

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

OIL CONSERVATION DIVISION

CASE NO. 24905

Petitioner

V.

SELLERS & FULTON OIL, LLC

Respondent

NOTICE OF AMENDED EXHIBITS

TO THE DIVISION AND TO THE COUNSEL OF RECORD FOR ALL PARTIES:

PLEASE TAKE NOTICE that Christy Treviño, as Counsel for the Oil Conservation Division (“OCD”) in this matter, hereby respectfully submits this Notice of Amended Exhibits attached therein.

As requested by the Hearing Examiner, OCD is submitting an amended filing to correct a minor typo and provide a legible Civil Penalty Calculator. Exhibit 3-D was replaced with a clearer Civil Penalty Calculator. The substance of Exhibit 3-D remains the same. The minor typo was to correct a scrivener's error on the case cover sheet. OCD also updated the table of contents to reflect the supplemental filing of Exhibit 8, to ensure all the filings are in one location.

WHEREFORE, OCD requests that the court take notice of the Amended Exhibits attached herein.

Respectfully submitted,

Christy B. Treviño

Christy Treviño

Assistant General Counsel

New Mexico Energy, Minerals and

Natural Resources Department

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

Tel (505) 607-4524

Fax (505) 476-3220

Christy.Trevino@emnrd.nm.gov

CERTIFICATE OF SERVICE

I certify that on November 21, 2024, this pleading was served electronic mail on:

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL, LLC
422 W. Main, Suite 5
P.O. Box 1176
Artesia, NM 88210
ChadFulton@sandfoil.com

Christy B. Treviño
Christy Treviño

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OIL CONSERVATION DIVISION,

Petitioner

v.

SELLERS & FULTON OIL, LLC

Respondent

OGRID # 371978;

NOTICE OF VIOLATION.

Unresolved Notice of Violation of
19.15.25.8, 19.15.5.9(a), 19.15.8.9 and
19.15.7.24

NMAC

Case # 24905

- Pages 001-005: Prehearing Statement
- Pages 006-008: Exhibit 1: Affidavit of Nichoals Karns
- Page 009: Exhibit 2: Curriculum Vitae of Nichoals Karns
- Pages 010-013: Exhibit 3: Notice of Violation (NOV) against SELLERS & FULTON OIL, LLC, dated August 20, 2024
- Pages 014-015: Exhibit 3-A: Inactive Well List, dated June 7, 2024
- Page 016: Exhibit 3-B: Inactive Well Additional Financial Assurance Report, dated, June 7, 2024
- Page 017-: Exhibit 3-C: OCD C-115 History Report
- Pages 018-019: Exhibit 3-D: OCD Civil Penalty Calculator
- Pages 020-021: Exhibit 4 Affidavit of Sara Griego Regarding Notice
- Pages 022-025: Exhibit 5: USPS Certified Mail Notice of Violation & Docketing Notice tracking information
- Pages 026-029: Exhibit 6: Communication with the Respondent
- Page 030: Exhibit 7: State Land Office Right of Entry Form and Fees
- Pages 031-041 Exhibit 8: Supplemental Exhibits

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

**OIL CONSERVATION DIVISION,
Petitioner**

CASE NO. 24905

**V.
SELLERS & FULTON OIL, LLC,
Respondent**

PRE-HEARING STATEMENT

The New Mexico Oil Conservation Division (“OCD”) submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD initiated this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

In June 2024, OCD Compliance Officer Nicholas Karns, in the course and scope of his duties as a Compliance Officer and Bond Administrator in the Administrative Compliance Bureau of OCD, conducted a compliance assessment SELLERS & FULTON OIL, LLC (“Respondent”), OGRID# 371978. The goal of such an assessment is to inspect the OCD permitting system regarding operator compliance with rules, such as but not limited to, 19.15.5, 19.15.7, & 19.15.8 NMAC. Upon Mr. Karns’ review of OCD’s permitting system reports and data, Mr. Karns concluded that Respondent was not compliant with 19.15.5.9(A)(4)(a) NMAC, which governs the number of wells an operator may have that are inactive, per 19.15.25.8 NMAC.

More specifically, OCD’s records indicate that Respondent owns thirty-six (36) wells, which were and remain inactive, with no reporting by Respondent of production from any of the thirty-six (36) wells in the fifteen (15) months prior to June 2024. Per 19.15.5.9(B)(1)(a) NMAC, if an operator does not report production for a well for fifteen (15) months, that well is deemed non-compliant with 19.15.5.9 NMAC. Per 19.15.8.9 NMAC, the Respondent has twenty (20) wells

that are currently inactive and lack sufficient financial assurances. Per 19.15.7.24 NMAC, the Respondent has not filed the required C-115 (monthly production reports) for any well since at least September of 2021. Per 19.15.5.10 NMAC, OCD may pursue a litany of remedies for wells in violation of 19.15.5.9(B)(1)(a) NMAC (or any other OCD regulation) including, but not limited to, termination of authorization to transport, plugging and abandoning of inactive wells, civil penalties, and possible indemnification for the costs OCD incurs to plug and abandon the wells.

Respondent communicated with OCD to enter into an informal resolution. The Respondent called OCD, claiming he could bring the wells into compliance. OCD heard from the Respondent, via email, once more as shown by Exhibit 6. OCD extended the period for informal resolution with no substantive evidence that the Respondent could bring the wells into compliance. OCD filed the Docketing Notice, to which the Respondent called the OCD again, with no substantive information as to the compliance of these wells.

Respondent violated and remains in violation of 19.15.5.9, 19.15.8.9, 19.15.7.24, and 19.15.25.8 NMAC. OCD seeks an order from the Division allowing OCD to plug and abandon all of Respondent's thirty-six (36) wells, termination of Respondent's Authorization to Transport from all wells, assessing a civil penalty upon Respondent in the amount of \$89,100.00 and any other relief the Hearing Officer believes is just and proper.

III. PROPOSED EVIDENCE

WITNESSES:

1. Nicholas Karns, Compliance Officer

Affidavit of Witness

Mr. Karns is a Compliance Officer with OCD in the Administrative Compliance Bureau who is also the acting Bond Administrator for OCD. He has served with OCD in his current role for two (2) years. Prior to joining OCD, Mr. Karns served as an administrator for several New Mexico

state agencies, including the Department of Public Safety. His qualifications are described in Exhibit 2. Mr. Karns will testify regarding his assessment of Respondent's inactive well compliance status in June 2024. Further, he will discuss the contents of the Notice of Violation in Exhibit 3, along with its sub-exhibits.

2. Sara Griego, Law Clerk

Affidavit of Notice

Ms. Griego is the Law Clerk for the OCD. Ms. Griego handled the service of the Notice of Violation and Docketing Notice upon the Respondent. Ms. Griego will testify that she served the Notice of Violation and Docketing Notice on Respondent's last known address through information learned from OCD Counsel Christy Treviño. The Notice of Violation and Docketing Notice was served by electronic mail, and certified mail upon Mr. Chad Fulton, the last known Central Contact for Respondent in OCD permitting.

EXHIBITS:

- Exhibit 1** **Affidavit of Nicholas Karns**
- Exhibit 2 Curriculum Vitae of Nicholas Karns;
- Exhibit 3 Notice of Violation (NOV) against SELLERS & FULTON OIL LLC, dated August 16, 2024
 - Exhibit 3-A Inactive Well List, dated June 7, 2024
 - Exhibit 3-B Inactive Well Additional Financial Assurance Report, dated June 7, 2024
 - Exhibit 3-C OCD C-115 History Report
 - Exhibit 3-D OCD Civil Penalty Calculator
- Exhibit 4** **Affidavit of Sara Griego Regarding Notice**

Exhibit 5 Sara Griego- USPS Tracking number showing notice of the Notice of Violation and Docketing Notice was sent out via certified mail

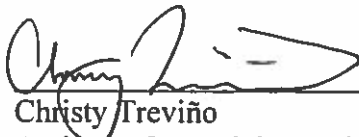
Exhibit 6 Communication with Respondent

Exhibit 7 State Land Office Right of Entry Form and Fees

IV. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,



Christy Treviño
Assistant General Counsel
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Tel (505) 607-4524
Christy.Trevino@emnrd.nm.gov

0018-

CERTIFICATE OF SERVICE

I certify that on October 31, 2024, I served this pleading by electronic mail on:

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
422 W. Main Suite 5
P.O. Box 1176
Artesia, NM 88210
ChadFulton@sandfoil.com

Christy B. Treviño
Christy Treviño

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

**OIL CONSERVATION DIVISION,
Petitioner**

CASE NO. 24905

0018

v.

**SELLERS & FULTON OIL LLC,
Respondent**

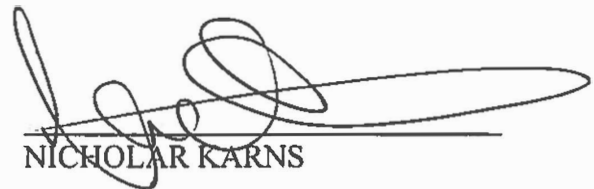
AFFIDAVIT OF NICHOLAS KARNS

I, **NICHOLAS KARNS**, being first duly sworn on oath, states as follows:

1. I am employed as a Compliance Officer within the Administrative Compliance Bureau of the Oil Conservation Division (“OCD”). I have been employed 23 months with the OCD. My education and qualifications are attached and incorporated as Exhibit 1. As a Compliance Officer with OCD my duties include, but are not limited to, generate and review database reports, on a monthly basis review the compliance status of oil and gas operators in New Mexico concerning:
 - a. 19.15.25.8 NMAC, which requires wells that have suspended drilling operations, are no longer of beneficial use, or have been continuously inactive for a period of one year, to be properly plugged and abandoned or placed in approved temporary abandonment;
 - b. 19.15.5.9 NMAC, which sets forth the compliance standards oil and gas operators in New Mexico, including the number of wells an operator may have in inactive status at any one time; and
 - c. 19.15.8.9 NMAC, which subjects oil and gas operators in New Mexico to certain financial assurance standards.
 - d. 19.15.7.24 NMAC, requires operators to file C-115 production reports for non-plugged wells.
2. I have personal knowledge of the matters stated herein. Swearing and affirming that the information is a true and accurate as to the findings of the violations stated.
3. On June 7, 2024, I generated the Inactive Well List, Inactive Well Additional Financial Assurance Report, and C-115 History Report.
4. The Inactive Well List was procured by searching the OCD Permitting Database. The Inactive Well List is labeled as Exhibit 3-A. This exhibit is a true and accurate copy of the information contained in the OCD Permitting System.

5. The Inactive Well List indicated that, SELLERS & FULTON OIL LLC, OGRID# 371978 (“Operator”), operated and was the responsible party for thirty-six (36) wells. In reviewing the Inactive Well List, I determined that the Operator, was out of compliance with 19.15.25.8 and 19.15.5.9 NMAC. The review process includes cross checking wells in our system to determine if any prior orders or agreements have been made regarding the wells in the Inactive Well List. *Attached and incorporated as Exhibit 2-A.*
6. The Operator is the registered operator of thirty-six (36) wells. All thirty-six (36) wells are out of compliance with 19.15.25.8 NMAC. *Attached and incorporated as Exhibit 3-A.*
7. The Inactive Well Additional Financial Assurance Report was procured by reviewing the Operator’s Compliance with 19.15.8.9 NMAC. Currently, Operator has twenty (20) wells that are inactive and lack sufficient financial assurance. *Attached and incorporated as Exhibit 3-B.* The exhibit is a true and accurate copy of the information in OCD Permitting System.
8. The C-115 History Report was procured by review the Operator’s Compliance with 19.15.7.24 NMAC. Of the thirty-six (36) wells operated by the Operator, none have reported production in the past fifteen (15) months prior to issuance of the underlying NOV. Operator had not submitted the required C-115 forms for any of the wells since at least September 2021. Per to 19.15.5.9(B) NMAC, because the Operator wells reported no production over the fifteen (15) months prior to issuance of the underlying NOV, the thirty-six (36) wells are inactive and are therefore out of compliance. *Attached and incorporated as Exhibit 3-C.* The exhibit is a true and accurate copy of the information in OCD Permitting System.
9. Civil penalties were assessed and procured based on the violations listed herein. The total for the listed violations amount is eight-nine thousand one hundred (\$89,100). *Attached and incorporated as Exhibit 3-D.* The exhibit is a true and accurate copy of the information in OCD Permitting System.

FURTHER AFFIANT SAYETH NOT.




NICHOLAR KARNIS

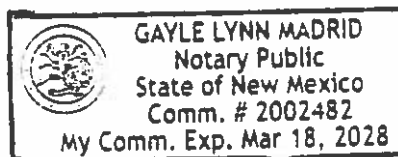
STATE OF NEW MEXICO

COUNTY OF SANTA FE

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this
31 day of October, 2024, by Nicholas Karns


Notary Public ~~in~~ and for the
State of New Mexico

My Commission Expires:
March 18 2028



Nicholas R. Karns

Nicholas.karns@emnrn.nm.gov

103 Spruce St, Santa Fe, NM 87501

(505) 629-7138

INTRODUCTION

Exploring a career path in local government by collecting experience in many different state agencies. Competent project manager. I believe that my experience with regulatory boards and criminal justice oversight has galvanized the fundamentals for steady advancement in government administration.

HIGHLIGHTS

- ◆ **Nine years +** project management leadership
- ◆ **Experience** creating regulatory workflows and processes
- ◆ **Proficient** with data gathering and analysis
- ◆ **Skilled** at communicating with internal and external clientele
- ◆ **Involved** extensively with New Mexico rulemaking and practiced in jurisprudence
- ◆ **Certified** forklift operator, serve safe
- ◆ **Actively** sitting as a member of the Private Investigations Advisory Board

EDUCATION

- Santa Fe Community College
 - GED

SKILLS

Computer Skills, Software & Applications

- | | |
|------------------------|-----------------|
| • Proprietary software | • NCIC OpenFox |
| • Windows | • Dot Delimited |
| • Linux & open source | • HTML |
| • MS Office Suite | • Photoshop |
| • Acrobat | |

Administrative Skills

- | | |
|------------------------------------|-------------------------------|
| • Project management | • Database oversight |
| • Policy and infrastructure design | • Curriculum development |
| • Exercised in jurisprudence | • Classroom instruction |
| • Research and analysis | • Inter-agency communications |

SUPERVISORY EXPERIENCE

Department of Public Safety

- 2 years NCIC Program Oversight (2 people)

Regulation and Licensing Department

- 3 years Board Administrator (1-3 people depending on the board)

Lowe's Home Improvement

- 3 years Department Specialist (2 people)

PROFESSIONAL EXPERIENCE

Energy Minerals & Natural Resources 11/22 - Present *Santa Fe, NM*

COMPLIANCE OFFICER - A

Member of the Oil Conservation Division compliance team. Processes new application, adhering to workflow and procedure. Assures operators are in compliance with state Chapter 15 statutes and regulations. Manages well bonds from operators as financial assurance for the State of New Mexico.

Department of Public Safety 11/20 - 11/22 *Santa Fe, NM*

NCIC COORDINATOR

Oversight of data security standards and response protocol for all New Mexico criminal justice agencies in regards to their connection to the National Crime Information Center (NCIC). Completed administrative audits, misuse investigations, training, instructing, and general user support. Maintained federal and state compliance when handling, storing, and otherwise disseminating criminal justice information. Worked closely with the FBI to keep New Mexico criminal justice agencies moving progressively into the future.

Regulation and Licensing Department 8/18 - 11/20 *Santa Fe, NM*

BOARD ADMINISTRATOR

Served as board administrator for multiple occupational licensing boards. Coordinated formal rule change hearings and developed many forms and applications. Trained licensing staff and implemented filing standards. Worked well with general counsel, the Attorney General's office, and the State Records and Archives Center.

Lowe's Home Improvement 3/14 - 3/18 *Santa Fe, NM*

DESIGN PROJECT SPECIALIST

Started working for Lowe's in 2014 as a cashier. Advanced up to Installed Sales Coordinator and then to Sales Specialist in June of 2015. Assisted customers with remodel designs, product knowledge and financing. Created weekly sales analysis reports and budget projections. Designed special order windows and doors by working closely with manufactures.

PROFESSIONAL REFERENCES

- | | |
|--|---|
| • Jessica Rodarte /
Technical Support
Staff Manager – DPS
505-699-5422 | • Roberta Perea /
Board Administrator
Supervisor – RLD
505-204-2157 |
| • Regina Chacon /
LERB Bureau Chief
& CSO - DPS
505-469-7649 | • Rob Jackson /
Compliance
Supervisor – OCD
505-660-2501 |
| • Amanda Macias /
Special Projects
Supervisor – DPS
505-920-2412 | • Ruth Romero /
Board Administrator
– RLD
505-819-9973 |

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderline
Cabinet Secretary-Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos Razatos
Division Director (Acting)
Oil Conservation Division



BY CERTIFIED AND ELECTRONIC MAIL

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
422 W Main Suite 5
P.O. Box 1176
Artesia, NM 88210
ChadFulton@sandfoil.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: SELLERS&FULTON OIL LLC, OGRID #371978 (“Operator”).

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

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.*

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 thirty-six (36) wells. All 36 wells identified in Exhibit A are out of compliance with 19.15.25.8 NMAC. Thirty-five (35) wells are not subject to an agreed compliance or final order. One (1) well, API # 30-015-24256, is subject to R-11934-A.¹

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.*

Operator currently has twenty (20) wells that are inactive and lack sufficient financial assurance. See Exhibit B.

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*

¹ Case No. 12811, Order No. R-11934-A, to bring three hundred eighty-eight wells into compliance with rule 201.B.

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 is the registered operator of thirty-six (36) wells. Operator has not submitted the required C-115 for any well since at least September 2021. See Exhibit C.

(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; (b) plug and abandon all thirty-six (36) wells listed in Exhibit A; and (c) provide inactive well blanket plugging financial assurance of \$1,000,000 or increase the one well financial assurance to the specified amounts in Exhibit B, until such time as all wells are plugged and abandoned.

(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 thirty-six (36) wells listed in Exhibit A, and alternatively, an order authorizing OCD to plug and abandon those wells.
- (b) Financial Assurance: OCD will request an order requiring Operator to provide an inactive well blanket plugging financial assurance of \$1,000,000 or additional one well financial assurance in the specified amounts in Exhibit B, and alternatively, an order forfeiting financial assurance.
- (c) Termination of Authorization to Transport: OCD will request an order terminating Operator’s authority to transport from all wells.
- (d) 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:	\$ 15,300.00
19.15.8.9 NMAC:	\$ 9,000.00
19.15.7.24 NMAC	\$ 64,800.00

(5) *Hearing*: If this NOV cannot be resolved informally, OCD will hold a hearing on November 7, 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 Christy Treviño, at (505) 607-4524 or Christy.Trevino@emnrd.nm.gov.

Regards,



Gerasimos Razatos
Acting Director

8/16/2024
Date

cc:Office of Legal Counsel, EMNRD

Inactive Well List

Total Well Count: 36 Inactive Well Count: 36
Printed On: Friday, June 07 2024

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-24256	ARTESIA STATE #001	L-23-16S-27E	L	371978	SELLERS&FULTON OIL LLC	S	S	O	01/2021			
2	30-015-01374	AZTEC FEDERAL #001	G-15-17S-28E	G	371978	SELLERS&FULTON OIL LLC	F	F	O	09/2020			
2	30-015-01375	AZTEC FEDERAL #002	B-15-17S-28E	B	371978	SELLERS&FULTON OIL LLC	F	F	O	09/2020			
2	30-015-01376	AZTEC FEDERAL #003	H-15-17S-28E	H	371978	SELLERS&FULTON OIL LLC	F	F	O	12/2020			
2	30-015-20017	AZTEC FEDERAL #004	A-15-17S-28E	A	371978	SELLERS&FULTON OIL LLC	F	F	O	09/2020			
2	30-015-00525	BRAINARD FEDERAL # 2 #002	N-25-17S-27E	N	371978	SELLERS&FULTON OIL LLC	F	F	O	07/2019			
2	30-015-30706	CROW FLATS 3 FEDERAL #001	M-03-16S-28E	M	371978	SELLERS&FULTON OIL LLC	F	F	G	01/2018	MORROW		
2	30-015-26361	CROW FLATS 4 FEDERAL COM #001	K-04-16S-28E	K	371978	SELLERS&FULTON OIL LLC	F	F	G	01/2018	DIAMOND MOUND MORROW		
2	30-015-35813	DASHER 16 STATE #002	E-16-16S-30E	E	371978	SELLERS&FULTON OIL LLC	S	S	O	03/2015	HENSHAR QUEEN GRAYBURG SA		
2	30-015-01288	EAST RED LAKE UNIT #001	M-36-16S-28E	M	371978	SELLERS&FULTON OIL LLC	S	S	O	06/2021			
2	30-015-01298	EAST RED LAKE UNIT #001	E-01-17S-28E	E	371978	SELLERS&FULTON OIL LLC	S	S	O	06/2021			
2	30-015-01296	EAST RED LAKE UNIT #001Q	4-01-17S-28E	D	371978	SELLERS&FULTON OIL LLC	S	S	I	06/2021			
2	30-015-01297	EAST RED LAKE UNIT #002	3-01-17S-28E	C	371978	SELLERS&FULTON OIL LLC	S	S	O	12/2017			
2	30-015-01303	EAST RED LAKE UNIT #002	1-02-17S-28E	A	371978	SELLERS&FULTON OIL LLC	S	S	O	06/2021			
2	30-015-01291	EAST RED LAKE UNIT #004	K-36-16S-28E	K	371978	SELLERS&FULTON OIL LLC	S	S	O	06/2021			
2	30-015-10200	EAST RED LAKE UNIT #004	G-02-17S-28E	G	371978	SELLERS&FULTON OIL LLC	S	S	O	06/2021			
2	30-015-24030	ELK STATE #001	N-16-18S-28E	N	371978	SELLERS&FULTON OIL LLC	S	S	O	10/2020			
2	30-015-24578	ELK STATE #002	N-16-18S-28E	N	371978	SELLERS&FULTON OIL LLC	S	S	O	01/2019			
2	30-015-02687	FARMER FEDERAL #002	I-12-16S-29E	I	371978	SELLERS&FULTON OIL LLC	P	F	O	10/2020			
2	30-015-01377	FEDERAL #001	J-15-17S-28E	J	371978	SELLERS&FULTON OIL LLC	F	F	O	06/2021			
2	30-015-01379	FEDERAL #003	I-15-17S-28E	I	371978	SELLERS&FULTON OIL LLC	F	F	O	06/2021			
2	30-015-01380	FEDERAL #004	P-15-17S-28E	P	371978	SELLERS&FULTON OIL LLC	F	F	O	06/2021			
2	30-015-02728	HIGH LONESOME PENROSE UNIT #002	G-15-16S-29E	G	371978	SELLERS&FULTON OIL LLC	F	F	O	08/2020			
2	30-015-02734	HIGH LONESOME PENROSE UNIT #007	J-15-16S-29E	J	371978	SELLERS&FULTON OIL LLC	F	F	O	04/2021			
2	30-015-02722	HIGH LONESOME PENROSE UNIT #008	H-15-16S-29E	H	371978	SELLERS&FULTON OIL LLC	S	S	O	12/2019			
2	30-015-01513	HONDO FEDERAL #001	F-23-17S-28E	F	371978	SELLERS&FULTON OIL LLC	F	F	O	12/2019			
2	30-015-01282	LOWE ST #001	H-35-16S-28E	H	371978	SELLERS&FULTON OIL LLC	S	S	O	07/2019			
2	30-005-60690	MESA STATE COM #001	J-31-15S-28E	J	371978	SELLERS&FULTON OIL LLC	S	P	G	12/2018	WLDCA,ATOKA		
2	30-015-25692	PHILLIPS FEDERAL #001	O-07-17S-29E	O	371978	SELLERS&FULTON OIL LLC	F	F	O	06/2021			
2	30-015-33002	SPRUCE 10 STATE #001	O-10-19S-23E	O	371978	SELLERS&FULTON OIL LLC	S	S	G	06/2021	HOAG TANK MORROW		
2	30-015-24717	STATE D #001	D-16-18S-28E	D	371978	SELLERS&FULTON OIL LLC	S	S	O	01/2021			
2	30-015-23196	STATE IH COM #001	J-36-23S-24E	J	371978	SELLERS&FULTON OIL LLC	S	S	G	05/2021	UNDES MOSLEY CANYON UPPER PENN		
2	30-015-31571	TRIGG FEDERAL #004	O-26-17S-27E	O	371978	SELLERS&FULTON OIL LLC	F	F	O	06/2021	RED LAKE O-G-SA		
2	30-015-24304	WELCH ST #001	B-21-18S-28E	B	371978	SELLERS&FULTON OIL LLC	S	P	O	10/2020			

6/7/24, 4:09 PM

OCD Permitting

2	30-015-24557	WELCH ST #004	A-21-18S-28E	A	371978	SELLERS&FULTON OIL LLC	S	P	O	10/2020	
2	30-015-33321	WEST INDIAN 11 FEDERAL #001	I-11-21S-22E	I	371978	SELLERS&FULTON OIL LLC	F	F	G	06/2016	WINDIAN BASIN MORROW

WHERE Operator:371978, County:All, District:All, Township:All, Range:All, Section:All, Production(months): 15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Inactive Well Additional Financial Assurance Report

371978 SELLERS&FULTON OIL LLC

Total State & Fee Wells: 20

Printed On: Friday, June 07 2024

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Bonding Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
317608	ARTESIA STATE #001	S	L-23-18S-27E	L	30-015-24256	O	01/2021	02/2023	1950	28,900	Y		0	Y
317593	DASHER 16 STATE #002	S	E-16-16S-30E	E	30-015-35813	O	03/2015	04/2017	3614	32,228	Y	8,614	0	Y
317595	EAST RED LAKE UNIT #001	S	E-01-17S-28E	E	30-015-01298	O	06/2021	07/2023	2263	29,526	Y		0	Y
	EAST RED LAKE UNIT #001	S	M-36-16S-28E	M	30-015-01288	O	06/2021	07/2023	1670	28,340	Y		0	Y
	EAST RED LAKE UNIT #001Q	S	4-01-17S-28E	D	30-015-01296	I	06/2021	07/2023	2174	29,348	Y		0	Y
	EAST RED LAKE UNIT #002	S	1-02-17S-28E	A	30-015-01303	O	06/2021	07/2023	1639	28,278	Y		0	Y
	EAST RED LAKE UNIT #002	S	3-01-17S-28E	C	30-015-01297	O	12/2017	01/2020	2248	29,496	Y		0	Y
	EAST RED LAKE UNIT #004	S	K-36-16S-28E	K	30-015-01291	O	06/2021	07/2023	1701	28,402	Y		0	Y
	EAST RED LAKE UNIT #004	S	G-02-17S-28E	G	30-015-10200	O	06/2021	07/2023	1649	28,298	Y		0	Y
317596	ELK STATE #001	S	N-16-18S-28E	N	30-015-24030	O	10/2020	11/2022	2470	29,940	Y		0	Y
	ELK STATE #002	S	N-16-18S-28E	N	30-015-24578	O	01/2019	02/2021	2635	30,270	Y	7,635	0	Y
317597	FARMER FEDERAL #002	P	I-12-16S-29E	I	30-015-02687	O	10/2020	11/2022	2640	30,280	Y		0	Y
317599	HIGH LONESOME PENROSE UNIT #008	S	H-15-16S-29E	H	30-015-02722	O	12/2019	01/2022	1995	28,990	Y		0	Y
317601	LOWE ST #001	S	H-35-16S-28E	H	30-015-01282	O	07/2019	08/2021	1674	28,348	Y	6,674	0	Y
317602	MESA STATE COM #001	S	J-31-15S-28E	J	30-005-60690	G	12/2018	01/2021	9409	43,818	Y		0	Y
317604	SPRUCE 10 STATE #001	S	O-10-19S-23E	O	30-015-33002	G	06/2021	07/2023	8407	41,814	Y		0	Y
317605	STATE D #001	S	D-16-18S-28E	D	30-015-24717	O	01/2021	02/2023	3000	31,000	Y		0	Y
317606	STATE IH COM #001	S	J-36-23S-24E	J	30-015-23196	G	05/2021	06/2023	10850	46,700	Y		0	Y
317607	WELCH ST #001	S	B-21-18S-28E	B	30-015-24304	O	10/2020	11/2022	3019	31,038	Y		0	Y
	WELCH ST #004	S	A-21-18S-28E	A	30-015-24557	O	10/2020	11/2022	2704	30,408	Y		0	Y

WHERE Ogrid:371978

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

OIL CONSERVATION DIVISION,
Petitioner

CASE NO. 24905

V.
SELLERS & FULTON OIL LLC,
Respondent

AFFIDAVIT OF SARA GRIEGO
REGARDING NOTICE TO RESPONDANT

I, Sara Griego, Law Clerk for the Oil Conservation Division (“OCD”), hereby swear and affirm as follows:

1. On August 20, 2024, at the request of Counsel mailed the Notice of Violation, via United

State Postal Service Certified mail to:

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
422 W. Main Suite 5
PO Box 1176
Artesia, NM 88210

2. On August 26, 2024, the Notice of Violation was picked up at the post office. *See* Exhibit 5.

3. On October 7, 2024, at the request of Counsel mailed a copy of the Docketing Notice, via

United States Postal Service Certified Mail to:

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
422 W. Main Suite 5
PO Box 1176
Artesia, NM 88210

4. On October 16, 2024, the copy of the Notice of Violation and the Docketing Notice was picked up at the post office. *See* Exhibit 5.

FURTHER AFFIANT SAYETH NOT.



SARA GRIEGO

STATE OF NEW MEXICO

COUNTY OF SANTA FE

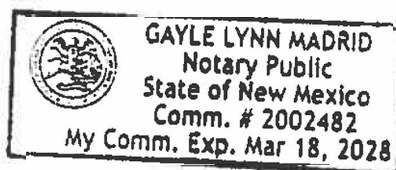
SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this

31 day of October, 2024, by Sara Griego


Notary Public in and for the
State of New Mexico

My Commission Expires:

March 18, 2028



Tracking Number:

Remove X

7017338000028920918

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item was picked up at the post office at 10:24 am on August 26, 2024 in ARTESIA, NM 88210.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivered

Delivered, Individual Picked Up at Post Office

ARTESIA, NM 88210

August 26, 2024, 10:24 am

Available for Pickup

ARTESIA

201 N 4TH ST

ARTESIA NM 88210-9998

M-F 0800-1700; SAT 0900-1200

August 24, 2024, 8:39 am

Departed USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER

August 23, 2024, 10:15 pm

Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER

August 23, 2024, 5:49 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101

August 21, 2024, 9:35 pm

Arrived at USPS Origin Facility

ALBUQUERQUE, NM 87101

August 21, 2024, 9:16 pm

Departed Post Office

SANTA FE, NM 87501

August 21, 2024, 5:10 pm

USPS picked up item

SANTA FE, NM 87501

August 21, 2024, 3:20 pm

Hide Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

USPS Tracking®

Remove X

Tracking Number:

70173380000028920949

[Copy](#) [Add to Informed Delivery \(https://informedelivery.usps.com/\)](https://informedelivery.usps.com/)

Latest Update

Your item was picked up at the post office at 12:39 pm on October 16, 2024 in ARTESIA, NM 88210.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Post Office

ARTESIA, NM 88210
October 16, 2024, 12:39 pm

Reminder to pick up your item before October 25, 2024

ARTESIA, NM 88211
October 16, 2024

Available for Pickup

ARTESIA
201 N 4TH ST
ARTESIA NM 88210-9998
M-F 0800-1700; SAT 0900-1200
October 11, 2024, 11:58 am

Departed USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER
October 10, 2024, 8:07 pm

Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER

Feedback

October 10, 2024, 6:27 pm

In Transit to Next Facility

October 9, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101

October 8, 2024, 7:25 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101

October 7, 2024, 11:07 pm

Hide Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

Trevino, Christy, EMNRD

From: Trevino, Christy, EMNRD
Sent: Friday, September 20, 2024 11:39 AM
To: Chad Fulton
Cc: Tremaine, Jesse, EMNRD
Subject: RE: [EXTERNAL] Re: Notice of Violation- Sellers & Fulton Oil, LLC

Good afternoon Mr. Fulton,

We can't speak to the specific requirements of the State Land Office or whether you are in fact barred from accessing the land. In our experience, the State Land Office may require you to take certain steps before accessing the land – that is not the same thing as being prohibited from entry entirely. The State Land Office manages state trust minerals – if your access agreement or lease has expired with them, then it is logical that they will require you to enter a new agreement or get renewed access permission before you enter. If you are unable to meet SLO's demands for access, then it is unlikely that you will be able to comply with a plugging schedule. We will not weigh into the discussion of surface access as negotiated with SLO any further, as that is entirely outside OCD's control. We also do not respond to your views and allegations against Mr. Biernoff and the State Land Office. We suggest that you reach out to Mr. Biernoff and the State Land Office in writing again, to see if there are any remedies or solutions to allow you to access the land.

Regardless, OCD has the authority over Oil and Gas development in the State of New Mexico Under the Oil and Gas Act. See NM Statutes Chapter 70. OCD regulates the operation of wells, use of equipment in Oil and Gas production, etc. – not surface use. Your wells remain out of compliance with OCD Rules and unless you find a way to propose a reasonable compliance schedule for all inactive wells on or before October 3, 2024, OCD must docket the Notice of Violation for hearing on November 7, 2024. To summarize, you must work with both agencies – settle any issues you have with SLO and settle the inactive well violations with OCD.

I have included this link, so you can learn how to file the if the wells are capable of producing. C-115 instructions (nm.gov)

If they are not capable of producing, then we would need you to file C-103s to plug and abandon those wells.

You must take any necessary steps to secure authorization to access the surface and provide a proposed compliance schedule to OCD by October 3, 2024. After this date, OCD will issue a notice docketing this case for hearing on November 7, 2024.

Christy Treviño
Assistant General Counsel-OCD, Office of General Counsel
New Mexico Energy, Minerals & Natural Resources Department
1220 South St. Francis Dr., Santa Fe, NM 87505
Cell: (505) 607-4525
E-mail: Christy.Trevino@emnrd.nm.gov



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From: Chad Fulton <ChadFulton@SandFoil.com>
Sent: Friday, September 6, 2024 5:50 PM
To: Trevino, Christy, EMNRD <Christy.Trevino@emnr.d.nm.gov>
Subject: [EXTERNAL] Re: Notice of Violation- Sellers & Fulton Oil, LLC

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Christy, the wells are capable of producing and 2 wells have never lost production. However Ari Biernoff told Carlsbad current argus that hes ordered me to plug all 36 of my wells. He did advise me of criminal trespass several times weeks back which i believe relieved me of any responsibility because he told me that if i wanted to go on the property i legally obtained, that i had to get written permission from him. Yet the coward told my mother that he refused to talk to me, and he didn't respond to any calls or emails. Therefore i feel as though the property that I with good intentions and much effort obtained was forcibly taken by the state of New Mexico by abuse of power and violation of my constitutional rights using arrest and the forcible method, by Ari Biernoff. Which makes me not liable for the property. I was given no rights of appeal nor remedies and formal or otherwise other than to not trespass on property I had legally obtained and plug all of the properties both state and federal without any other possible remedies. Then to further this Injustice Mr Biernoff refused to speak to me about any possible solutions. So who do i believe as having the authority to make a deal with me? It sure would be nice to know who exactly has the authority here

Get [Outlook for Android](#)

From: Trevino, Christy, EMNRD <Christy.Trevino@emnr.d.nm.gov>
Sent: Friday, September 6, 2024 1:07:37 PM
To: Chad Fulton <ChadFulton@SandFoil.com>
Cc: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnr.d.nm.gov>
Subject: RE: Notice of Violation- Sellers & Fulton Oil, LLC

Good afternoon Mr. Fulton,

I wanted to touch base with you on email I sent a couple of weeks ago now. Let us know if you have questions.

Thank you,

Christy Treviño
 Assistant General Counsel-OCD, Office of General Counsel
 New Mexico Energy, Minerals & Natural Resources Department

1220 South St. Francis Dr., Santa Fe, NM 87505

Cell: (505) 607-4525

E-mail: Christy.Trevino@emnrd.nm.gov

Exhibit 6



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From: Trevino, Christy, EMNRD

Sent: Friday, August 23, 2024 4:00 PM

To: ChadFulton@sandfoil.com

Cc: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>

Subject: RE: Notice of Violation- Sellers & Fulton Oil, LLC

Good afternoon Mr. Fulton,

I am reaching back out after our conversation to get some clarification: Did you say that the wells are producing or that you could produce them?

For us to proceed with an informal resolution, please share any reports or evidence you have on the production of the wells specified in the NOV.

Have a great weekend.

Thank you,

Christy Treviño

Assistant General Counsel-OCD, Office of General Counsel

New Mexico Energy, Minerals & Natural Resources Department

1220 South St. Francis Dr., Santa Fe, NM 87505

Cell: (505) 607-4525

E-mail: Christy.Trevino@emnrd.nm.gov



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Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of the communication.

From: Trevino, Christy, EMNRD
Sent: Tuesday, August 20, 2024 7:30 AM
To: ChadFulton@sandfoil.com
Cc: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>
Subject: Notice of Violation- Sellers & Fulton Oil, LLC

Good morning,

Please find attached a Notice of Violation (NOV). Instructions regarding the process and opportunity to respond to the NOV are outlined in the document itself. My contact information is provided below and I'm available to discuss the NOV at your convenience. Let me know as soon as possible if the company wishes to engage in an informal resolution.

Christy Treviño
Assistant General Counsel-OCD, Office of General Counsel
New Mexico Energy, Minerals & Natural Resources Department
1220 South St. Francis Dr., Santa Fe, NM 87505
Cell: (505) 607-4525
E-mail: Christy.Trevino@emnrd.nm.gov



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**Stephanie Garcia Richard
Commissioner of Public Lands
Right-of-Entry Request**

Company Name _____
Address _____
City, State, Zip _____

Contact Person: _____
Telephone #: _____
Email Address: _____

Purpose of request:

Do you anticipate needing this temporary right of entry for pipelines more than 180-days, from the date of issuance? ____ yes ____ no

If you believe you may need this line (s) for longer than 180-days, you are encouraged to apply for a right of way. *We reserve the right to deny reissues for the same route.* Additionally, we will require you to provide proof that the lines have been removed before the end of the 180-day period.

If laying pipeline please describe: (include length in rods)

Section _____ Township _____ Range _____ (state trust lands involved)

Location - Qtr/Qtr _____ County _____

Project Name: _____

State of Incorporation: _____

Personnel present on State Land _____

Equipment & Materials present on State Land _____

Must provide survey plat or topo map (to include rods by aliquot)

\$50.00 application fee and \$500.00 permit amount (based on 180 days)

For temporary fresh waterlines over 320 rods (1 mile) an additional fee of \$2.00 per rod will be assessed.

Payable to: The Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

**When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.*

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

OIL CONSERVATION DIVISION **CASE NO. 24905**

Petitioner

V.

SELLERS & FULTON OIL, LLC

Respondent

NOTICE OF SUPPLEMENTAL EXHIBIT

TO THE COURT AND TO THE COUNSEL OF RECORD FOR ALL PARTIES:

PLEASE TAKE NOTICE that Christy Treviño, as Counsel for the Oil Conservation Division (“OCD”) in this matter, hereby respectfully submits this **Notice of Supplemental Exhibit** as an addition to **PRE-HEARING STATEMENT** and **EXHIBITS** attached therein.

In response to the Pre-hearing Statement filed on Thursday, October 31, 2024. Mr. Chad Fulton the identified agent and representative of Sellers & Fulton Oil, LLC, and registered operator in OCD permitting, emailed a response. That response, the envelopes, public notice, and operator information is attached herein and labeled as **Exhibit 8 and page numbers 031-041**. Exhibit 8 is an addition to the Pre-hearing statement and exhibits, to provide an admission by a party opponent and that actual notice of the hearing was served on the operator of record. Moreover, the Respondent claims notice is an issue, however, the notice was provided via the Notice of Violation that indicated the date and address in the email signature block. The date was included in communications between OCD and Mr. Fulton. The location address is on the envelope in which was received by the Respondent, as shown in Exhibit 5 of the filed Pre-hearing Statement and Exhibits. The date, location, and time is posted on OCD’s website under public notices and has been included in this filing. Further, OCD has included in this filing the contact information from OCD Permitting, to provide the Examiner with the information that OCD has available to them from the Operator of Record.

WHEREFORE, OCD requests that the court take notice of the supplemental exhibit attached herein.

Respectfully submitted,

Christy B. Treviño

Christy Treviño

Assistant General Counsel

New Mexico Energy, Minerals and

Natural Resources Department

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

Tel (505) 607-4524

Fax (505) 476-3220

Christy.Trevino@emnrd.nm.gov

CERTIFICATE OF SERVICE

I certify that on November 4, 2024, this pleading was served electronic mail on:

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL, LLC
422 W. Main, Suite 5
P.O. Box 1176
Artesia, NM 88210
ChadFulton@sandfoil.com

Christy B. Treviño

Christy Treviño

From: [Chad Fulton](#)
To: [Trevino, Christy, EMNRD](#)
Subject: [EXTERNAL] Re: Case No. 24905- Notice of Violation Sellers & Fulton Oil, LLC: Prehearing Statement and Exhibits
Date: Friday, November 1, 2024 7:47:32 AM
Attachments: [image001.jpg](#)

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Ms. Trevino,

I know your ready for your Goliath attack on my company, me not being able to afford an attorney at the moment and me not knowing the procedures of this so called court but I do know enough to know that any time the government imposes a penalty the takes anyone's property, money or freedom it is effectively a search and seizure . The United States Constitution guarantees protection from unlawful search and seizure. One of the ways they do this is by requiring a seizure to be performed by a certified law enforcement officer. Which I do not see anywhere in your affidavit is part of your list of " training."It also in your affidavit does not state the fact that Ari Biernoff with the state land office , advised me of criminal trespass four months ago on all of my wells, nor do you state anywhere that this was brought to your attention along with me letting you he told the media he had already ordered me to plug and abandon my wells. I also could not get him to return calls or emails to allow me to re enter the property i have legally obtained. Nor does it say how you coerced me to violate the law while offering no solutions or remedies to prevent my arrest just stating it should be ok. You also told me that you were not part of the state land department and you had no control over them, however according to statute your office was formed to assist the state land office and that as such its your job to work with the state land office to resolve compliance issues. No where in your offices description does it say it was lawful to harass oil producers for being small and independant business nor does it grant the administration offices of your department to order all small businesses to be gone over with a fine tooth comb while turning a blind eye to the big companies that come in and rape the land. Almost every one of your compliance officers have told myself and other independent oil producers in this area that your office has been ordered them to go after independent producers and get them out of the business. This affidavit looks and sounds to me exactlt like a criminal proceeding unless you look closely and see that it was not a jury of my peers nor heard by an elected official its a presentation of " evidence, to the office that you work for, a government agency in effort to take property and money, also defined by constitutional law as a search a siezure, without due process or representation by a lawyer. This is a violation of everything this country was founded on. The rules your office enforces were deemed by the Supreme Court to be unconstitutional and yet your office still is attempting to violate this decision and violate my rights. Therefore you knowing this and still moving forward is younacting outside the scope of your duties and prevents the government from protecting you from personal lawsuits which I fully intend to do. I also have the freedom of press to whom I've notified of this and several other injustices from your office and the state land office. You also seem to have left out that the situation that caused all of this was the nmocd dropping the ball, and not even reviewing the change of operator that I had requested for 3 month, allowing time for oleum energy to fraudulently take possession of my wells and then not enforcing your rules on them and making me spend 2 years in court to fight them to have them finally returned after I was bankrupted because of it . This is all information i have given to you. All real evidence to anyone who is citizen of this country. All i feel a jury of my peers not a jury of my accusers would see. I was a police officer in this state for seven years during which time I suffered ptsd and I worked hard to be given the right to protect and serve people of New Mexico. I went

through 16 weeks of training in order to comply with New Mexico laws to be able to lawfully arrest and perform duties such as applying for search and seizure permissions. I did it legally in the proper manner defined by the constitution not by force without regards for someone's constitutional rights. I did not do it by coercion and enticement to commit a crime so that they violated laws to achieve my goal of protecting the public. The state also has failed to provide me with a location or time for said hearing, nor advised me of any rights or given me reasonable remedies that did not entice or lure me into violating criminal laws. I also feel as when your parent division advised me of criminal trespass if I returned to property legally leased to my company, that all contracts or leases would be null and void and that the state of New Mexico used the threat of criminal charges to hold all equipment owned by myself and other investors located on any of my leases with the intention of permanently depriving or unlawful seizure of this equipment without legal right or without fulfillment of requirements for seizure of property. Also that the state land office procured federal funding to plug and remediate abandoned wells and that bonds were in place as required. However these wells were not willfully abandoned, I was forced by state land office to not enter the property. Preventing me of fulfilling the contractual obligations I agreed to. Also it failed to let me sell the wells when I was physically unable to care for them as required when health issues arose.

Sent from my T-Mobile 5G Device

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From: Trevino, Christy, EMNRD <Christy.Trevino@emnrd.nm.gov>

Sent: Thursday, October 31, 2024 3:41:54 PM

To: Chad Fulton <ChadFulton@SandFoil.com>; Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>

Cc: Corral, Madai, EMNRD <Madai.Corral@emnrd.nm.gov>; Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>

Subject: Case No. 24905- Notice of Violation Sellers & Fulton Oil, LLC: Prehearing Statement and Exhibits

Good afternoon,

Please see attached Prehearing Statement and supporting exhibits for filing.

Thank you,

Christy Treviño

Assistant General Counsel-OCD, Office of General Counsel

New Mexico Energy, Minerals & Natural Resources Department

1220 South St. Francis Dr., Santa Fe, NM 87505

Cell: (505) 607-4525

E-mail: Christy.Trevino@emnrd.nm.gov



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1. Article Number *(Transfer from service label)*

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
 422 W Main Suite 5
 P.O. Box 1176
 Artesia, NM 88210



9590 9402 3495 7275 6798 66

2. Article Number *(Transfer from service label)*

7017 3380 0000 2892 0949

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A. Signature

Chad Fulton Agent Addressee

B. Received by *(Printed Name)* Date of Delivery

Heather Selheim

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

- | | |
|--|--|
| 3. Service Type
<input type="checkbox"/> Adult Signature
<input type="checkbox"/> Adult Signature Restricted Delivery
<input checked="" type="checkbox"/> Certified Mail®
<input type="checkbox"/> Certified Mail Restricted Delivery
<input type="checkbox"/> Collect on Delivery
<input type="checkbox"/> Collect on Delivery Restricted Delivery
<input type="checkbox"/> Insured Mail
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | <input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Signature Confirmation Restricted Delivery |
|--|--|

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USPS TRACKING #



9590 9402 3495 7275 6798 66



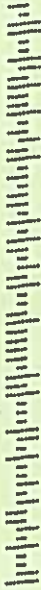
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NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

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 Chad Fulton Sellers & Fulton
 Street and Apt. No., or PO Box No.
 422 W Main Suite 5 / P.O. Box 1176
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 Artesia, NM 88210

PS Form 3800, April 2015 PSN 7530-02-000-9037 See Reverse for Instructions

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STATE OF NEW MEXICO
 ENERGY MINERALS AND
 NATURAL RESOURCES DEPARTMENT
 1220 SOUTH SAINT FRANCIS DRIVE
 SANTA FE, NEW MEXICO 87505

Chad Fulton
 Chief Operating Officer
 SELLERS & FULTON OIL LLC
 422 W Main Suite 5
 P.O. Box 1176
 Artesia, NM 88210

7017 3380 0000 2892 0949

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Chad Fulton Chief Operating Officer SELLERS & FULTON OIL LLC 422 W Main Suite 5 P.O. Box 1176 Artesia, NM 88210</p>		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressed</p>	
<p>2. Article Number (Transfer from services label) 7017 3380 0000 2892 0949</p>		<p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery</p>	
<p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>		<p>C. Date of Delivery</p>	
<p>4. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>5. Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Restricted Delivery</p>		<p>6. Domestic Return Receipt</p>	

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STATE OF NEW MEXICO
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

Chad Fulton
Chief Operating Officer
SELLERS & FULTON OIL LLC
422 W Main Suite 5
P.O. Box 1176
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Address

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

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1. Article Number (Transfer from service label)

Chad Fulton
 Chief Operating Officer
 SELLERS & FULTON OIL LLC
 422 W Main Suite 5
 P.O. Box 1176
 Artesia, NM 88210

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3. Service Type

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- Collect on Delivery Restricted Delivery
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NOTICE OF HEARINGS

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

NOTICE IS HEREBY GIVEN that on **Thursday, November 7, 2024** beginning at **9:00 a.m.**, the Oil Conservation Division (“OCD”) of the New Mexico Energy, Minerals and Natural Resources Department will hold public hearings, pursuant to 19.5.4 NMAC for the purpose of considering new applications listed in this notice. All interested persons are invited to appear. The hearings will be held before a hearing examiner and will be conducted in a hybrid fashion, both in-person and via MS Teams virtual meeting platform. To attend:

Location:

Energy, Minerals and Natural Resources Department
Wendell Chino Building – Pecos Hall
1220 South St. Francis Drive, 1st Floor
Santa Fe, NM 87505

-or-

MS Teams Link:

Click [HERE](#) to join the meeting.

Dial-In:

(505) 312-4308

Phone conference ID: 951 049 795#

If you choose to attend remotely, please mute yourself upon entry.

The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov.

Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Freya.Tschantz@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than 10 days prior to the hearing.

Note: All land descriptions refer to the New Mexico Principal Meridian.

1. Case No. 24912: Application of Apache Corporation for an Adjudicatory Hearing to Contest the Division’s Conditions of Approval on Apache Corporation’s Scope of Work for Additional Investigation, Lea County, New Mexico.

2. Case No. 24905: IN RE: Sellers & Fulton Oil, LLC, OGRID #371978; Notice of Violation: Unresolved violations of 19.15.25.8 NMAC; 19.15.5.9(A) NMAC; 19.15.8.9 NMAC; and 19.15.7.24 NMAC.

3. Case No. 24921: Application of MRC Permian Company to Amend Order R-23188 to Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-23188 to add additional mineral interest owners to the pooling order. Order R-23188 was issued in Case 24217 and pooled

OCD Permitting

Home Searches Operators Operator Details

[371978] SELLERS&FULTON OIL LLC

General Information

Address:	422 W Main Suite 5 P.O. Box 1176 Artesia, NM 88210	Main Phone:	575-779-7217
Country:	U.S.A.	Main Fax:	575-746-3108
Operator Role(s):	Well Operator		
All Active Entities:	Wells (36)		

Contacts

Central Contact

Name:	Chad Fulton	Phone Number:	575-779-7217
Title:	COO	Cell Number:	575-779-7217
E-Mail Address:	ChadFulton@sandfoil.com	Fax Number:	Chad Fulton

Hobbs Contact

(Click here to expand.)

Artesia Contact

Artesia Active Entities:	Wells (36)		
Name:	Chad Fulton	Phone Number:	575-779-7217
Title:		Cell Number:	575-779-7217
E-Mail Address:	ChadFulton@sandfoil.com	Fax Number:	Chad Fulton

Aztec Contact

(Click here to expand.)

Santa Fe Contact

(Click here to expand.)

Natural Gas Capture Targets

	Target Gas Capture Rate (%)	Certified Gas Capture Rate (%)	Notes
Upstream			
South			
2022	98.00	-	
2023	98.00	-	
2024	98.00	-	
2025	98.00	-	

- Quic
- [Gene](#)
- [Conte](#)
- [Natur](#)
- [Bond](#)
- [Oper](#)
- [Oper](#)
- [Oper](#)
- [Oper](#)
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- [Oper](#)
- [Oper](#)

- Assoc
- Oper

- New
- [New /](#)
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