

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

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

OGRID # 332127

CASE NO. 26073

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 forty-six (46) wells, of which forty-three (43) are listed as inactive. Additionally, Respondent failed to respond to an Emergency Order and has not filed

a C-115 since the required reporting for August 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 19.15.5.10 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. As of today's date, Respondent has failed to avail itself of the informal resolution period set out in the NOV and has not responded to OCD communications.

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 \$73,350.00 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:

Nathaniel Joseph Ragette
nat@scorpionog.com



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 SCORPION OIL & GAS, LLC

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CASE NO. 26073

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 23, 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 December 29, 2025. Additionally, I utilized the OCD Permitting database to determine that Operator had not filed the C-115 reports as required by law, and used that information to determine civil penalties relating to that violation.

8. The Inactive Well List indicated that Respondent operated and was the responsible party for forty-six (46) 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 forty-three (43) 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. All forty-six (46) 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 seventy-three thousand, three hundred and fifty dollars (\$73,350.00).

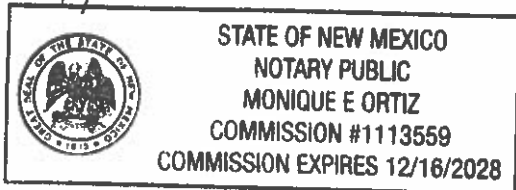
FURTHER AFFIANT SAYETH NOT.

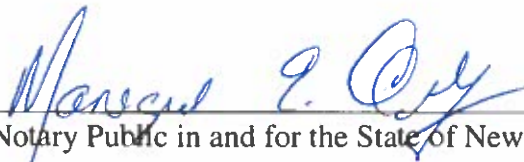


ROB JACKSON

STATE OF NEW MEXICO
COUNTY OF SANTA FE

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





Notary Public in and for the State of New Mexico

My Commission Expires:

12/16/28

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

State of New Mexico
Energy, Minerals and Natural Resources Department



Michelle Lujan-Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division

BY CERTIFIED MAIL AND ELECTRONIC MAIL

March 24, 2026

Nathaniel Joseph Ragette
CEO- Scorpion Oil & Gas, LLC
4779 South Main Street
Stafford, TX 77477
nat@scorpionog.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:* Scorpion Oil & Gas, LLC, OGRID 332127 (“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.*

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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 forty-six (46) wells. The forty-three (43) wells identified in **Exhibit A** are out of compliance with 19.15.25.8 NMAC. Further, some of those wells are covered by the ACOI and Operator has failed to take the actions agreed to with regard to those wells.

19.15.7.24 NMAC:

- A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.*
- B. An operator shall file the reports 19.15.7.24 NMAC requires using the division's web-based online application on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would operate as an economic or other hardship.*

Operator has not submitted the required C-115 for any well since October of 2024 for the month of August, 2024.

Additionally, the Emergency Orders attached hereto as **Exhibit B** were required against Operator. Operator failed to properly address the emergency as more thoroughly described in the Orders themselves. Operator's lack of responsibility and responsiveness have evidenced its

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inability comply with the laws of the State of New Mexico for compliant operation of oil and gas wells. **Exhibit C** is the Notice of Intent to Plug thirteen (13) wells related to Operator's non-compliance with NMOCD-ACOI-201970, which is hereby incorporated by reference.

3. **Compliance**: No later than thirty (30) days after receipt of this NOV, Operator shall (a) submit production reports for all of its wells; and (b) plug and abandon all of the forty-three (43) wells listed in **Exhibit A**.
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 an order authorizing OCD to plug and abandon those wells.
- b. **Termination of Authorization to Transport**: OCD will request an order terminating Operator's authority to transport from all wells.
- c. **Civil Penalties**: OCD proposes to assess civil penalties as specified below. The civil penalty calculations are attached. OCD has taken into consideration the alleged violator's good faith effort (or lack thereof) to comply with the applicable requirements. Copies of the civil penalty calculations are attached as **Exhibit D**.

Civil Penalty: \$73,350.00

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 May 5, 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,

State of New Mexico
Energy, Minerals and Natural Resources Department

Albert Chang

Albert C.S. Chang
Director, Oil Conservation Division

cc: Office of General Counsel, EMNRD

EXHIBIT A

Inactive Well List

Total Well Count: 46 Inactive Well Count: 43

Printed On: Monday, February 23 2026

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-33842	ARCO A #003H	N-18-17S-39E	N	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-31989	ARCO A COM #001	F-18-17S-39E	F	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-05178	B C DICKINSON D #004	F-35-14S-37E	F	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	RWTP 01/21/2011		
1	30-025-05179	B C DICKINSON D #005	C-35-14S-37E	C	332127	Scorpion Oil & Gas, LLC	P	P	O	05/2015	DEVONIAN RWTP 04/26/2011	T	11/1/2020
1	30-025-05118	BUCKLEY A #001	M-25-14S-37E	M	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-05121	BUCKLEY A #003	L-25-14S-37E	L	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024			
1	30-025-05122	BUCKLEY A #004	N-25-14S-37E	N	332127	Scorpion Oil & Gas, LLC	P	P	O	01/2014	DEVONIAN	T	2/21/2020
1	30-025-05124	BUCKLEY B #001	E-25-14S-37E	E	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024			
1	30-025-05127	BUCKLEY B #004	F-25-14S-37E	F	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	PENN RETURN TO PROD 11/07/2007		
1	30-025-29334	C E BROOKS #002H	E-18-17S-39E	E	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024			
1	30-025-07299	CONE #001H	P-12-17S-38E	P	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-07306	F M HOLLOWAY #001	B-13-17S-38E	B	332127	Scorpion Oil & Gas, LLC	P	P	S	08/2024	REPAIR LEAK 11/6/2012 SWD 51		
1	30-025-29806	FEDERAL DAVIS #003	I-13-17S-38E	I	332127	Scorpion Oil & Gas, LLC	F	P	O	04/2023	DEVONIAN		
1	30-025-36968	FEDERAL DAVIS #004	H-13-17S-38E	H	332127	Scorpion Oil & Gas, LLC	F	P	O	04/2023	DEVONIAN		
1	30-025-20931	H H HARRIS #002	O-35-12S-38E	O	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	WOLFCAMP		
1	30-025-07303	J G COX SWD #001	C-13-17S-38E	C	332127	Scorpion Oil & Gas, LLC	P	P	S	08/2024	SAN ANDRES/BONE SPRING		
1	30-025-05112	LEE WHITMAN B #007	O-23-14S-37E	O	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024			
1	30-025-09864	PRIEST #002	4-01-15S-37E	D	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024			
1	30-025-09863	PRIEST #003	3-01-15S-37E	C	332127	Scorpion Oil & Gas, LLC	P	P	O	03/2020		T	9/19/2017
1	30-025-05164	SHELL MAXWELL #001	J-27-14S-37E	J	332127	Scorpion Oil & Gas, LLC	P	P	S	07/2023	DEVONIAN SWD-969 RTTI 07/25/2013		
1	30-025-05133	SHELTON #006	D-26-14S-37E	D	332127	Scorpion Oil & Gas, LLC	P	P	O	05/2008		T	3/20/2021
1	30-025-05242	STATE H #001	H-02-15S-37E	H	332127	Scorpion Oil & Gas, LLC	S	S	O	08/2024	DEVONIAN		
1	30-025-05232	STATE T #007	N-02-15S-37E	N	332127	Scorpion Oil & Gas, LLC	S	S	O	10/2009	DEVONIAN	T	2/3/2022
1	30-025-05229	State T Devonian #004	M-02-15S-37E	M	332127	Scorpion Oil & Gas, LLC	S	S	O	08/2011		T	3/20/2021
1	30-025-25570	State T Devonian #009	N-02-15S-37E	N	332127	Scorpion Oil & Gas, LLC	S	S	O	05/2006		T	3/20/2021
1	30-025-37253	T D POPE 26 #002	N-26-14S-37E	N	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN HORIZONTAL DRILL		
1	30-025-05141	T D POPE 26 #004H	M-26-14S-37E	M	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	HORIZONTAL R/C 4/05		
1	30-025-05142	T D POPE 26 #006H	J-26-14S-37E	J	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-05145	T D POPE 26 #010	P-26-14S-37E	P	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN RWTP 04/12/11		
1	30-025-05147	T D POPE 26 #014H	O-26-14S-37E	O	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN / HORIZONTAL		
1	30-025-05150	T D POPE 26 #017H	I-26-14S-37E	I	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	320 S/2 RWTP 10/13/12		
1	30-025-36933	T D POPE 35 #001H	B-35-14S-37E	B	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN /WORKOVER 12/7/2011		
1	30-025-37032	T D POPE 35 #002H	H-35-14S-37E	H	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2019	INT REMEDIAL WORK 05/01/2012		
1	30-025-05187	T D POPE 35 #004H	O-35-14S-37E	O	332127	Scorpion Oil & Gas, LLC	P	P	O	10/2022	DEVONIAN 05/19/08 RET TO PROD		

1	30-025-05189	T D POPE 35 #006	P-35-14S-37E	P	332127	Scorpion Oil & Gas, LLC	P	P	O	06/2018	RWTP 07/4/12		
1	30-025-40033	T D POPE 35 #034	A-35-14S-37E	A	332127	Scorpion Oil & Gas, LLC	P	P	O	10/2021	DEVONIAN SPUD 05/11/2011		
1	30-025-05209	T D POPE 36 #001	M-36-14S-37E	M	332127	Scorpion Oil & Gas, LLC	P	P	O	12/2020	XBND		
1	30-025-05213	T D POPE 36 #005	E-36-14S-37E	E	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-05214	T D POPE 36 #006	D-36-14S-37E	D	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	DEVONIAN		
1	30-025-05216	T D POPE 36 #008	F-36-14S-37E	F	332127	Scorpion Oil & Gas, LLC	P	P	O	08/2024	01/28/2011 RET TO PROD		
1	30-025-05217	T D POPE 36 #009	C-36-14S-37E	C	332127	Scorpion Oil & Gas, LLC	P	P	O	02/2014	02/18/11 RET TO PROD	T	11/7/2020
1	30-025-39999	T D POPE 36 #010	D-36-14S-37E	D	332127	Scorpion Oil & Gas, LLC	S	P	I	10/2020	DEVONIAN CONVERT TO INJ 12/29/2011		
1	30-025-05204	W T MANN A #002	B-36-14S-37E	B	332127	Scorpion Oil & Gas, LLC	P	P	I	08/2024	CONVERT TO INJ 07/12/2011	T	5/24/2019

WHERE Operator:332127, 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

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

IN RE API 30-025-20931, HH Harris #002

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 API 30-025-38561.

FINDINGS

1. On May 15, 2025, OCD executed an Emergency Order to Scorpion Oil & Gas LLC (Scorpion) (OGRID 332127) to contain an active release at, and to plug and abandon the HH Harris #002 well. Prior to OCD taking action under the May 15, 2025, Order, Operator responded to OCD and acted to contain the release.
2. On October 2, 2025, OCD issued a Notice of Intent to plug thirteen of Scorpion’s wells due to Scorpion’s failure to comply with the terms of Agreed Compliance Order for Inactive Wells 201970, and the referenced wells remaining in non-compliant/inactive status.
3. As of the date of this Order, Scorpion is the registered operator of 46 wells. 43 of the wells have been inactive for more than fifteen months, in violation of 19.15.25.8 and 19.15.5.9 NMAC. Operator has not reported production on any well since August 2024.
4. Operator has not submitted any form or information through OCD Permitting since October 7, 2024.
5. On February 20, 2026, OCD received a report of release at the HH Harris #002, API 30-025-20931 from an affected landowner.
6. The landowner described an active fluid leak, confirmed the well and location of the leak, and indicated that it was necessary to move cattle out of the area due to the release.

7. OCD attempted to contact Scorpion by calling all phone numbers associated with the operator's registration. OCD was unsuccessful in reaching any representative of Scorpion.
8. OCD field inspection staff dispatched to the location on February 20, 2026. OCD confirmed an active release was taking place and documented the release by video. The release appears to be a subsurface leak of production fluids causing the well cellar to fill and a surface flow of contaminants surrounding the pump jack with potential to leave the well pad.
9. Operator has not reported the release or notified OCD that the release has been contained. Operator has not responded to calls from OCD.
10. Upon information and belief, the release documented at API 30-025-20931:
 - a. may qualify as a major release pursuant to 19.15.29.7(A) NMAC;
 - b. may with reasonable probability endanger public health; or,
 - c. substantially damage property or the environment; and,
 - d. is not subject to plugging or remediation activity by any currently identifiable operator.
11. Upon information and belief, Operator is not currently conducting maintenance or other oil and gas related activity in the state of New Mexico.
12. The Division finds that, absent additional information, API 30-025-20931 is an abandoned 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.
13. 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 API 30-025-20931, which requires an Order permitting the Division to immediately remediate the release and perform any necessary plugging and abandonment of the well.

ORDER

14. 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 API 30-025-20931 through use of the Reclamation Fund.

15. 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**

Date: 2/21/2025

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

IN RE API 30-025-20931, HH Harris #002

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 API 30-025-38561.

FINDINGS

1. On or about May 12, 2025, the OCD discovered a liquids release from the well head of the HH Harris #002, API 30-025-20931 and documented the release.
2. On May 12, 2025, the Division contacted representatives of the registered operator and responsible party, Scorpion Oil & Gas, LLC [OGRID 332127] (“Operator”), notifying the Operator of the release.
3. On or about May 14, 2025, OCD received a phone call from Nathaniel Raggette, Operator’s CEO, indicating that the Operator would dispatch someone to tighten bolts at the wellhead.
4. Operator is the registered operator of forty-six wells, seventeen of which are “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 since August 2024.
6. Operator has not submitted any form or information through OCD Permitting since October 7, 2024.
7. As of the date of this Order, Operator has not reported the release or notified OCD that the release has been contained.
8. Upon information and belief, the release documented at API 30-025-20931:
 - a. may qualify as a major release pursuant to 19.15.29.7(A) NMAC;
 - b. may with reasonable probability endanger public health; or,
 - c. substantially damage property or the environment; and,

- d. is not subject to plugging or remediation activity by any currently identifiable operator.
9. Upon information and belief, Operator is not currently conducting maintenance or other oil and gas related activity in the state of New Mexico.
10. The Division finds that, absent additional information, API 30-025-20931 is an abandoned 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 API 30-025-20931, which requires an Order permitting the Division to immediately remediate the release and perform any necessary plugging and abandonment of the well.

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 API 30-025-20931 through use of the Reclamation Fund.
13. 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**



**GERASIMOS RAZATOS
ACTING DIRECTOR**

Date: 5/15/2025

EXHIBIT C

State of New Mexico
Energy, Minerals and Natural Resources Department

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



**NOTICE OF INTENT TO PLUG PURSUANT TO AGREED COMPLIANCE ORDER
FOR INACTIVE WELLS, NMOCD-ACOI-201970**

BY ELECTRONIC AND CERTIFIED MAIL

October 2, 2025

Nathaniel Joseph Ragette
CEO- Scorpion Oil & Gas, LLC
4779 South Main Street
Stafford, TX 77477
nat@scorpionog.com

Dear Mr. Ragette:

The Director of the Oil Conservation Division (“OCD”) hereby issues this Notice of Intent to Plug that the OCD intends to plug thirteen (13) of Scorpion Oil & Gas, LLC’s (“Operator”) wells due to noncompliance with the Agreed Compliance Order for Inactive Wells executed on or about November 14, 2023 in NMOCD-ACOI-201970. The aforementioned ACOI signed and executed by you on behalf of Operator is incorporated by reference herein as though set forth in full.

Operator has violated paragraphs 9, 10, 11, and 14 of the Agreed Compliance Order for Inactive Wells, NMOCD-ACOI-201970 with regard to the following wells:

BC Dickinson D #005 (API # 30-025-05179), Buckley A #004(API #30-025-05122), Priest #003 (API # 30-025-09863), Shelton #006 (API #30-025-05133), State T #007(API # 30-025-05232), State T Devonian #004 (API # 30-025-05229), State T Devonian #009 (API # 30-025-25570), T D Pope 35 #002H (API # 30-025-37032), T D Pope 35 #006 (API # 30-025-05189), T D Pope 35 #034 (API # 30-025-40033), T D Pope 36 #001 (API # 30-025-05209), T D Pope 36 #009 (API # 30-025-05217), and T D Pope 36 #010 (API # 30-025-39999).

Pursuant to Paragraph 19 of the ACOI, OCD intends to plug and abandon the wells listed above. OCD also intends to claim all applicable financial assurance provided by Operator.

OCD reserves the right to and intends to seek indemnification for all costs to plug and abandon, remediate, and reclaim the wells and any associated facilities.

Operator is in violation of 19.15.25.8, 19.15.5.9, and 19.15.5.10 NMAC, as well as the ACOI, and, thus, may not be eligible to acquire, transfer, or apply for any new wells.

Please contact Michael Hall, Assistant General Counsel, at Michael.Hall@emnrd.nm.gov with any questions you may have about this Notice.

Regards,



Albert C.S. Chang
Division Director
Oil Conservation Division

10/7/2025

Date

EXHIBIT D

EXHIBIT 4

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

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

OGRID # 332127

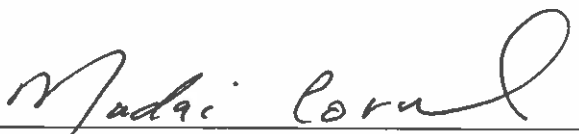
CASE NO. 26073

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 April 1, 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 April 1, 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 April 10, 2026. These documents were sent to the address provided by Respondent to OCD.

FURTHER AFFIANT SAYETH NOT.

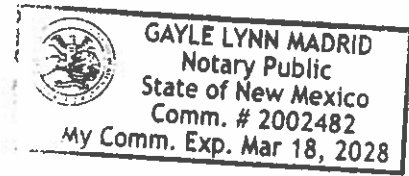


MADAI CORRAL

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