

**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

This matter came before the NM Oil Conservation Division for a scheduled hearing at 9 a.m. on January 8, 2026, at Santa Fe, New Mexico, before a duly appointed Hearing Officer.

NOW, the Division Director, having considered the record in this matter and the failure of the Respondent to appear, issues the following Order pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Section 70-2-1 et seq., and 19.15.5.10 NMAC.

FINDINGS OF FACT

1. The OCD has jurisdiction over the parties and the subject matter in this proceeding.
2. The OCD duly filed a Notice of Violation ("NOV") and a Docketing Notice in this matter and properly served these documents on the Respondent, Nitro Oil & Gas, LLC, via electronic mail and certified mail to their designated addresses in November and December of 2025 (pp. 3, 5, 24).
3. The NOV specified that a hearing would be held on January 8, 2026, and that a process for informal resolution was available for 30 days from receipt of the NOV (p. 14).
4. The Respondent failed to avail itself of the informal resolution period, failed to respond to notices from the OCD (including notices about a major release), and did not correct its continued non-compliance (pp. 2-3).
5. The Respondent, Nitro Oil & Gas, LLC, OGRID # 330754, failed to appear at the scheduled hearing on January 8, 2026.
6. The Respondent is the registered operator of twenty (20) wells in New Mexico, of which thirteen (13) were and remain inactive and out of compliance with OCD regulations 19.15.25.8 and 19.15.5.9 NMAC (pp. 1, 7).
7. The proposed civil penalty for these violations, as outlined in the NOV and supporting documents (Exhibits 1-5), amounts to \$42,100.00 (pp. 3, 8, 14). This includes \$39,600 for inactive well violations and \$2,500 for a release associated with an Emergency Order (pp. 8, 21).

8. The evidence admitted into the hearing record consisted of the following exhibits attached to the Pre-Hearing Statement and offered without objection by the Oil Conservation Division (OCD):
 - a) Exhibit 1: Affidavit of Rob Jackson (pp. 4, 7)
 - b) Exhibit 2: Resume of Rob Jackson (pp. 4, 10)
 - c) Exhibit 3: NOV (Notice of Violation) against Nitro Oil & Gas, LLC, dated November 24, 2025 (with attached Exhibit A: Inactive Well List and Exhibit B: Civil Penalty Calculation) (pp. 4, 12, 17, 19)
 - d) Exhibit 4: Affidavit of Sara Griego (pp. 4, 24)
 - e) Exhibit 5: Emergency Order (pp. 4, 21)
9. The evidence of Notice of the NOV and Hearing admitted without objection at the hearing demonstrates that the Respondent was provided notice of the NOV and the hearing through several methods, as detailed in the Affidavit of Sara Griego (Exhibit 4) and the Pre-Hearing Statement itself:
 - a) Electronic Mail: On or about December 5, 2025, the Docketing Notice and attached NOV were emailed to accounting@nitro-og.com and operations@nitro-og.com, the email addresses provided by the Respondent to OCD Permitting (pp. 5, 24). These documents were also emailed to the same addresses on December 31, 2025 (p. 5).
 - b) Certified Mail: The documents were also sent by certified mail on or about December 17, 2025, to the address provided by the Respondent: 223 W. Wall Street, Suite 240, Midland, Texas 79701 (pp. 12, 24). However, both packages were returned to the OCD on December 18, 2025, due to an insufficient address (p. 24).

CONCLUSIONS OF LAW

1. The Respondent's failure to appear at the duly noticed hearing constitutes a default.
2. Pursuant to 19.15.5.10 NMAC, the OCD may impose sanctions, including civil penalties, termination of authorization to transport, and plugging and abandonment of wells, for violations of Division rules (p. 3).
3. The evidence presented by the OCD staff in the pre-hearing statement and supporting affidavits is sufficient to establish the alleged violations (pp. 7, 24).

ORDER

IT IS THEREFORE ORDERED THAT:

1. The Respondent, Nitro Oil & Gas, LLC, is found to be in default for its failure to appear at the hearing on January 8, 2026.
2. The Respondent is in violation of 19.15.5.9, 19.15.7.24, 19.15.25.8 NMAC, and release regulations 19.15.29.8, 19.15.29.11, and 19.15.29.12 NMAC (pp. 3, 13).
3. A civil penalty in the amount of \$42,100.00 is hereby assessed against Nitro Oil & Gas, LLC (pp. 8, 14).
4. The civil penalty shall be paid to the "New Mexico Oil Conservation Division" within thirty (30) days from the date of this Order.
5. The OCD is authorized to proceed with the remedies sought in its Pre-Hearing Statement, including directing the Respondent to plug and abandon the non-compliant wells, terminating the Respondent's authorization to transport from all wells, and seeking indemnification for costs incurred by the OCD (pp. 3, 14).
6. Jurisdiction of this matter is retained for the entry of such further orders as the Division may deem necessary (p. 14).



1/15/2026

Albert C.S. Chang
Director, Oil Conservation Division

CERTIFICATE OF SERVICE

I certify that on January 16, 2026, I served a true and correct copy of the foregoing Order as follows:

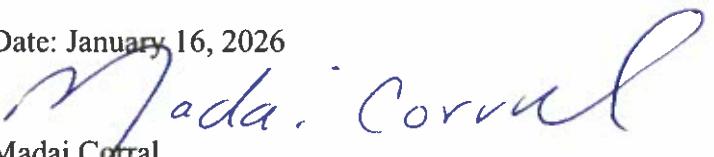
To: Nitro Oil & Gas, LLC
223 W. Wall St.
Ste. 240
Midland, Texas 79701

USPS Certified Mail Tracking No.: 70191640000082604727

- By Email:

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

Date: January 16, 2026


Madai Corral
Law Clerk
EMNRD-Oil Conservation Division