

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

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

OGRID # 329493

CASE NO. 25872

MOTION TO DISMISS AND VACATE HEARING

The New Mexico Oil Conservation Division (“Division”) and Oleum Energy, LLC (collectively “Parties”), hereby request that the Division dismiss the above-referenced matter and vacate the April 15, 2026 hearing. As grounds for the dismissal, the Parties state that they have reached an agreement on an SFO, attached hereto as Exhibit A. Exhibit B is a proposed Order.

Respectfully submitted,



Michael Hall
Assistant General Counsel
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Phone: (505) 479-1137
Michael.Hall@emnrd.nm.gov
Attorney for The Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed to the following party on May 4, 2026:

Oleum Energy, LLC

joshua@olguinps.com

EXHIBIT A

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

IN RE: OLEUM ENERGY, LLC
OGRID # 329493

CASE NO. 25872

STIPULATED FINAL ORDER

Pursuant to the New Mexico Oil and Gas Act ("Act"), NMSA 1978, Section 70-2-1, *et seq.*, and 19.15.5.10(C) NMAC, the Director of the Oil Conservation Division ("OCD") and Oleum Energy, LLC ("Operator"), OGRID # 329493, enter into this Stipulated Final Order ("SFO") to resolve a Notice of Violation ("NOV").

1. OCD is charged with the administration and enforcement of the Oil and Gas Act and its rules and has jurisdiction over Operator and its wells in the state of New Mexico.
2. Operator operates under OGRID # 329493.
3. Operator has multiple wells ("Wells") that are inactive and out of compliance, as set out more thoroughly in the NOV, a true and correct copy of which is attached hereto as **Exhibit A**.
4. Operator is the responsible party for all reports and operational conditions at the Wells.
5. OCD is authorized to impose sanctions for violations of the Oil and Gas Act and its rules, including denial or revocation of registrations, applications, permits, authorizations and transfers, and the assessment of civil penalties. *See* 19.15.5.10 NMAC.
6. Operator requests this SFO to avoid sanctions for violating the Oil and Gas Act, 19.15.8.9 NMAC, and 19.15.25 NMAC with respect to the Wells.
7. Operator admits the violations alleged in the NOV, that the Wells are out of compliance, and waives any right to appeal from this SFO.

8. Operator accepts and acknowledges responsibility for any and all costs associated with plugging and abandonment and remediation of the Wells. Specifically, Operator assumes responsibility for any remediation required under 19.15.29 NMAC.
9. Operator will have 60 days from the execution of this agreement to secure bonding and appropriate financial assurances in accordance with 19.15.8.9 NMAC, to the extent Operator's financial assurances are out of compliance with 19.15.8.9 NMAC.
10. Operator shall take one of the following actions for each of the Wells:
 - a. restore the well to production and file a C-115; or
 - b. plug the well in accordance with 19.15.25 NMAC and file a complete and accurate C-103 form requesting release of the well site by OCD, along with a complete and accurate subsequent report to release the site.
11. Operator also agrees to take the following actions with regard to the Wells:
 - a. By March 31, 2026, only fourteen (14) or less of the Wells remain out of compliance;
 - b. By April 30, 2026, Operator will bring five (5) additional wells into compliance pursuant to Paragraph 10(a) or 10(b), so that only nine (9) or less wells remain out of compliance;
 - c. By May 31, 2026, Operator will bring five (5) additional wells into compliance pursuant to Paragraph 10(a) or 10(b), so that only four (4) or less wells remain out of compliance; and
 - d. Operator will have each of the Wells in compliance pursuant to Paragraph 10 by June 30, 2026.

12. No later than the 15th day of each month following the entry of this SFO, Operator shall file a report describing the action taken for each well, and such other information as OCD may request from time to time. The report shall be sent by electronic mail to OCD's Administrative and Compliance Bureau, at OCDAdminComp@state.nm.us.

12. Operator agrees that any lapse in financial assurance, regardless of cause, is a violation of OCD rules and the terms of this Order and is subject to daily stipulated penalties.

13. If Operator fails to comply with a requirement of this SFO for any of the Wells, the Wells shall be deemed to be out of compliance with the Oil and Gas Act and rules.

14. Should Operator fail to meet any deadline in this SFO, OCD may immediately plug and abandon, restore, and/or remediate any of the wells. Operator agrees that it will forfeit any financial assurance associated with any well which is plugged and abandoned by OCD.

15. This SFO shall not be construed as a resolution or to absolve Operator from any costs or liabilities associated with the plugging and abandonment, restoration, or remediation of a well by OCD. Operator is liable for any and all costs associated with the plugging and abandonment, restoration, and/or remediation on Operator's wells incurred by OCD.

16. Operator may request an extension of any deadline in this SFO from OCD. OCD, at its sole discretion, may grant such extension if good cause is shown.

17. Operator shall not transfer a well to another operator without the prior approval of the OCD. Beginning, March 15, 2026, Operator may request OCD review of well transfers, but approval of any transfer is at OCD's sole discretion.

18. Additionally, Operator agrees to:

- a. Pay a civil penalty of three thousand dollars (\$3,000.00). Said payment shall be made on or before June 30, 2026.

- b. Payments shall be made to the State of New Mexico, Oil Conservation Division, and sent to the attention of the Melissa Shelley, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.
19. Operator admits to OCD's jurisdiction to file the NOV, consents to the relief specified herein, and waives the right to review by the Oil Conservation Commission or other judicial relief.
20. The person executing this SFO on behalf of Operator represents that they have the requisite authority to bind Operator to the provisions of this SFO and that such representation shall be legally sufficient to evidence their actual or apparent authority.
21. This Order only satisfies current inactive well issues with OCD. This Order shall not be construed to relieve the Operator from other regulatory compliance with OCD or resolve liability with any other regulatory authority or agency.
22. Notwithstanding the foregoing provisions,
- a. OCD reserves the right to apply for authorization to plug a well and to forfeit the financial assurance at an earlier date than specified herein if the well poses an imminent threat to the public health or environment.
 - b. OCD reserves the right to sanction Operator for any alleged violation not addressed in this Order.
 - c. OCD reserves the right to seek indemnification for any costs or liabilities incurred, in the event OCD plug and abandons any of the Wells.
23. This Order will remain in full force and effect as to all successors-in-interest of Operator, including, but not limited to, any entity or entities that procure or acquire from Operator individual wells or sites referenced in the NOV that resulted in this Order or that are found in Exhibit A to this Order. Operator shall provide a copy of this Order, including Exhibit A, to any

entity to which Operator intends to transfer assets covered by this Order or any entity that is otherwise a successor-in-interest of Operator.

24. This SFO becomes effective on the date of final execution by the OCD Director.

NEW MEXICO OIL CONSERVATION DIVISION

Albert Chang

3/12/2026

Albert C.S. Chang, Director

Date

OPERATOR, OLEUM ENERGY, LLC

Joshua Olguin

3-9-2026

Signature

Date

Joshua Olguin

Printed Name

EXHIBIT A

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



BY CERTIFIED MAIL AND ELECTRONIC MAIL

December 15, 2025

Oleum Energy, LLC
2955 Dawn Dr.
STE 104
Georgetown, TX 78628

Joshua Adam Olguin
Member
joshua@olguinps.com

Adam Olguin
Hobbs/Artesia Contact
aolguin@ampartnersnm.com

NOTICE OF VIOLATION

The Director of the Oil Conservation Division (“OCD”) issues this Notice of Violation (“NOV”) pursuant to 19.15.5.10 NMAC.

1. **Alleged Violator:** Oleum Energy, LLC, OGRID # 329493 (“Operator”).
2. **Factual and Legal Basis for Alleged Violation(s):**

Operator is the registered operator of three hundred and thirty-four (334) wells. The twenty-two (22) wells identified in Exhibit A have been continuously inactive in a manner that renders them out of compliance with 19.15.25.8 NMAC and are not currently subject to an agreed compliance or final order.

These alleged facts constitute violations of the following:

19.15.25.8 NMAC:

- A. *The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.*
- B. *The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:*

1. a 60 day period following suspension of drilling operations;
2. a determination that a well is no longer usable for beneficial purposes; or
3. a period of one year in which a well has been continuously inactive.

19.15.5.9(A) NMAC:

An operator is in compliance with Subsection A of 19.15.5.9 NMAC if the operator...

4. has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance or final order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:
 - (a) two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;
 - (b) five wells if the operator operates between 101 and 500 wells;
 - (c) seven wells if the operator operates between 501 and 1000 wells; and
 - (d) 10 wells if the operator operates more than 1000 wells.

3. **Compliance**: No later than thirty (30) days after receipt of this NOV, Operator shall:

- a. plug and abandon the twenty-two (22) wells listed in **Exhibit A**.

4. **Sanction(s)**: OCD may impose one or more of the following sanctions:

- a. civil penalty;
- b. modification, suspension, cancellation, or termination of a permit or authorization;
- c. plugging and abandonment of well(s);
- d. remediation and restoration of well location(s) and associated facilities, including the removal of surface and subsurface equipment and other materials;
- e. remediation and restoration of location(s) affected by a spill or release;
- f. forfeiture of financial assurance;
- g. shutting in well(s); and
- h. any other remedy authorized by law.

For the alleged violations described above, OCD proposes the following sanctions:

- a. **Plug and Abandon Wells**: OCD will request an order requiring Operator to plug and abandon wells listed in **Exhibit A**, and/or an order authorizing OCD to plug and abandon those wells.
- b. **Termination of Authorization to Transport**: OCD will request an order terminating Operator's authority to transport from all wells.
- c. **Civil Penalties**: OCD proposes to assess civil penalties as specified below. The civil penalty calculations are attached. OCD has taken into consideration the alleged violator's good faith effort (or lack thereof) to comply with the applicable requirements. Copies of the civil penalty calculations are attached as **Exhibit B**.

Civil Penalty: **\$ 13,050.00**

5. ***Informal resolution***: A process is available to informally discuss and resolve the NOV. This process will run for 30 days from the date of your receipt of this letter. To initiate this process, contact the OCD employee identified at the end of this letter.

6. ***Hearing***: OCD will docket this matter for February 5, 2026, at which time this case will move forward to a formal hearing should informal resolution be unsuccessful. Please see 19.15.5.10 NMAC for more information regarding the hearing.

For more information regarding this NOV, contact Michael Hall at (505) 479-1137 or Michael.Hall@emnrd.nm.gov

Sincerely,



Albert C.S. Chang
Director, Oil Conservation Division

cc: Office of General Counsel, EMNRD

Exhibit A

Inactive Well List

Total Well Count: 334 Inactive Well Count: 22

Printed On: Wednesday, November 26 2025

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-01564	ARTESIA UNIT #001	L-26-17S-28E	L	329493	OLEUM Energy LLC	S	P	I	03/2023			
2	30-015-01751	ARTESIA UNIT #008	A-35-17S-28E	A	329493	OLEUM Energy LLC	S	P	I	03/2023			
2	30-015-20273	ARTESIA UNIT #065	G-03-18S-28E	G	329493	OLEUM Energy LLC	S	P	I	07/2024			
2	30-015-03310	BALLARD GRAYBURG SAN ANDRES UNIT #001P	H-06-18S-29E	H	329493	OLEUM Energy LLC	F	P	I	05/2023			
2	30-015-20975	BALLARD GRAYBURG SAN ANDRES UNIT #004B	J-05-18S-29E	J	329493	OLEUM Energy LLC	F	F	I	02/2022			
2	30-015-03332	BALLARD GRAYBURG SAN ANDRES UNIT #004T	J-08-18S-29E	J	329493	OLEUM Energy LLC	F	P	I	05/2023			
2	30-015-03342	BALLARD GRAYBURG SAN ANDRES UNIT #009B	H-08-18S-29E	H	329493	OLEUM Energy LLC	F	P	I	05/2023			
2	30-015-21849	BALLARD GRAYBURG SAN ANDRES UNIT #013	P-08-18S-29E	P	329493	OLEUM Energy LLC	F	P	I	05/2023			
1	30-025-03334	CACTUS FEDERAL #002	3-06-20S-35E	C	329493	OLEUM Energy LLC	F	F	O	04/2023	QUEEN		
1	30-025-03335	CACTUS FEDERAL #003	4-06-20S-35E	D	329493	OLEUM Energy LLC	F	F	S	10/2013	QUEEN		
2	30-015-01830	DUNN A FEDERAL #001	G-12-18S-28E	G	329493	OLEUM Energy LLC	F	F	I	07/2023			
2	30-015-03888	ETZ #001	E-13-16S-30E	E	329493	OLEUM Energy LLC	F	F	O	10/2013			
2	30-015-21522	FEDERAL D #001	N-27-16S-30E	N	329493	OLEUM Energy LLC	F	F	O	04/2023			
1	30-025-26562	LEA YH STATE #003	J-25-18S-34E	J	329493	OLEUM Energy LLC	S	S	O	11/2022	TO BE EVALUATED 7/2013		
2	30-015-03203	OLD LOCO UNIT #003	C-32-17S-29E	C	329493	OLEUM Energy LLC	S	S	I	02/2022			
2	30-015-03209	OLD LOCO UNIT #009	I-32-17S-29E	I	329493	OLEUM Energy LLC	S	S	I	02/2022			
2	30-015-04061	PARKE #002	2-03-17S-30E	B	329493	OLEUM Energy LLC	F	F	I	11/2019			
1	30-025-20096	PURE STATE #001	P-36-19S-34E	P	329493	OLEUM Energy LLC	S	S	O	04/2023	QUEEN		
2	30-015-04107	SQUARE LAKE 12 UNIT #110	F-07-17S-30E	F	329493	OLEUM Energy LLC	F	F	I	05/2022			
2	30-015-02961	SQUARE LAKE 12 UNIT #115	L-12-17S-29E	L	329493	OLEUM Energy LLC	F	F	I	05/2022			
1	30-025-30852	UNOCAL STATE #001	J-36-19S-34E	J	329493	OLEUM Energy LLC	S	S	O	04/2023			
2	30-015-04094	WRIGHT A #002	4-06-17S-30E	D	329493	OLEUM Energy LLC	F	F	I	02/2022			

WHERE Operator:329493, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Exhibit B

Alleged Violator	Oleum Energy, LLC	
Alleged Violator OGRID	329493	
History of Non-Compliance	No history	0
Economic Impact	Less than 50 wells or gross sales less than \$500,000	0
Total Penalty	\$	13,050

API # or Facility ID	Violation Citation	Type of Violation	Description	MinPA(\$)	Multi Day / Single Day	Days in violation	Days Penalized	Penalty Subtotal	Effort to Comply	Negligence and Willfulness	Factor Subtotal	Outstanding Conditions	TOTAL			
30-015-01564	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-01751	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-20273	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03310	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-20975	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03332	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03342	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-21849	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-03334	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-03335	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-01830	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03888	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-21522	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-26562	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03203	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03209	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-04061	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-20096	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-04107	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-02961	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-30852	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-04094	5.9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-01564	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-01751	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-26562	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03203	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-015-03209	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-20096	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450
30-025-30852	8.9	fail to provide financial assurance per well		\$ 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450

EXHIBIT B

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

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

OGRID # 329493

CASE NO. 25872

ORDER DISMISSING CASE AND VACATING HEARING

NOW, having considered the New Mexico Oil Conservation Division's Motion Dismiss and Vacate Hearing in the above-referenced case, it is hereby **ORDERED** that this case is dismissed and the hearing vacated.

PRESIDING HEARING OFFICER