonna produce a default order?

1520

1521 **HE Hall, Michael, EMNRD 1:37:07**

1522 Thank.

1523 Yes, and just just for purposes of verbally telling the court, we're seeking our typical

1524 plugging and abandoning civil penalty modification.

1525 All that and and the civil penalty in this case, given the six wells 2700, I will within the  
1526 next two weeks.

1527 Present you with a a proposed order.

1528

1529 **PH Pecos Hall** 1:37:34

1530 Perfect. So the so the civil finance 2700.

1531

1532 **HE Hall, Michael, EMNRD** 1:37:37

1533 Yes, Sir.

1534

1535 **PH Pecos Hall** 1:37:38

1536 All right, all right.

1537 Thank you, Mr. Hall.

1538 We're off the record.

1539 In that case, let's move on to #7 on our docket.

1540 This is the division versus David Hinson, and this is case number 26034 inches of  
1541 appearance.

1542

1543 **HE Hall, Michael, EMNRD** 1:37:56

1544 OCD, present and ready.

1545

1546 **PH Pecos Hall** 1:37:58

1547 All right.

1548 Have you been communicating with anyone at David Hinson?

1549

1550 **HE Hall, Michael, EMNRD** 1:38:03

1551 Yes.

1552 It's somewhat convoluted the the designated.

1553 Contact. I believe her name is Diane Montero.

1554 Again, I may have that last name slightly wrong, but.

1555 She sent me an Mr. Henson apparently has passed away.

1556 She sent me an obituary.

1557 She has been responsive, however.

1558 Understandably, didn't really have authority to do anything other than she was listed

1559 as a contact.

1560 So so we know the operator as designated in the system.

1561

1562 **PH Pecos Hall** 1:38:34

1563 OK.

1564

1565 **HE Hall, Michael, EMNRD** 1:38:38

1566 I receive these notices however.

1567 It's my understanding that the the owner and operator is is deceased now.

1568

1569 **PH Pecos Hall** 1:38:48

1570 OK. All right.

1571 Is there anyone from David Hinson with us today?

1572 Not hearing anyone.

1573 How do you want to proceed, Mr. Hall?

1574

1575 **HE Hall, Michael, EMNRD** 1:39:04

1576 This is a guy we would like to offer exhibits 123 and four attached to OC DS pre  
1577 hearing statement.

1578

1579 **PH Pecos Hall** 1:39:12

1580 OK, they are admitted into evidence without exception.

1581 How many wells are we dealing with here?

1582

1583 **HE Hall, Michael, EMNRD** 1:39:18

1584 The only one.

1585 Well, which of course is inactive and so along with our ability to plug in abandon.

1586 We would ask for a civil penalty of \$450.

1587

1588 **PH Pecos Hall** 1:39:32

1589 All right.

1590 And you'll produce a default order.

1591

1592 **HE Hall, Michael, EMNRD** 1:39:34

1593 Yes, Sir.

1594

1595 **PH Pecos Hall** 1:39:36

1596 OK.

1597 Then with that, we are off the record.

1598 In that case, let's move on to #8 on our docket.

1599 This is the division versus DB and G gas and oil.

1600 It is case 2603 fives entry of appearance please.

1601

1602 **HE Hall, Michael, EMNRD** 1:39:53

1603 Michael Hall, on behalf of OCD, President and ready.

1604

1605 **PH Pecos Hall** 1:39:56

1606 Perfect. Have you been communicating with anyone at this organization? No.

1607

1608 **HE Hall, Michael, EMNRD** 1:40:01

1609 Don't believe so.

1610

1611 **PH Pecos Hall** 1:40:02

1612 No. And do you know whether the certified mail or electronic mail was returned?

1613

1614 **HE Hall, Michael, EMNRD** 1:40:11

1615 Ah.

1616 I don't remember off memory, Mr. hearing officer.

1617 I apologize and I can.

1618 I cannot.

1619 Let me see if I let me see if this one, this one, this one seems to be pulling up so I can

1620 I can answer that.

1621

1622 **PH Pecos Hall** 1:40:19

1623 I understand.

1624 OK, great.

1625

1626 **HE Hall, Michael, EMNRD** 1:40:26

1627 It's. I don't know why this one is and other ones weren't, but let me let me let you

1628 know on or about March 10th, 2026, the Docketing notice and notice of violation  
1629 were emailed.

1630

1631 **PH Pecos Hall 1:40:30**

1632 OK.

1633

1634 **HE Hall, Michael, EMNRD 1:40:41**

1635 We believe they were delivered.

1636 Delivered. They did not bounce back.

1637 They were also certified mailed on the same day, but those did come back to OCD,

1638 returned on March 23rd.

1639 They were provided at the address provided by respondent to OCD.

1640

1641 **PH Pecos Hall 1:40:59**

1642 OK.

1643 I'll call again.

1644 Is there anyone from DB and G gas and oil present?

1645 I don't hear anyone, Mr. Hall.

1646 How do you want to proceed?

1647

1648 **HE Hall, Michael, EMNRD 1:41:11**

1649 We would offer exhibits 123 and four attached to OC DS pre hearing statement.

1650

1651 **PH Pecos Hall 1:41:19**

1652 OK.

1653 They're admitted without exception.

1654 And how many wells are we dealing with here?

1655

1656 **HE Hall, Michael, EMNRD 1:41:24**

1657 We are dealing with.

1658 We are dealing with three wells, all three of which are inactive and have been since at

1659 least January of 2012.

1660

1661 **PH Pecos Hall 1:41:35**

1662 And what is the proposed civil penalty?

1663

1664 **HE** Hall, Michael, EMNRD 1:41:38

1665 \$1350.

1666

1667 **PH** Pecos Hall 1:41:41

1668 Thank you. OK. And you'll draft the default order.

1669

1670 **HE** Hall, Michael, EMNRD 1:41:45

1671 Yes, Sir.

1672

1673 **PH** Pecos Hall 1:41:46

1674 All right. We are off the record.

1675 In that case, let's move on to #9 on the docket.

1676 This is case number 26036, the division versus respondent DC energy.

1677 Entries.

1678

1679 **HE** Hall, Michael, EMNRD 1:42:02

1680 OCD, present and ready.

1681

1682 **PH** Pecos Hall 1:42:04

1683 Thank you, Mr. Hall, do we have you been communicating with anyone at this

1684 company?

1685

1686 **HE** Hall, Michael, EMNRD 1:42:09

1687 I don't believe so.

1688

1689 **PH** Pecos Hall 1:42:11

1690 OK. Are you able to pull up this Nov?

1691

1692 **HE** Hall, Michael, EMNRD 1:42:15

1693 I am.

1694 I'm able to let you know about our efforts to.

1695

1696 **PH** Pecos Hall 1:42:20

1697 Go right ahead.

1698

1699 **HE** **Hall, Michael, EMNRD** 1:42:22

1700 Yes, so March 6th, 2026, both electronic and certified mail were sent out with the

1701 Docketing notice in NLV.

1702 They they bounced back to us.

1703 The e-mail and as well as.

1704 The physical copies also came back.

1705 The OCD on or about March 26th?

1706 So those were the designated contacts and addresses given to OCD by the operator

1707 and respondent. However, it looks like neither.

1708

1709 **PH** **Pecos Hall** 1:42:48

1710 All right.

1711

1712 **HE** **Hall, Michael, EMNRD** 1:43:01

1713 Actually reached their destination.

1714

1715 **PH** **Pecos Hall** 1:43:03

1716 I understand.

1717 How do you want to proceed?

1718

1719 **HE** **Hall, Michael, EMNRD** 1:43:07

1720 We would seek a default order.

1721

1722 **PH** **Pecos Hall** 1:43:10

1723 OK. And do you have any exhibits?

1724

1725 **HE** **Hall, Michael, EMNRD** 1:43:11

1726 Yes, Sir.

1727 Offering exhibits 123 and four attached to OC DS pre hearing statement.

1728

1729 **PH** **Pecos Hall** 1:43:19

1730 Thank you, admitted without exception, how many wells?

1731

1732 **HE** **Hall, Michael, EMNRD** 1:43:24

1733 It looks like 3 wells, all three of which are inactive.

1734

1735 **PH** **Pecos Hall** 1:43:28

1736 And the penalty?

1737

1738 **HE** **Hall, Michael, EMNRD** 1:43:29

1739 \$1350.

1740

1741 **PH** **Pecos Hall** 1:43:32

1742 Well, that's consistent. Thank you.

1743

1744 **HE** **Hall, Michael, EMNRD** 1:43:34

1745 Hey Sir.

1746

1747 **PH** **Pecos Hall** 1:43:35

1748 OK. And you'll draft a default order?

1749

1750 **HE** **Hall, Michael, EMNRD** 1:43:37

1751 Yes, Sir.

1752

1753 **PH** **Pecos Hall** 1:43:38

1754 OK.

1755 We're down to our last case, Mr. Hall.

1756 This is case number #10 on our docket.

1757

1758 **HE** **Hall, Michael, EMNRD** 1:43:40

1759 OK.

1760

1761 **PH** **Pecos Hall** 1:43:44

1762 It's case number 26038.

1763 This is the division versus respondent.

1764 DSJ operations.

1765

1766 **HE** **Hall, Michael, EMNRD** 1:43:54

1767 CD is present and ready.

1768

1769 **PH** **Pecos Hall** 1:43:56

1770 Is there anyone from DSJ with us?

1771 Mr. Hall, have you been communicating with anyone?

1772

1773 **HE** **Hall, Michael, EMNRD** 1:44:04

1774 I don't believe so.

1775

1776 **PH** **Pecos Hall** 1:44:07

1777 Can you pull up this Nov?

1778

1779 **HE** **Hall, Michael, EMNRD** 1:44:09

1780 I I think I can pull up the Nov for some reason this pre hearing is not the first page

1781 will pull up in the rest of it, won't I?

1782 I don't know what's going on there, but let let me check on the Nov here.

1783

1784 **PH** **Pecos Hall** 1:44:20

1785 OK.

1786 All right.

1787

1788 **HE** **Hall, Michael, EMNRD** 1:44:24

1789 Tried that first and it didn't work. Let me see.

1790 Cash DSG.

1791 OK.

1792 Let me see if this works.

1793 Yes, I can pull up the Nov.

1794

1795 **PH** **Pecos Hall** 1:44:41

1796 And will you tell me a little bit about your attempts to contact the respondent?

1797

1798 **HE** **Hall, Michael, EMNRD** 1:44:47

1799 I can.

1800 I can certainly tell you that.  
1801 That we sent electronic and certified mail as per our custom to the addresses  
1802 designated by the operator. Given that I can't pull up, I'm gonna try one more time,  
1803 Mr. hearing officer, but I can't seem to get the pre hearing statement to load.  
1804 So I can't access.  
1805 My data's.  
1806 Affidavit I can tell you, I don't know the dates.  
1807 I can tell you that we rely upon the evidence and exhibit for to our pre hearing  
1808 statement.  
1809 I wish I could give you a recap right now, but I'm unable to view that at the moment.

1810

1811 **PH Pecos Hall** 1:45:29

1812 OK.

1813 All right.

1814 So how do you want to proceed?

1815

1816 **HE Hall, Michael, EMNRD** 1:45:34

1817 We would offer exhibits 123 and four attached to OC DS pre hearing statement.

1818

1819 **PH Pecos Hall** 1:45:41

1820 They're admitted without exception. How many wells?

1821

1822 **HE Hall, Michael, EMNRD** 1:45:45

1823 15 All, fifteen of which are inactive.

1824

1825 **PH Pecos Hall** 1:45:49

1826 All right.

1827 And what is the proposed civil penalty?

1828

1829 **HE Hall, Michael, EMNRD** 1:45:53

1830 \$6750.

1831

1832 **PH Pecos Hall** 1:45:57

1833 OK, Mr. Hall, and you'll prepare this default order.

1834

1835 **HE** **Hall, Michael, EMNRD** 1:46:02

1836 Yes, Sir.

1837

1838 **PH** **Pecos Hall** 1:46:03

1839 All right, very good.

1840 OK. Then we're off the record in that case and that concludes our docket for today.

1841 Mr. Hall, is there anything further?

1842

1843 **HE** **Hall, Michael, EMNRD** 1:46:16

1844 No, thank you for your your attention to these matters.

1845

1846 **PH** **Pecos Hall** 1:46:19

1847 Alright, Mr. Hall, thank you for your work and.

1848 We're off the record. Thank you.

1849

1850 **HE** **Hall, Michael, EMNRD** 1:46:25

1851 Thank you.

1852

1853 **PH** **Pecos Hall** stopped transcription