

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
IN RE WILDCAT ENERGY LLC **CASE NO. 24682**

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 May 24, 2024, OCD issued the NOV to Wildcat Energy LLC, OGRID #209564.
2. On June 5, 2024, certified mail containing the NOV was accepted at the operator’s address of record.
3. The NOV identified the factual basis for the alleged violations, the compliance actions required to remedy the alleged violations, and the proposed sanctions.
4. The NOV stated that if WILDCAT ENERGY LLC did not informally resolve the NOV within 30 days of receipt of service, then OCD would hold a hearing on August 8, 2024.
5. The period for informal resolution has elapsed without response from the operator.

WHEREFORE, OCD requests that the NOV be docketed for hearing on August 8, 2024.

Respectfully submitted,

Anna Seningen

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CERTIFICATE OF SERVICE

I certify that on June 25, 2024, this pleading was served by certified and electronic mail on:

Roger Becker
President
WILDCAT ENERGY LLC
P.O. Box 13323
Odessa, TX 79768

Anna Seningen

Anna Seningen
Jesse Tremaine

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary-Designate

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



BY CERTIFIED MAIL AND ELECTRONIC MAIL

Roger Becker
President
WILDCAT ENERGY LLC
P.O. Box 13323
Odessa, TX 79768
rbecker@netwest.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:* WILDCAT ENERGY LLC, OGRID #209564 (“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.

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.

Operator is the registered operator of six (6) wells. All 6 wells identified in Table 1 and Exhibit A are out of compliance with 19.15.25.8 NMAC and are not subject to an agreed compliance or final order.

Table 1:

<u>API</u>	<u>Well</u>	<u>Last Production Reported</u>
30-025-24523	ANTEBELLUM UNIT #001	Jun-18
30-015-25253	HENRY #002	Oct-13
30-025-11606	LANGLIE B FEDERAL #002	Jun-17
30-015-23801	RIO PENASCO KD COM #003	Nov-1996
30-025-20971	SAIK #001	Oct-08
30-015-24876	SHIPP 27 #001	Dec-09

19.15.7.24 NMAC:

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

B. An operator shall file the reports 19.15.7.24 NMAC requires using the division's web-based online application on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would operate as an economic or other hardship.

Operator has not submitted the required C-115 for any well since at least 2018.

(3) *Compliance*: No later than thirty (30) days after receipt of this NOV, Operator shall (a) submit production reports for the wells identified in Exhibit A; and (b) plug and abandon all six (6) wells listed in Exhibit A.

(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:

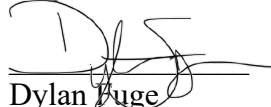
- (a) Plug and Abandon Wells: OCD will request an order requiring Operator to plug and abandon six (6) wells listed in Exhibit A, and alternatively, an order authorizing OCD to plug and abandon those wells.
- (b) Termination of Authorization to Transport: OCD will request an order terminating Operator's 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 as Exhibit B.

Civil Penalty: 19.15.5.9(A)(4)(a) NMAC: \$ 2,700.00

(5) *Hearing*: If this NOV cannot be resolved informally, OCD will hold a hearing on August 8, 2024. 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 Jesse Tremaine at (505) 231-9312 or JesseK.Tremaine@emnrd.nm.gov or Anna Seningen at anna.seningen@emnrd.nm.gov.

Regards,


Dylan Fuge
Director (Acting)

5/23/24

Date

cc: Office of Legal Counsel, EMNRD

Inactive Well List

Total Well Count: 6 Inactive Well Count: 6
Printed On: Friday, February 16 2024

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-24523	ANTEBELLUM UNIT #001	N-21-23S-34E	N	209564	WILDCAT ENERGY LLC	S	P	O	06/2018			
2	30-015-25253	HENRY #002	I-22-22S-27E	I	209564	WILDCAT ENERGY LLC	P	P	G	10/2013			
1	30-025-11606	LANGLIE B FEDERAL #002	D-15-25S-37E	D	209564	WILDCAT ENERGY LLC	F	P	G	06/2017	JALMAT		
2	30-015-23801	RIO PENASCO KD COM #003	A-11-19S-25E	A	209564	WILDCAT ENERGY LLC	P	P	G	11/1996			
2	30-015-20971	SAIK #001	B-17-22S-27E	B	209564	WILDCAT ENERGY LLC	P	P	G	10/2008	INT TO P&A EXPIRED 5/11/2010		
1	30-025-24876	SHIPP 27 #001	O-27-16S-37E	O	209564	WILDCAT ENERGY LLC	P	P	O	12/2009	STRAWN		

WHERE Operator:209564, 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	WILDCAT ENERGY LLC	
Alleged Violator OGRID	209564	
History of Non-Compliance	No history	0
Economic Impact	Less than 50 wells or gross sales less than \$500,000	0
Total Penalty	\$	2,700

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	Comments
30-025-24523	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
30-015-25253	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
30-025-11606	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
30-015-23801	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
30-015-20971	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
30-025-24876	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