

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

IN RE: NOTICE OF VIOLATION ISSUED TO FINALY RESOURCES, LLC

OGRID # 331515

CASE NO. 26042

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 February of 2026, OCD Administrative Compliance Supervisor Rob Jackson, in the course and scope of his duties with OCD, conducted a compliance assessment for the above-referenced operator. 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 eighteen (18) wells, of which eight (8) are listed as inactive. Additionally,

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 19.15.5.10 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.

OCD duly filed the NOV and Docketing Notice in this matter and served it on Respondent. Respondent has proposed a settlement and plan to bring the wells into compliance. OCD believes an SFO will soon be agreed to with Respondent.

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 \$3,600.00 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. Madai Corral, OCD Law Clerk

Testifying by affidavit, and, if necessary, live testimony

Ms. Corral is a 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, if any. These documents were served by certified mail and electronic mail (if provided by operator) to the addresses designated by Respondent in OCD permitting.

EXHIBITS:

- Exhibit 1 Affidavit of Rob Jackson**
- Exhibit 2 Resume of Rob Jackson**
- Exhibit 3 Notice of Violation**
- Exhibit 4 Affidavit of Madai Corral**

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 April 28, 2026, this pleading was served upon Respondent by electronic mail at:

Tom Finaly

tom@finalyresources.com

A handwritten signature in black ink, appearing to read 'M. Hall', is written over a light gray rectangular background.

Michael Hall, Attorney for Petitioner

EXHIBIT 1

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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IN RE: NOTICE OF VIOLATION ISSUED TO FINALY RESOURCES, LLC

OGRID # 331515

CASE NO. 26042

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. Generally, my process for bringing an inactive well NOV against a non-compliant operator begins with entering information relating to the operator’s basic information, such name, address, number of inactive wells and total registered wells, and the latest date when the operator last reported production on their wells. I also run the inactive well report and convert that into a pdf to be attached to the NOV. I also update and populate the penalty calculator template and convert it to a pdf. I update and populate the penalty calculator template then convert it to a pdf.

3. For operators in violation of 19.15.8.9 NMAC (financial assurance violations), I also run the financial assurance report and turn it into a pdf. I then take the wells that are not sufficiently covered by financial assurance and add them to the civil penalty calculator spreadsheet. For operators in violation of 19.15.7.24 NMAC (missed reporting violations),

I also run a report from Action Status to review their C-115 submissions and find the most current month that they filed a C-115 for.

4. I then also go to a link that shows all of the operator's wells which show current and even ones that were plugged in the past and download that into excel. From there I must sort by status of well and evaluate which ones apply to the NOV or not. For instance, wells that have a status of "plugged, not released" apply only to the financial assurance violation because those still need bonding. However, "plugged site released" wells do not apply to inactive well violations because it is technically plugged and no longer a well. There are a few other statuses for wells that require this kind of reviewing to differentiate where or whether or not it applies to the civil penalty calculator. If a well has a "Reclamation fund approved" status, then I go through that well's hearing documents and pull those together in the NOV document collection that I send to legal.

5. 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.

6. On or about February 19, 2026, I generated the Inactive Well List and Civil Penalty Calculations attached to the NOV in this case.

7. 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 February 19, 2026.

8. The Inactive Well List indicated that Respondent operated and was the responsible party for eighteen (18) 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 eight (8) of the wells it operates. 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.

9. Eight (8) wells are out of compliance with OCD Regulations by being unplugged and inactive and/or failing to have the proper reports submitted by Operator.

10. 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 three thousand and six hundred dollars and no cents (\$3,600.00).

FURTHER AFFIANT SAYETH NOT.

Rob Jackson

ROB JACKSON

STATE OF NEW MEXICO
COUNTY OF SANTA FE

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this 21st day of
April, 2026, by Rob Jackson.

Monique Ortiz

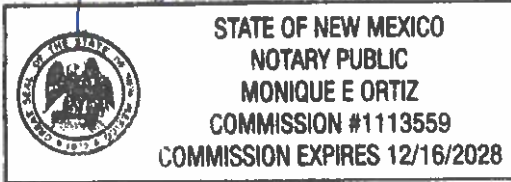


EXHIBIT 2

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
- Linux & open source
- Acrobat
- MS Office Suite
- Copilot (AI)
- ESRI ArcMap
- ESRI ArcPro
- QGIS
- Photoshop
- 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)

Sam's Club

- 3 years Team leader (4-6 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

EXHIBIT 4

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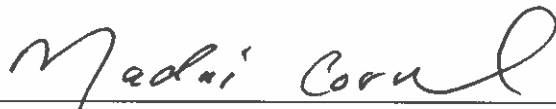
CASE NO. 26042

AFFIDAVIT OF MADAI CORRAL

I, **MADAI CORRAL**, being first duly sworn on oath, states as follows:

1. I am employed as a 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 March 6, 2026, I emailed the Docketing Notice and Notice of Violation with attached exhibits associated with this case to the email on the NOV in this case. This is the email address provided to OCD Permitting by Respondent. To the best of my knowledge, the email was delivered.
4. On or about March 6, 2026, the Docketing Notice and Notice of Violation with attached exhibits were sent by certified mail to the address provided by Respondent to OCD Permitting, which is the address on the NOV. These documents were delivered on or about March 16, 2026. These documents were sent to the address provided by Respondent to OCD.

FURTHER AFFIANT SAYETH NOT.

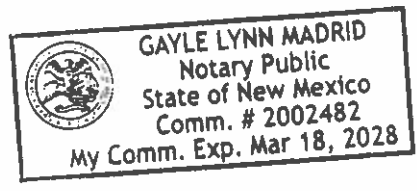


MADAI CORRAL

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

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this 28 day of

April, 2026, by Madai Corral.



Gayle Madrid

Notary Public in and for the State of New Mexico

My Commission Expires:

3/18/28