

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**BY CERTIFIED ELECTRONIC MAIL**

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**NOTICE OF VIOLATION**

**LIBBY MINERALS LLC 2031 #182D (30-021-20590)**  
**LIBBY MINERALS LLC 2031 #101 (30-021-20616)**

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

*(1) Alleged Violators:* Breitburn Operating LP, OGRID 370080 (“Operator”).

*(2) Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

**19.15.16.8 SIGN ON WELLS:**

- A.** *An operator shall identify wells and related facilities the division regulates by a sign, which shall remain in place until the operator plugs and abandons the well and closes the related facilities.*
- B.** *For drilling wells, the operator shall post the sign on the derrick or not more than 20 feet from the well.*
- C.** *The sign shall be of durable construction and lettering shall be legible and large enough to be read under normal conditions at a distance of 50 feet.*
- D.** *The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence.*
- E.** *An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension of time, for good cause shown along with a schedule for making the changes.*
- F.** *Each sign shall show the:*
  - (1)** *well number;*
  - (2)** *property name;*
  - (3)** *operator's name;*

- (4) location by footage, quarter-quarter section, township and range [...]; and
- (5) API number.

#### **19.15.16.18 WELL AND LEASE EQUIPMENT:**

- A.** *The operator shall install and maintain Christmas tree fittings or wellhead connections in first class condition so that necessary pressure tests may easily be made on flowing wells. On oil wells the Christmas tree fittings shall have a test pressure rating at least equivalent to the calculated or known pressure in the reservoir from which production is expected. On gas wells the Christmas tree fittings shall have a test pressure equivalent to at least 150 percent of the calculated or known pressure in the reservoir from which production is expected.*
- B.** *The operator shall install and maintain valves in good working order to permit pressures to be obtained on both casing and tubing. The operator shall equip each flowing well to control properly the flowing of each well, and in case of an oil well, produce the well into an oil and gas separator of a type the industry generally uses.*

#### **19.15.29.8 RELEASES:**

- A. Prohibition.** *Except as provided in 19.15.27 NMAC or 19.15.28 NMAC, major releases and minor releases are prohibited.*
- B. Requirements.** *For all releases regardless of volume, the responsible party shall comply with 19.15.29.8 NMAC and shall remediate the release. For major and minor releases, the responsible party shall also comply with 19.15.29.9, 19.15.29.10, 19.15.29.11, 19.15.29.12 and 19.15.29.13 NMAC.*

#### **LIBBY MINERALS LLC 2031 #182D (30-021-20590)**

1. On February 14, 2023, OCD identified that the signage on location had incorrect information such as the well name and location resulting in a violation of 19.15.16.8 NMAC.
2. On February 21, 2023, OCD sent an email notification of a field compliance to the Operator, notifying them of the incorrect information on the signage and requiring corrective action within 90 days, and to notify the OCD when complete.
3. On January 16, 2024, OCD again identified the same incorrect information on the well sign still existed during a site inspection.
4. On January 17, 2024, OCD sent an email notification of a field compliance to the Operator, notifying them of the incorrect information on the signage and requiring corrective action within 90 days, and to notify the OCD when complete.
5. On May 28, 2024, OCD again identified the same incorrect information on the well sign still existed during a site inspection.
6. Operator has not corrected the compliance issue or notified OCD that the compliance issue has been successfully corrected.

#### **LIBBY MINERALS LLC 2031 #101 (30-021-20616)**

7. On December 7, 2023, OCD arrived to the location and instantly noticed venting of gas via an AVO inspection. OCD was also unable to locate signage for the location in violation of 19.15.16.8 NMAC.
8. On December 7, 2023, OCD notified the Operator of the venting of gas at the location in violation of 19.15.29.8 NMAC.
9. On December 9, 2023, OCD sent an email notification of a field compliance to the Operator, notifying them of the missing signage and venting of gas. OCD stated that these required corrective action within 90 days, and to notify the OCD when was complete.
10. On January 16, 2024, OCD conducted a follow up inspection which identified that a sign had been installed but was missing information, venting was occurring, and a third issue of missing plugs on the casing in violation of 19.15.16.18 NMAC.
11. On January 17, 2024, OCD sent an email notification of a field compliance to the Operator, notifying the Operator of the compliance issues and requiring corrective action within 90 days, and to notify the OCD when complete.
12. On May 28, 2024, OCD performed a follow up inspection and found that the missing plugs had been replaced and there was no indication of venting. OCD did find the sign was still missing information.
13. The operator did not notify OCD of corrective action taken in regards to replacing plugs, or preventing further venting, nor did the Operator fully correct the missing sign and information.

*(3) Compliance:* No later than five (5) business days after issuance of this NOV, Operator shall:

- Correct the violations in compliance with 19.15.16.8 NMAC.
- Remediate the release in compliance with 19.15.29 NMAC.
- Inspect and correct any other compliance issues that the Operator may have.

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

- civil penalty
- modification, suspension, cancellation, or termination of a permit or authorization
- shutting in a well or wells
- plugging and abandonment of a well
- remediation and restoration of a well location and associated facilities, including the removal of surface and subsurface equipment and other materials
- remediation and restoration of a location affected by a spill or release
- forfeiture of financial assurance
- any other remedy authorized by law

For the alleged violations described above and consistent with applicable law, OCD proposes the following sanctions (one or more of which may ultimately be selected):

- Remediation and restoration of a location affected by a spill or release:
- Civil Penalties:

**OCD proposes a cumulative total of \$3,200 for four separate violations related to the LIBBY MINERALS LLC 2031 #182D (30-021-20590) and LIBBY MINERALS LLC 2031 #101 (30-021-20616) as detailed in the civil penalty calculations, attached and incorporated as Exhibit A. The civil penalties were calculated as of May 28, 2024. OCD may recalculate the civil penalties for**

**ongoing violations occurring on or after the date of issuance of this NOV and will take into consideration Operator's good faith effort to comply with the applicable requirements.**

The civil penalty calculations are attached. OCD may recalculate the civil penalties for ongoing violations occurring on or after the date of issuance of this NOV and will take into consideration Operator's good faith effort to comply with the applicable requirements.

*(5) Informal Review and Resolution:* A process is available for the informal review and resolution of the alleged violations in the NOV. To initiate the informal review process, contact the OCD employee identified at the end of this letter. If OCD and the alleged violator agree to resolve the alleged violations in the NOV, the agreement will be incorporated into a stipulated final order signed by both parties and stating that the alleged violator admits OCD's jurisdiction to file the NOV, consents to the specified relief, including the civil penalty, if any, and waives the right of review by the Oil Conservation Commission.

*(6) Hearing:* If this Notice of Violation is not resolved within thirty (30) days of receipt of service, OCD will hold a hearing on October 3, 2024. Please see 19.15.5.10 NMAC for more information regarding the hearing. However, please note that the hearing does not prohibit OCD from negotiating with the alleged violator at any time to settle the NOV.

For more information regarding this NOV, contact Jesse Tremaine, Attorney Supervisor, at (505) 231-9312 or [JesseK.Tremaine@emnrd.nm.gov](mailto:JesseK.Tremaine@emnrd.nm.gov) or Anna Seningen, Legal Intern, at [Anna.Seningen@emnrd.nm.gov](mailto:Anna.Seningen@emnrd.nm.gov).

Regards,



Dylan M. Fuge  
Director (Acting)

7/10/24

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Date

cc: EMNRD-OGC