

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

IN RE: NOTICE OF VIOLATION ISSUED TO NITRO OIL & GAS, LLC

CASE NO. 25802

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 the undersigned counsel.

II. STATEMENT OF THE CASE

In the month of November of 2025, OCD Administrative Compliance Supervisor Rob Jackson, in the course and scope of his duties with OCD, conducted a compliance assessment for Nitro Oil & Gas, LLC ("Respondent"), OGRID # 330754. The goal of such an assessment is to inspect the OCD permitting system regarding operator compliance with relevant rules, including but not limited to, 19.15.5, 19.15.7, and 19.15.8 NMAC. Upon Mr. Jackson's review of OCD's permitting system reports and data, Mr. Jackson concluded Respondent was not compliance with 19.15.5.9(A)(4) 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 is the registered operator of twenty (20) wells, thirteen (13) of which were and remain inactive. Additionally, no production or other reporting has

occurred on the other four wells operated by Respondent since at least September of 2022. Additionally, Respondent has not properly updated its contact information with OCD Permitting and has entirely failed to respond to, remediate, or communicate with OCD about a major release that occurred on Respondent's facilities. Respondent failed to respond to notices from OCD relating to the release. As of today's date, Respondent has still failed to remediate the release. Further, Respondent has not communicated with OCD about the release or the Notice of Violation ("NOV") that is the subject of this case. Respondent has proven itself unable and/or unwilling to responsibly operate *any* wells in the State of New Mexico.

On or about November 24, 2025, OCD Administrative Compliance Supervisor Rob Jackson, in the course and scope of his duties with OCD, conducted a compliance assessment for Respondent. 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, and 19.15.8 NMAC. Upon Mr. Jackson's review of OCD's permitting system reports and data concerning Respondent, Mr. Jackson concluded that Respondent was not compliant with 19.15.5.9 NMAC. Pursuant to 19.15.8.9. NMAC, all of Respondent's wells are inactive and/or have not had the requisite reports filed.

Of the twenty (20) wells operated by Respondent, thirteen (13) wells appear on OCD's inactive well list as of November 24, 2025. 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. In violation of 19.15.7.24 NMAC, Respondent has not filed any required report for any well since at least September of 2022. Per 19.15.5.10 NMAC, OCD may pursue a litany of remedies for wells in violation of 19.15.5.9 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 has not communicated with OCD since being served with the NOV in this matter in November of 2025. OCD duly filed the NOV and Docketing Notice in this matter and served it on Respondent at the addresses provided by Respondent to OCD Permitting. As of today's date, Respondent has failed to avail itself of the informal resolution period set out in the NOV and has failed to respond to notices from OCD or correct its continued non-compliance, including the Emergency Order.

Respondent violated and remains in violation of 19.15.5.9, 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 wells, termination of Respondent's authorization to transport from all wells, assessing a civil penalty in the amount of \$42,100.00 and such other relief that Petitioner may be entitled to and the Hearing Officer finds just and proper.

III. PROPOSED EVIDENCE

WITNESSES:

1. Rob Jackson, OCD Administrative Compliance Supervisor

Testifying by affidavit, and, if necessary, live testimony

Mr. Jackson OCD's Administrative Compliance Supervisor. He has served with OCD in his current role since 2021. Mr. Jackson's experience is more thoroughly described in Exhibit 2. Mr. Jackson will testify regarding his assessment of Respondent's inactive well non-compliance status as set out more thoroughly in the NOV filed in this matter, and attached hereto. Further, he will discuss the contents of the Notice of Violation in Exhibit 3, along with its sub-exhibits.

2. Sara Griego, OCD Law Clerk

Testifying by affidavit, and, if necessary, live testimony

Ms. Griego is the Law Clerk for OCD. She has knowledge of the service of the NOV and Docketing Notice upon Respondent in this matter. She will testify that the NOV and Docketing Statement were duly and properly served upon Respondent based upon the contact information provided to OCD by Respondent and other known emails of Respondent. These documents were served by certified mail and electronic mail to the addresses designated by Respondent in OCD permitting.

EXHIBITS:

- | | |
|------------------|--|
| Exhibit 1 | Affidavit of Rob Jackson |
| Exhibit 2 | Resume of Rob Jackson |
| Exhibit 3 | NOV against Nitro Oil & Gas, LLC, dated November 24, 2025 (with attached Exhibit A- Inactive Well List and Exhibit B-Civil Penalty Calculation) |
| Exhibit 4 | Affidavit of Sara Griego |
| Exhibit 5 | Emergency Order |

IV. PROCEDURAL MATTERS

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

Respectfully submitted,



Michael Hall
Assistant General Counsel
New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Phone: (505) 479-1137
E-mail: Michael.Hall@emnrd.nm.gov

CERTIFICATE OF SERVICE

I certify that on December 31, 2025, this pleading was served upon Respondent by electronic mail to:

Bob Koricenek, the designated contact of Nitro Oil & Gas, LLC at:
accounting@nitro-og.com and operations@nitro-og.com



Michael Hall, Attorney for Petitioner

EXHIBIT 1

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

**IN RE: NOTICE OF VIOLATION ISSUED TO NITRO OIL & GAS, LLC
CASE NO. 25802**

AFFIDAVIT OF ROB JACKSON

I, ROB JACKSON, being first duly sworn on oath, states as follows:

1. I am employed as the Compliance Supervisor within the Administrative Compliance Bureau of the Oil Conservation Division ("OCD"). I have been employed by OCD since 2021. A true and correct copy of my resume is attached to OCD's Prehearing Statement as Exhibit 2, which lists relevant education and training. My duties include, but are not limited to, generating and reviewing database reports, compiling proposed civil penalty calculations, and reviewing 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;
 - c. 19.15.8.9 NMAC, which subjects oil and gas operators in New Mexico to certain financial assurance standards; and
 - 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. I further swear and affirm that the information stated in this affidavit and the Notice of Violation ("NOV") in this case are true and correct to the best of my knowledge.
3. On or about November 24, 2025, I generated the Inactive Well List and Civil Penalty Calculations attached to the NOV in this case.
4. The Inactive Well List was generated by searching the OCD Permitting database associated with Respondent. It is attached as Exhibit A of the NOV and is a true and correct copy of the Inactive Well List pertaining to Respondent as it existed in the OCD Permitting database on November 20, 2025.
5. The Inactive Well List indicated that Nitro Oil & Gas, LLC, OGRID # 330754 ("Operator"), operated and was the responsible party for twenty (20) wells. In reviewing the Inactive Well List, I determined that Operator was out of compliance with 19.15.25.8 and 19.15.5.9 NMAC for thirteen (13) of those wells. Operator has

failed to provide OCD with any reporting of production since September of 2022. 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.

6. Thirteen (13) wells are out of compliance with OCD Regulations by being unplugged and inactive and/or failing to have the proper reports submitted by Operator. Further, it is clear that Respondent cannot operate any of the twenty (20) wells it operates in New Mexico. Respondent failed to remediate or respond to the major release that required an Emergency Order to be signed by OCD's Director and has entirely failed to properly update its address in OCD Permitting or otherwise communicate with OCD as a prudent operator should.

7. Civil penalties were assessed and procured based on the violations listed herein and in the Civil Penalty document attached to the NOV in this matter. Civil penalties are determined by which rules the Operator violated and the number of days they are not in compliance. The total for the listed violations amount to forty-two thousand one hundred dollars (\$42,100.00). This amount consists of \$39,600.00 for violations more thoroughly set out in the Civil Penalty Calculations and \$2,500.00 for the release associated with the Emergency Order.

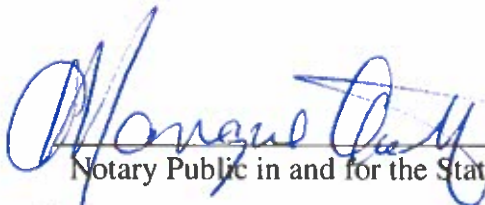
FURTHER AFFIANT SAYETH NOT.



ROB JACKSON

**STATE OF NEW MEXICO
COUNTY OF SANTA FE**

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this 31st day of Dec, 2025, by Rob Jackson



Notary Public in and for the State of New Mexico

My Commission Expires:

12/16/2028

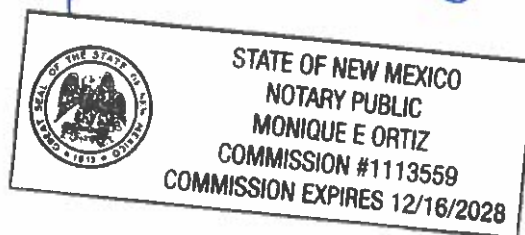


EXHIBIT 2

Rob T. Jackson

2848 Pueblo Bonito Santa Fe, NM 87501

rjackson1969@gmail.com

(505) 469-4569

INTRODUCTION

Innovative, adaptive and a fast learner, team player with strengths in communication, people skills, data research, and computer skills.

HIGHLIGHTS

- ♦ **Eleven years'** supervisor and project management experience
- ♦ **Proficient** communication skills with internal and external clients
- ♦ **Knowledgeable** and proficient with internet research, database querying and data analysis
- ♦ **Experienced** with content management, designing web ads in Photoshop, modifying, and tweaking of web page content
- ♦ **Certified** forklift operator

EDUCATION

- NM EDGE
 - Certified Public Supervisor
 - Certified Public Officer
- Santa Fe Comm College
- Phoenix College
- Augusta University
- Valdosta State University

Computer Skills & Applications

- | | |
|-----------------------|---------------|
| • Windows | • ESRI ArcMap |
| • Linux & open source | • ESRI ArcPro |
| • Acrobat | • QGIS |
| • MS Office Suite | • Photoshop |
| • Copilot (AI) | • GIMP |
| | • Dreamweaver |

SUPERVISORY EXPERIENCE

Oil Conservation Division State of New Mexico

- 3 years Compliance Supervisor (3 people)

United State Marine Corps

- 2 years Fire Team Leader (3-4 people)
- 2.5 years Squad Leader (10-12 people)
- .5 years platoon leader (40-45 people)

UNITED STATES MARINE CORPS

Veteran of Desert Storm

1/88 to 1/96

DIESEL MECHANIC & SUPPLY WAREHOUSING. Decorated Desert Storm veteran, honorably discharged as Sergeant (E-5) serving a full 6/2-year contract. Decorations include Meritorious Unit Citation (Unit Bronze Star).

PROFESSIONAL EXPERIENCE

Energy Minerals & Natural Resources 6/21 - Present
Santa Fe, NM

ADMINISTRATIVE COMPLIANCE SUPERVISOR

Supervises a team that assures oil and gas well operators follow compliance with state regulations and statutes. Research and processes various permits within the Oil Conservation Division. Assists in legal research of noncompliant operators and testifies as a witness in hearings regarding operator compliance. Collects and manages bonds from well operators as financial assurance for the State of New Mexico.

Santa Fe County

9/15 - 5/21

Santa Fe, NM

GPS TECHNICIAN

E-911 addressing, field data collection using Collector App. Assigns addresses per the County Code and modifies Santa Fe County GIS data editing and analysis using ESRI's ArcMap and ArcPro software. Prints maps exported from ArcMap and ArcPro as part of the construction and business permit process.

Dahl Plumbing

1/13 - 9/15

Santa Fe, NM

CUSTOMER SERVICE, WAREHOUSING

Establishing business relationships, answering questions, and modifying orders. Picking orders, shipping, and receiving. Customer service. Forklift certified. Maintaining inventory through daily service and annual inventory control.

Contractor

8/10 - 12/12

Santa Fe, NM

CONSTRUCTION & COMPUTER WORK. Construction work.

Part of a four-man team that built a guest house. Installed software and taught use of software for organization.

Wildflower International

8/09 - 7/10

Santa Fe, NM

Customer Service, sales and procurement of technical equipment and needs for several government agencies.

United States Post Office

12/08 - 6/09

Phoenix, AZ

RURAL CARRIER. Postal mail carrier responsible for sorting, delivery, and collection of mail on several routes.

Virgo Publishing

4/98 - 3/01 & 1/04 - 4/08

Phoenix, AZ

WEB EDITING & AD TRAFFIC COORDINATOR. Managed internet ad traffic for approximately forty websites and twenty weekly newsletters. Collected and design ads in Photoshop. Ran data analysis reports on ad performance. Converted content of multiple magazines monthly from print, reformatting and posting them to their respective websites.

Bowne of Phoenix

Apr 2001 to Jan 2004

Phoenix, AZ

PROPRIETARY HAND CODING TYPESETTER. Worked in proprietary software using code to layout corporate quarterly and annual financial filings to the Security & Exchange Commission.

EXHIBIT 3

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



BY CERTIFIED MAIL AND ELECTRONIC MAIL

November 24, 2025

Nitro Oil & Gas, LLC
223 W. Wall Street
Ste. 240
Midland, Texas 79701

Bob Koricanek
Manager
accounting@nitro-og.com
operations@nitro-og.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.

1. **Alleged Violator:** Nitro Oil & Gas, LLC, OGRID # 330754 ("Operator").
2. **Factual and Legal Basis for Alleged Violation(s):**

Operator is the registered operator of twenty (20) wells. The thirteen (13) wells identified in **Exhibit A** have been continuously inactive since at least February of 2024, and therefore out of compliance with 19.15.25.8 NMAC and are not subject to an agreed compliance or final order.

In addition, on October 31, 2025, OCD received a phone call from a land owner informing OCD that the Oberholtzer #001 Well, located at Township 12 South, Range 38 East, Section 8, OCD Unit Letter B, 660 feet from the north line and 1980 feet from the west line, (API 30-025-07171) ("The Well") is leaking. OCD tried contacting representatives of the registered operator and responsible party, Nitro Oil & Gas, LLC, [OGRID #330754] ("Operator"), repeatedly through both emails and phone calls to the address and phone number on file with OCD.

Operator has not reported production on any well registered under its name since January 2025. Operator has not submitted any form or information through OCD Permitting since February 3, 2025. As of the date of this Order, the Operator has not reported the release or notified OCD that the release has been contained.

OCD believes Operator has not been conducting proper maintenance or operation of its wells and that Operator is unable or unwilling to respond to OCD inquiries. Due to the Operator's

unresponsiveness, OCD has had to issue an Emergency Order. A true and correct copy of said Emergency Order is attached hereto as **Exhibit C**.

These alleged facts constitute violations of the following:

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.*

19.15.29.8 NMAC:

A. Prohibition. Except as provided in 19.15.27 NMAC or 19.15.28 NMAC, major releases and minor releases are prohibited.

19.15.29.11 NMAC:

A. Characterization requirements. The responsible party must submit information characterizing the release to the appropriate division district office within 90 days of discovery of the release or characterize the release by submitting a final closure report within 90 days of discovery of the release in accordance with Subsection E of 19.15.29.12 NMAC. The responsible party may seek an extension of time to submit characterization information for good cause as determined by the division. The responsible party must submit the following information to the division.

19.15.29.12 NMAC:

A. The responsible party must remediate all releases regardless of volume.

3. **Compliance:** No later than thirty (30) days after receipt of this NOV, Operator shall:
- a. plug and abandon the thirteen (13) wells listed in **Exhibit A**. OCD reserves the right to order plugging (or to plug itself) the additional seven wells operated by Operator due to Operator's continued non-compliance and unavailability.
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 well(s);
 - d. remediation and restoration of well location(s) and associated facilities, including the removal of surface and subsurface equipment and other materials;
 - e. remediation and restoration of location(s) affected by a spill or release;
 - f. forfeiture of financial assurance;
 - g. shutting in well(s); and
 - 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/or 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 (or lack thereof) to comply with the applicable requirements. Copies of the civil penalty calculations are attached as **Exhibit B**.
- d. **Reservation of Rights:** OCD reserves the right to seek plugging and abandonment of all wells operated by Operator due to Operator's inability and/or unwillingness to comply with OCD Rules.

Civil Penalty: 19.15.5.9(A)(4) NMAC:	\$ 39,600.00
19.15.29.8	\$ <u>2,500.00</u>
TOTAL:	\$ 42,100.00

5. **Informal resolution:** A process is available to informally discuss and resolve the NOV. This process will run for 30 days from the date of your receipt of this letter. To initiate this process, contact the OCD employee identified at the end of this letter.
6. **Hearing:** OCD will docket this matter for January 8, 2026, at which time this case will move forward to a formal hearing should informal resolution be unsuccessful. Please see 19.15.5.10 NMAC for more information regarding the hearing.

For more information regarding this NOV, contact Michael Hall at (505) 479-1137
or Michael.Hall@emnrd.nm.gov

Regards,



Albert C.S. Chang
Director, Oil Conservation Division

cc: Office of General Counsel, EMNRD

Exhibit A

Inactive Well List

Total Well Count: 20 Inactive Well Count: 13

Printed On: Monday, November 24 2025

District	API	Well	ULSTR	OCD Unit	Ogrld	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-07152	CLOVIS K KENDRICK #001	I-06-12S-38E	I	330754	Nitro Oil & Gas, LLC	P	P	O	07/2010		T	7/1/2024
1	30-025-07153	CLOVIS K KENDRICK #002	P-06-12S-38E	P	330754	Nitro Oil & Gas, LLC	P	P	O	11/2012		T	11/1/2024
1	30-025-07145	CONTINENTAL WALLACE #001	N-06-12S-38E	N	330754	Nitro Oil & Gas, LLC	P	P	S	11/2022			
1	30-025-43890	DECKER #001H	M-17-12S-38E	M	330754	Nitro Oil & Gas, LLC	P	P	O	01/2024			
1	30-025-07114	GLAD WALLACE #001	I-31-11S-38E	I	330754	Nitro Oil & Gas, LLC	P	P	S	01/2022		N	
1	30-025-07190	HENRY A HARRIS #004	G-18-12S-38E	G	330754	Nitro Oil & Gas, LLC	P	P	O	10/2007	TA EXPIRES 07/29/2017	T	10/1/2023
1	30-025-43868	JENNA #001H	O-30-11S-38E	O	330754	Nitro Oil & Gas, LLC	P	P	O	02/2024			
1	30-025-05019	JOHN SHULTS #001	O-13-12S-37E	O	330754	Nitro Oil & Gas, LLC	P	P	O	12/2023			
1	30-025-31152	PITTS KENDRICK #001	J-05-12S-38E	J	330754	Nitro Oil & Gas, LLC	P	P	O	04/2013	DEVONIAN	T	5/25/2024
1	30-025-45389	STATE 07 COM #001H	A-28-12S-38E	A	330754	Nitro Oil & Gas, LLC	S	P	O	09/2022	SAN ANDRES		
1	30-025-07148	V V WALLACE #003	G-06-12S-38E	G	330754	Nitro Oil & Gas, LLC	P	P	O	02/2013		T	5/25/2024
1	30-025-30034	YATES STATE #001	P-18-12S-38E	P	330754	Nitro Oil & Gas, LLC	S	P	O	06/2023	WOLFCAMP		
1	30-025-30255	YATES STATE #002	H-16-12S-38E	H	330754	Nitro Oil & Gas, LLC	S	P	O	06/2023	WOLFCAMP		

WHERE Operator:330754, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Exhibit B

Exhibit C

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

IN RE: API 30-025-07171

EMERGENCY ORDER

The Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) issues this Emergency Order to remediate an active release and to plug and abandon the underlying well, which according to the signage is the OBERHOLTZER #001 (API 30-025-07171) operated by Nitro Oil & Gas, LLC.

FINDINGS

1. On October 31, 2025, OCD received a phone call from a land owner informing OCD that the Oberholtzer #001 (API 30-025-07171) (“The Well”) is leaking.
2. The Well is located at Township 12 South, Range 38 East, Section 8, OCD Unit Letter B, 660 feet from the north line and 1980 feet from the west line.
3. OCD tried contacting representatives of the registered operator and responsible party, Nitro Oil & Gas, LLC. [OGRID 330754] (“Operator”), repeatedly through both emails and phone calls to the address and phone number on file with OCD.
4. Operator is the registered operator of twenty wells, thirteen of which are in “inactive” status in violation of 19.15.25.8 NMAC and 19.15.5.9 NMAC.
5. Operator has not reported production on any well registered under its name since January 2025.
6. Operator has not submitted any form or information through OCD Permitting since February 3, 2025.
7. As of the date of this Order, the Operator has not reported the release or notified OCD that the release has been contained.
8. Upon information and belief, the release documented at The Well:
 - a. May qualify as a major release pursuant to 19.15.29.7(A) NMAC, but in any event constitutes an impermissible release under OCD regulations;
 - b. May with reasonable probability endanger public health or substantially damage property or the environment; and,
 - c. Is not subject to plugging or remediation activity by any currently identifiable operator.
9. Upon information and belief, Operator is not currently conducting proper maintenance on its wells, or able to be contacted.
10. The Division finds that, absent additional information, The Well, pursuant to Section 70-2-38 of the Oil and Gas Act and is eligible for remediation, reclamation, and any necessary plugging and abandonment activity through use of the Reclamation Fund.

11. Pursuant to Section 70-2-23 of the Oil and Gas Act and 19.15.2.11(A) NMAC, the Division finds that an emergency exists regarding the release identified at The Well, which requires an Order permitting the Division to immediately remediate the release and perform any necessary plugging, abandonment, and remediation of The Well and any associated tank battery, facility, and attached infrastructure.

ORDER

12. To reduce waste, prevent potential damage to correlative rights, and to protect public health and the environment, the Division hereby ORDERS that the Division may immediately remediate the identified release and perform any necessary work to properly plug and abandon, reclaim, and remediate The Well and attached infrastructure through use of the Reclamation Fund.
13. The Division hereby finds, and provides Operator with notice, that OCD intends to cancel Operator's authorization to transport or inject if Operator does not file an acceptable and complete form C-115. Operator is notified that it has a right to request a hearing pursuant to 19.15.4.8 NMAC.
14. The Division retains jurisdiction of this matter for the entry of such further orders as determined necessary and retains the right to pursue possible enforcement actions or potential actions to recover costs associated with work performed pursuant to this Order.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

Albert Chang

**ALBERT C.S. CHANG
DIRECTOR**

11/24/2025

Date:

EXHIBIT 4

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

**IN RE: NOTICE OF VIOLATION ISSUED TO NITRO OIL & GAS, LLC
CASE NO. 25802**

AFFIDAVIT OF SARA GRIEGO

I, SARA GRIEGO, being first duly sworn on oath, states as follows:

1. I am employed as Law Clerk with the New Mexico Oil Conservation Division ("OCD"). My duties include, but are not limited to, sending out electronic and certified copies of documents to Respondents in cases filed by OCD against operators.
2. I have personal knowledge of the matters stated herein.
3. On or about December 5, 2025, I emailed the Docketing Notice and attached Notice of Violation with attached exhibits associated with this case to: accounting@nitro-og.com and operations@nitro-og.com. These are email addresses provided to OCD Permitting by Respondent.
4. On or about December 17, 2025, the Docketing Notice and Notice of Violation with attached exhibits was sent by certified mail to the address provided by Respondent to OCD Permitting: Nitro Oil & Gas, LLC, 223 W. Wall Street, Suite 240, Midland, Texas 79701. Both packages were returned to OCD on December 18, 2025 for insufficient address. These documents were sent to the address provided by Respondent to OCD.

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

Dec, 2025, by Sara Griego.

Monique Ortiz
Notary Public in and for the State of New Mexico

My Commission Expires:

12/16/28

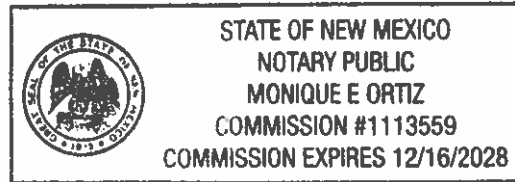


EXHIBIT 5

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

IN RE: API 30-025-07171

EMERGENCY ORDER

The Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) issues this Emergency Order to remediate an active release and to plug and abandon the underlying well, which according to the signage is the OBERHOLTZER #001 (API 30-025-07171) operated by Nitro Oil & Gas, LLC.

FINDINGS

1. On October 31, 2025, OCD received a phone call from a land owner informing OCD that the Oberholtzer #001 (API 30-025-07171) (“The Well”) is leaking.
2. The Well is located at Township 12 South, Range 38 East, Section 8, OCD Unit Letter B, 660 feet from the north line and 1980 feet from the west line.
3. OCD tried contacting representatives of the registered operator and responsible party, Nitro Oil & Gas, LLC. [OGRID 330754] (“Operator”), repeatedly through both emails and phone calls to the address and phone number on file with OCD.
4. Operator is the registered operator of twenty wells, thirteen of which are in “inactive” status in violation of 19.15.25.8 NMAC and 19.15.5.9 NMAC.
5. Operator has not reported production on any well registered under its name since January 2025.
6. Operator has not submitted any form or information through OCD Permitting since February 3, 2025.
7. As of the date of this Order, the Operator has not reported the release or notified OCD that the release has been contained.
8. Upon information and belief, the release documented at The Well:
 - a. May qualify as a major release pursuant to 19.15.29.7(A) NMAC, but in any event constitutes an impermissible release under OCD regulations;
 - b. May with reasonable probability endanger public health or substantially damage property or the environment; and,
 - c. Is not subject to plugging or remediation activity by any currently identifiable operator.
9. Upon information and belief, Operator is not currently conducting proper maintenance on its wells, or able to be contacted.
10. The Division finds that, absent additional information, The Well, pursuant to Section 70-2-38 of the Oil and Gas Act and is eligible for remediation, reclamation, and any necessary plugging and abandonment activity through use of the Reclamation Fund.

11. Pursuant to Section 70-2-23 of the Oil and Gas Act and 19.15.2.11(A) NMAC, the Division finds that an emergency exists regarding the release identified at The Well, which requires an Order permitting the Division to immediately remediate the release and perform any necessary plugging, abandonment, and remediation of The Well and any associated tank battery, facility, and attached infrastructure.

ORDER

12. To reduce waste, prevent potential damage to correlative rights, and to protect public health and the environment, the Division hereby ORDERS that the Division may immediately remediate the identified release and perform any necessary work to properly plug and abandon, reclaim, and remediate The Well and attached infrastructure through use of the Reclamation Fund.
13. The Division hereby finds, and provides Operator with notice, that OCD intends to cancel Operator's authorization to transport or inject if Operator does not file an acceptable and complete form C-115. Operator is notified that it has a right to request a hearing pursuant to 19.15.4.8 NMAC.
14. The Division retains jurisdiction of this matter for the entry of such further orders as determined necessary and retains the right to pursue possible enforcement actions or potential actions to recover costs associated with work performed pursuant to this Order.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C.S. CHANG
DIRECTOR**

11/24/2025

Date: