

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne Sandoval, Division Director**  
Oil Conservation Division



**BY CERTIFIED MAIL AND ELECTRONIC MAIL**

August 2, 2022

Permok Oil Inc.  
c/o Ruben Paulsen & Deanne Edwards  
1900 West 67<sup>th</sup> Terrace  
Shawnee Mission, KS 66208  
[deanne@actionenergyservices.com](mailto:deanne@actionenergyservices.com)  
[rpaulsen1@kc.rr.com](mailto:rpaulsen1@kc.rr.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:* Permok Oil Inc., OGRID # 26316 (“Operator”).
- (2) *Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

**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 three (3) wells, all located on federal lands. All three (3) 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.

(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:                      \$ 900.00

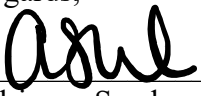
(5) *Hearing:* If this NOV cannot be resolved informally, OCD will hold a hearing on November 9, 2022. Please see 19.15.5.10 NMAC for more information regarding the hearing. Even if OCD schedules a hearing, you can request an informal resolution at any time.

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

Permok Oil Inc.  
August 2, 2022

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Regards,

  
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Adrienne Sandoval  
Director

cc: Office of General Counsel, EMNRD

# Inactive Well List

**Total Well Count: 3 Inactive Well Count: 2**  
**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	30-025-25560	LEONARD BROTHERS A #001	B-23-26S-37E	B	26316	PERMOK OIL INC	F	O	02/2013	CHNGE OPERTR DENIED BLM 04/2013		
1	30-025-32798	LEONARD BROTHERS A #002	D-23-26S-37E	D	26316	PERMOK OIL INC	F	G	02/2013	OPTR CHANGE DENIED BLM 04/2013		

WHERE Operator:26316, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period



<b>Alleged Violator</b>	Permok Oil Inc.	
<b>Alleged Violator OGRID</b>	26316	
<b>History of Non-Compliance</b>	No history	0
<b>Economic Impact</b>	Less than 50 wells or gross sales less than \$500,000	0
<b>Total Penalty</b>	\$	900

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	3	\$ 750	Cooperation and Compliance	0	Negligence	0.2	1.2	No outstanding conditions \$ 2,500.00 \$ 900	