

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



BY CERTIFIED MAIL AND ELECTRONIC MAIL

August 2, 2022

Roca Production Inc.
c/o Richard Mote
123 Smith St.
Santa Fe, NM 87505
gigimote16@gmail.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. A process is available to informally discuss and resolve the NOV. OCD will not request a hearing on the NOV until the end of this process, which runs for 30 days from the date of your receipt of this letter. OCD will extend this process if it would facilitate informal resolution of the NOV. To initiate this process, contact the OCD employee identified at the end of this letter.

- (1) *Alleged Violator:* Roca Production Inc., OGRID # 142624 (“Operator”).
- (2) *Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

1. Inactive wells - 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;*

Operator is the registered operator of ten (10) wells. All ten (10) wells identified in **Exhibit A** are out of compliance with 19.15.25.8 NMAC and are not subject to an agreed compliance or final order.

2. Financial Assurance - 19.15.8.9 NMAC:

D. Inactive wells. *An operator shall provide financial assurance for wells that are covered by Subsection A of 19.15.8.9 NMAC that have been in temporarily abandoned status for more than two years or for which the operator is seeking approved temporary abandonment pursuant to 19.15.25.13 NMAC in one of the following categories:*

(1) *a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells; or*

(2) *a blanket plugging financial assurance covering all wells of the operator subject to Subsection D of 19.15.8.9 NMAC:*

(a) *\$150,000 for one to five wells;*

(b) *\$300,000 for six to 10 wells;*

(c) *\$500,000 for 11 to 25 wells; and*

(d) *\$1,000,000 for more than 25 wells.*

Additionally, Operator is not in compliance with both active and inactive well financial assurance requirements, for all ten (10) wells, as shown in the attached **Exhibit B**.

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

a. plug and abandon all 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 a well

d. remediation and restoration of a well location and associated facilities, including the removal of surface and subsurface equipment and other materials

e. remediation and restoration of a location affected by a spill or release

f. forfeiture of financial assurance

g. shutting in a well or wells

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 alternatively, 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 to comply with the applicable requirements. Copies of the civil penalty calculations are attached.

Civil Penalty: 19.15.5.9(A)(4)(a) NMAC: \$ 3,000.00

Civil Penalty: 19.15.8.9 NMAC: \$ 3,000.00

(5) *Hearing*: If this NOV cannot be resolved informally, OCD will hold a hearing on November 9, 2022. Please see 19.15.5.10 NMAC for more information regarding the hearing. Even if OCD schedules a hearing, you can request an informal resolution at any time.

For more information regarding this NOV, contact Kaitlyn Luck at (505) 709-5687 or kaitlyn.luck@state.nm.us.

Regards,



Adrienne Sandoval
Director

cc: Office of General Counsel, EMNRD

Inactive Well List

Total Well Count: 10 Inactive Well Count: 10
Printed On: Wednesday, July 13 2022

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-09334	E F KING #002	I-12-23S-36E	I	142624	ROCA PRODUCTION INC.	P	O	12/2018	7R QUEEN GRAYBURG		
1	30-025-09335	E F KING #003	P-12-23S-36E	P	142624	ROCA PRODUCTION INC.	P	O	12/2018	7R QUEEN GRAYBURG		
1	30-025-09430	GEORGE ETZ #001	M-27-23S-36E	M	142624	ROCA PRODUCTION INC.	P	O	03/2011	YATES SEVEN RIVERS		
1	30-025-29257	GEORGE ETZ #006	P-27-23S-36E	P	142624	ROCA PRODUCTION INC.	P	O	12/2018	YATES SEVEN RIVERS		
1	30-025-09119	H E ESMOND A #001	A-33-22S-36E	A	142624	ROCA PRODUCTION INC.	P	O	12/2018	YATES SEVEN RIVERS		
1	30-025-09126	H E ESMOND A #002	H-33-22S-36E	H	142624	ROCA PRODUCTION INC.	P	G	12/2018	YATES SEVEN RIVERS		
1	30-025-09333	MOBIL KING #001	O-12-23S-36E	O	142624	ROCA PRODUCTION INC.	P	O	12/2018	SEVEN RIVERS QN GB		
1	30-025-09336	MOBIL KING #002	J-12-23S-36E	J	142624	ROCA PRODUCTION INC.	P	O	12/2018	7R QUEEN GRAYBURG		
1	30-025-27918	R W COWDEN C #009	H-31-23S-37E	H	142624	ROCA PRODUCTION INC.	P	G	12/2018	YATES SEVEN RIVERS NSP-143 B		
1	30-025-10663	STEVENS B 7 #001	1-07-23S-37E	D	142624	ROCA PRODUCTION INC.	P	G	12/2018	YATES SEVEN RIVERS		

WHERE Operator:142624, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period



Alleged Violator	Roca Production Inc.	
Alleged Violator OGRID	142624	
History of Non-Compliance	No history	0
Economic Impact	Less than 50 wells or gross sales less than \$500,000	0
Total Penalty	\$	6,000

API # or Facility ID	Violation Citation	Type of Violation	Description	MinPA(\$)	Multi Day / Single Day	Days in violation	Wells in Violation	Penalty Subtotal	Effort to Comply	Negligence and Willfulness	Factor Subtotal	Outstanding Conditions	TOTAL	Comments
Multiple	5.9(A)(4)(a)	Inactive wells	Operator has more inactive wells than permitted under 19.15.5.9 NMAC.	\$ 250	Multiple	Multiple	10	\$ 2,500	Cooperation and Compliance 0	Negligence 0.2	1.2	No outstanding conditions \$ 2,500.00	\$ 3,000	