

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

IN RE CHUZA OIL COMPANY

CASE NO. 22986

**NEW MEXICO OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division (“OCD”) submits this Pre-Hearing Statement, in accordance with 19.15.5.10(E)(2)(e) NMAC.

I. WITNESSES

OCD will present one witness, Mr. Rob Jackson, Compliance Supervisor, with OCD’s Administrative and Compliance Bureau, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

II. DIRECT TESTIMONY

On June 2, 2022, OCD issued a Notice of Violation to Chuza Oil Company [OGRID #279508] (“Operator”). Exhibit 2.

The NOV alleges a single violation and requests specific relief.

Operator has more than two (2) inactive wells. 19.15.9(A)(4)(a) NMAC states that an operator with less than 100 wells must plug and abandon or place into approved temporary abandonment status those inactive wells that exceed the threshold of two (2) wells or 50 percent of all wells. Operator is registered as the operator of twenty nine (29) wells, all of which are inactive and none of which have been plugged and abandoned or placed into approved temporary abandonment status. Exhibit 2, Table 1. For this violation, OCD requests an order requiring Operator to plug and abandon the wells by a date certain or to allow OCD to do so, and if OCD plugs and abandons the wells, to forfeit the financial assurance for the wells and require Operator

to pay the excess cost to plug and abandon the wells. OCD also proposes to assess a civil penalty of eleven thousand six hundred dollars (\$11,600) for exceeding the inactive well threshold. Exhibit 5.

OCD sent Operator the NOV by certified mail on June 2, 2022, but the notice was returned as undeliverable. *See* Exhibit 4. OCD also served the NOV by email at Operator's email address of record on June 2, 2022. *See* Exhibit 2. OCD also served its Notice of Docketing by e-mail on July 26, 2022. *See* Exhibit 3. The Notice of Docketing was also served by email on July 26, 2022. *See* Exhibit 3.

OCD has not received any response from Operator.

Operator did not file an answer to the NOV Docketing Notice as allowed by 19.15.5.10(E)(2)(b) NMAC.

OCD requests an order revoking Operator's registration, terminating Operator's authority to transport from all wells, requiring Operator to plug and abandon inactive wells or alternatively, authorizing OCD to plug and abandon inactive wells, forfeiting financial assurance for inactive wells, requiring Operator to pay the excess cost to plug and abandon inactive wells, and assessing civil penalties against Operator in the amount of eleven thousand six hundred dollars (\$11,600).

III. EXHIBITS

Exhibit 1	Resume of Rob Jackson
Exhibit 2	Notice of Violation
Exhibit 3	Notice of Docketing Statement
Exhibit 4	Certified Mail Tracking Information
Exhibit 5	Civil Penalty Calculation - 19.15.5.9(A)(4)(a) NMAC

III. PROCEDURAL MATTERS

OCD reserves the right to call rebuttal witnesses.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck
Assistant General Counsel
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Tel (505) 709-5687
kaitlyn.luck@state.nm.us

CERTIFICATE OF SERVICE

I certify that on August 24, 2022, this pleading was served by certified and electronic mail on:

Bobby Goldstein
Chuza Oil Company
P.O. Box 306
2844 East Main Street
Suite 106
Farmington, NM 87402
bg@chuzaoil.com

Chuza Oil Company

Ernest L. Padilla
Padilla Law Firm
PadillaLawNM@outlook.com

Past attorney for Chuza Oil Company



Kaitlyn A. Luck