

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

IN RE CROSS BORDER RESOURCES, INC.

CASE NO. 22224

**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 Officer and Bond Administrator, with OCD’s Administrative and Compliance Bureau, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

II. DIRECT TESTIMONY

On August 12, 2021, OCD issued a Notice of Violation to Robinson Oil, Incorporated (“Operator”). Exhibit 2. The NOV alleges two violations and requests specific relief.

First, 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 sixty-one (61) wells, thirteen (13) of which were inactive and had not been plugged and abandoned or placed into approved temporary abandonment status as of the date the NOV was issued. Exhibit 2, Table 1. As of November 24, 2021, Operator currently has nineteen (19) inactive wells which have not been plugged or abandoned. 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 four thousand five hundred fifty dollars (\$4,550) for exceeding the inactive well threshold. Exhibit 5.

Second, Operator does not have sufficient financial assurance for active or inactive wells. 19.15.8.9(C) NMAC requires blanket plugging financial assurance in the amount of seventy-five thousand dollars (\$75,000) for operators with eleven to fifty qualifying wells. Operator currently has registered thirty qualifying wells but has furnished only fifty thousand dollars (\$50,000) in blanket financial assurance. 19.15.8.9(D) NMAC requires five hundred thousand dollars (\$500,000) in blanket plugging financial assurance for eleven to twenty-five qualifying inactive wells. Operator currently has eleven qualifying wells. Alternatively, Operator may provide single well inactive financial assurance in the amounts detailed in Exhibit 2, table 2. For this violation, OCD proposes a civil penalty of nine thousand dollars (\$9,000). Exhibit 6.

Operator accepted service of the NOV by certified mail on September 2, 2021. *See* Exhibit 4. OCD also served the NOV by email at Operator's email address of record on August 12, 2021. OCD also served its Notice of Docketing by certified mail, which was returned to the OCD by the United States Postal Service. *See* Exhibit 4. The Notice of Docketing was also served by email on September 20, 2021. In response to unexpectedly long delivery times by the United States Postal Service, OCD moved to continue the hearing set for October 6, 2021. 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. On August 25, 2021, after the date on which the NOV was served by email, the representative of Cross Border Resources signed four separate C-103s to further the plugging of wells by the lessee of record associated with those wells. Exhibits 7, 8, 9 & 10.

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 thirteen thousand five hundred fifty dollars (\$13,550).

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
Exhibit 6	Civil Penalty Calculation - 19.15.7.24 NMAC
Exhibit 7	Civil Penalty Calculation - 19.15.8.9 NMAC

III. PROCEDURAL MATTERS

OCD reserves the right to call rebuttal witnesses.

Respectfully submitted,



Jesse K. Tremaine
Assistant General Counsel
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Tel (505) 231-9312
Fax (505) 476-3220
Jessek.tremaine@state.nm.us

CERTIFICATE OF SERVICE

I certify that on November 24, 2021, I served this pleading by electronic mail only on:

Alan Barksdale
Chairman
Cross Border Resources, Incorporated
14282 Gillis Road
Farmers Branch, TX 75244
alan@redmountainresources.com
alan@stonestreetgroup.com



Jesse K. Tremaine