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

IN RE JIM PIERCE.

CASE <u>NO.</u> 24009

OIL CONSERVATION DIVISION'S DOCKETING NOTICE

The New Mexico Oil Conservation Division ("OCD"), pursuant to 19.15.5.10(E)(2)(a)NMAC, gives notice that it has docketed the Notice of Violation ("NOV") attached as *Exhibit A*, and states the following in support thereof:

1. On September 25, 2023, OCD issued the NOV to Jim Pierce, OGRID #99439.

2. The NOV was mailed via USPS certified mail, return receipt requested, on September 25, 2023. Delivery was attempted on September 30, 2023. USPS was unable to deliver and left a note that the envelope was available for pickup. A reminder was delivered by USPS on October 14, 2023. As of October 16, 2023 the certified mailing was unclaimed and returned to the Oil Conservation Division.

3. In addition, an electronic mail containing the NOV was submitted to the email address for Horace DeLong, who is registered with the Oil Conservation Division as the Executer and Central Contact person for Jim Pierce, at the email address of record: <u>dxotx@outlook.com</u>.

4. The NOV identified the factual basis for the alleged violations, the compliance actions required to remedy the alleged violations, and the proposed sanctions.

5. The NOV stated that if Jim Pierce did not informally resolve the NOV within 30 days of receipt of service, then OCD would hold a hearing on December 7, 2023.

6. The period for informal resolution has elapsed without response from operator.

WHEREFORE, OCD requests that the NOV be docketed for hearing on December 7, 2023.

Respectfully submitted,

Jesse Tremaine

Jesse Tremaine, Assistant General Counsel New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Tel (505) 231-9212 Jessek,tremaine@emnrd.nm.gov

CERTIFICATE OF SERVICE

I certify that on November 7, 2023, this pleading was served by electronic mail on:

Horace Delong, Executer Jim Pierce P.O. Box 381 Artesia, NM 88210 <u>dxotx@outlook.com</u>

Jesse Tremaine

Jesse K. Tremaine

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary Dylan M. Fuge, Division Director Oil Conservation Division



BY CERTIFIED AND ELECTRONIC MAIL

Horace Delong, Executer Jim Pierce P.O. Box 381 Artesia, NM 88210 dxotx@outlook.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 extend this process if doing so 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: Jim Pierce, OGRID # 99439 ("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;
- (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

Operator is the registered operator of nine (9) wells. All wells identified in Table 1 are out of compliance with 19.15.25.8 NMAC and are not subject to an agreed compliance or final order:



Table 1:

API	Well	Last Production Reported
30-015-04591	KEOHANE FEDERAL #001	12/2020
30-015-03543	LEONARD STATE #002	02/2004
30-015-25140	MOUNTAIN STATES FEDERAL #001	05/2015
30-015-03509	STATE P #001	08/2001
30-015-10125	STATE P #002	08/2001
30-015-03540	STATE P #003	07/2015
30-015-03582	STATE S #002	03/2014
30-015-24904	TENNECO STATE #001	04/2022
30-015-25000	TENNECO STATE #002	04/2022

(3) Compliance: No later than thirty (30) days after receipt of this NOV, Operator shall plug and abandon all nine (9) wells listed in Table 1.

(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
- 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
- shutting in a well or wells
- any other remedy authorized by law

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

- (a) <u>Plug and Abandon Wells:</u> OCD will request an order requiring Operator to plug and abandon all wells listed in Table 1, and alternatively, an order authorizing OCD to plug and abandon those wells.
- (b) <u>Termination of Authorization to Transport:</u> OCD will request an order terminating Operator's authority to transport from all wells.
- (c) <u>Civil Penalties:</u> 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: \$4,050.00

(5) *Hearing:* If this NOV cannot be resolved informally, OCD will hold a hearing on December 7, 2023. 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 Sheila Apodaca at (505) 699-8358 or Sheila.Apodaca@emnrd.nm.gov.

Regards,

Dylan M. Eulge

Director

9/22/2023

Date

cc: EMNRD-OGC

Alleged Violator	Jim Plance			
Alleged Violator OGRID 99439				
History of Non-Compliance	No history	0		
Economic Impact	Less than 50 wells or gross sales less than \$500,000	0		
Total Penalty	\$ 4,050			

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							Civil Per	ally Calculation We	eksheet								
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tory of Non-Compliance	No history	0															
Economic Impact	Less than 50 wells or gross sales less than	0															a de
Total Penalty	\$ 4,050																State of the local division of the local div
API # or Facility ID		Type of Violation	Description	MinPA(\$)	Multi Day/	Days In					Negligence and Willful		Factor				
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	+ +	each inactive well exceeding the threshold		5 250	Single	1	1		Compliance	-		0.2		No outstanding conditions		\$ 450	
10-015 03543	5.9(A)(4)(J)		+		Single	1	1	\$ 250	Compliance	0.6		0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450	
10-015 25140	5.9(A)(4)(3)	each inactive well exceeding the threshold		\$ 250	Single	1	1	\$ 250	Compliance No Cooperation or	0.6		0.2	1.0	No outstanding conditions	\$ 2,500.00	\$ 450	
30-015-03509	5-9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1		Compliance No Cooperation or	0.6		0.3	1.8	No outstanding conditions	\$ 2,500.00	\$ 450	
30 015 10125	5-9(A)(4)(a)	each inactive well exceeding the threshold		\$ 250	Single	1	1		compliance	0.6	Negligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450	
30-015-03540	5.9(A)(4)(2)	each inactive well exceeding the threshold		\$ 250	Single	1	- 1	\$ 250	Compliance	0.6	Regligence	0.2	1.8	No outstanding conditions	\$ 2,500.00	\$ 450	
30-015-03582	5-9(A)(4)(2)	each inactive well exceeding the threshold	State Barris	\$ 250	Single	1	1	\$ 250	Compliance	0.6	Regligence	0.2	1.0	No outstanding conditions	\$ 2,500.00	\$ 450	
30-015-24904	5.9(A](4)(a)	each inactive well exceeding the threshold	1	\$ 250	Single	1	1	\$ 250	ico mpasince	0.6	Regligence	0.7	1.8	No outstanding conditions	\$ 2,500.00	\$ 450	
30 015-25000	5 9(A)(4)(2)	each inactive well exceeding the threshold		5 250	Single	1	1	\$ 250	No Cooperation or Compliance	0.6	Negligence	0.2	1.0	No outstanding conditions	5 2,500.00	5 450	
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