

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

**IN RE M&M PRODUCTION AND OPERATION**

**CASE NO. 21481**

**OIL CONSERVATION DIVISION'S  
AMENDED DOCKETING NOTICE**

The New Mexico Oil Conservation Division (“OCD”), pursuant to 19.15.5.10(E)(2)(a) NMAC, gives amended notice that it has docketed the Notice of Violation (“NOV”) and Civil Penalty Calculation (“CPC”), and states the following in support thereof:

1. On August 27, 2020, OCD issued the NOV and CPC to M&M Production and Operation (“M&M”). Exhibits A and B.
2. The NOV, which is incorporated by reference, identifies the factual basis for the alleged violation, the compliance action required to remedy the alleged violation, and the proposed sanction.
3. The CPC, which is incorporated by reference, describes the method for calculating the civil penalty.
4. The NOV states that if M&M does not informally resolve the NOV within 30 days of receipt of service, then OCD will hold a hearing on October 30, 2020.
5. On August 28, 2020, OCD served the NOV on M&M by certified mail.
6. On September 28, 2020, the 30 day informal resolution period expired.
7. M&M did not contact OCD during the informal resolution period, which expired without resolution of the NOV.
8. A hearing on the NOV is scheduled for December 1, 2022.

Respectfully submitted,

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

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Kaitlyn A. Luck  
Assistant General Counsel  
New Mexico Energy, Minerals and  
Natural Resources Department  
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Santa Fe, New Mexico 87505  
Tel (505) 709-5687  
Fax (505) 476-3220  
kaitlyn.luck@emnrd.nm.gov

**CERTIFICATE OF SERVICE**

I certify that on November 2, 2022, I served this pleading by first class and electronic mail

on:

M&M Production and Operation  
5006 Sandalwood Drive  
Farmington, New Mexico 87402  
[mmprod75@gmail.com](mailto:mmprod75@gmail.com)

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

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Kaitlyn A. Luck

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Cabinet Secretary

Adrienne Sandoval, Division Director  
Oil Conservation Division



**EXHIBIT A**

**BY CERTIFIED MAIL -RETURN RECEIPT REQUESTED  
AND ELECTRONIC MAIL**

August 27, 2020

M&M Production and Operation  
5006 Sandalwood Drive  
Farmington, New Mexico 87402  
[mmprod75@gmail.com](mailto:mmprod75@gmail.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:* M&M Production and Operation (“MMPO”) (OGRID # 13673).

(2) *Citation, Nature, and Factual and Legal Basis for Alleged Violation(s):*

*19.15.5.9(A)(4)(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....”*

MMPO is registered as the operator of sixty one (61) wells. Of these wells, twenty seven (27) are out of compliance with 19.15.25.8 NMA and are not subject to an agreed compliance or final order, which exceeds the threshold of two (2) wells. See Exhibit A.

(3) *Compliance:* MMPO shall submit a plan to plug and abandon twenty five (25) inactive wells no later than thirty (30) days after receipt of this NOV.

(4) *Sanction(s)*: OCD may impose one or more of the following sanctions:

- civil penalty
- modification, suspension, cancellation, or termination of a permit or authorization
- plugging and abandonment of a well
- remediation and restoration of a well location and associated facilities, including the removal of surface and subsurface equipment and other materials
- remediation and restoration of a location affected by a spill or release
- forfeiture of financial assurance
- shutting in a well or wells
- any other remedy authorized by law

For the alleged violations described above, OCD proposes the following sanction:

1) Civil Penalty:

19.15.5.9(A)(4)(a) NMAC: \$ 6,250

The civil penalty calculation is attached.

OCD may seek an order to forfeit financial assurance and plug and abandon the inactive wells.

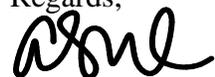
OCD will take into consideration the alleged violator's good faith effort to comply with the applicable requirement.

(5) *Informal Review and Resolution*: A process is available for the informal review and resolution of the alleged violation(s) in the NOV. To initiate the informal review process, contact the OCD employee identified at the end of this letter. If OCD and the alleged violator agree to resolve the alleged violations in the NOV, the agreement will be incorporated into a stipulated final order signed by both parties and stating that the alleged violator admits OCD's jurisdiction to file the NOV, consents to the specified relief, including the civil penalty, if any, and waives the right of review by the Oil Conservation Commission.

(6) *Hearing*: If this NOV is not resolved within thirty (30) days of receipt of service, OCD will hold a hearing on October 30, 2020. Please see 19.15.5.10 NMAC for more information regarding the hearing. Please note that the hearing does not prohibit OCD from negotiating with the alleged violator at any time to settle the NOV.

For more information regarding this NOV, contact Daniel Sanchez, OCD Compliance and Enforcement Manager, at (505) 476-3493 or [Daniel.Sanchez@state.nm.us](mailto:Daniel.Sanchez@state.nm.us).

Regards,



Adrienne Sandoval  
Director

cc: OCD Northern District  
Office of Legal Counsel, EMNRD

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
	3 30-043-20454	ALAMOS CANYON #002	A-08-21N-06W	A	13673	M & M PRODUCTION & F OPERATION		G		Aug-17 RUSTY CHACRA		
	3 30-043-20489	ALAMOS CANYON #005	L-09-21N-06W	L	13673	M & M PRODUCTION & F OPERATION		G		Jun-17 RUSTY CHACRA		
	3 30-043-20487	ALAMOS CANYON #006	P-06-21N-06W	P	13673	M & M PRODUCTION & F OPERATION		G		Jul-18 RUSTY CHACRA		
	3 30-043-20525	ALAMOS CANYON #009	F-06-21N-06W	F	13673	M & M PRODUCTION & F OPERATION		G		Jul-18 RUSTY CHACRA		
	3 30-039-23435	BOLACK E #004R	I-01-23N-06W	I	13673	M & M PRODUCTION & F OPERATION		G		Apr-18 BALLARD PC		
	3 30-039-23133	CANYON LARGO UNIT #320	5-01-24N-06W	D	13673	M & M PRODUCTION & F OPERATION		O		Feb-18		
	3 30-039-23391	GALLO CANYON #001	E-13-23N-06W	E	13673	M & M PRODUCTION & F OPERATION		O		Mar-18		
	3 30-043-20672	GULF FEDERAL 24 #001	D-24-23N-06W	D	13673	M & M PRODUCTION & F OPERATION		O		Mar-18		
	3 30-039-05347	JICARILLA 13 #001	P-23-24N-05W	P	13673	M & M PRODUCTION & J OPERATION		G		Mar-19		
	3 30-039-05436	JICARILLA 37 B #001	P-14-24N-05W	P	13673	M & M PRODUCTION & J OPERATION		G		May-15		
	3 30-039-21822	JICARILLA 37 B #006	C-25-24N-05W	C	13673	M & M PRODUCTION & J OPERATION		G		Jun-18		
	3 30-039-05257	JICARILLA ABEL #001	A-31-24N-04W	A	13673	M & M PRODUCTION & J OPERATION		G		Apr-18		
	3 30-039-05245	JICARILLA ABEL #004	D-32-24N-04W	D	13673	M & M PRODUCTION & J OPERATION		G		Apr-18		
	3 30-039-05274	JICARILLA ABEL #005	N-30-24N-04W	N	13673	M & M PRODUCTION & J OPERATION		G		Jul-15		
	3 30-039-05250	JICARILLA CONTRACT 40 #001	A-36-24N-05W	A	13673	M & M PRODUCTION & J OPERATION		G		Jun-14		
	3 30-039-21749	LARGO SPUR #004	I-18-24N-06W	I	13673	M & M PRODUCTION & F OPERATION		G		Jan-18 BALLARD PC		
	3 30-039-23436	MAGNUM #001	I-28-24N-07W	I	13673	M & M PRODUCTION & F OPERATION		O		Aug-14		
	3 30-039-05542	MEXICO FEDERAL O #001	M-10-24N-06W	M	13673	M & M PRODUCTION & F OPERATION		O		Feb-19		
	3 30-039-21078	MEXICO FEDERAL Q #001	P-23-24N-06W	P	13673	M & M PRODUCTION & F OPERATION		G		Apr-15		
	3 30-043-20429	NATANI #001	P-11-21N-06W	P	13673	M & M PRODUCTION & F OPERATION		G		Jul-18 RUSTY CHACRA		
	3 30-043-20795	NATANI #018	1-04-21N-06W	A	13673	M & M PRODUCTION & N OPERATION		G		Oct-18 RUSTY CHACRA		
	3 30-043-20821	NATANI #027	H-03-21N-06W	H	13673	M & M PRODUCTION & F OPERATION		G		Feb-19 RUSTY CHACRA		
	3 30-043-20794	NATANI #032	G-02-21N-06W	G	13673	M & M PRODUCTION & N OPERATION		G		Aug-18 RUSTY CHACRA		
	3 30-043-20737	OJO SOCORRO 21-7-10 #034	O-10-21N-07W	O	13673	M & M PRODUCTION & F OPERATION		O		Aug-18 WC ALAMITO S GAL		
	3 30-043-20157	RUSTY FEDERAL #002	H-14-22N-07W	H	13673	M & M PRODUCTION & F OPERATION		G		Feb-18		
	3 30-043-20171	RUSTY FEDERAL #003	P-14-22N-07W	P	13673	M & M PRODUCTION & F OPERATION		G		Sep-17		
	3 30-043-20190	RUSTY FEDERAL #004	M-13-22N-07W	M	13673	M & M PRODUCTION & F OPERATION		G		Feb-18		

New Mexico Oil Conservation Division  
Civil Penalty Calculation Worksheet

Violation Summary

**EXHIBIT B**

Alleged Violator: **M&M Production and Operation**

Violation Date: **6/1/2014 - present**

Citation	Description	MinPA(\$)
5.9(A)(4)(a)	each inactive well exceeding the threshold	\$ 250.00
	Basis: <i>See NOV.</i>	
	Number of Inactive Wells	25
	Penalty Subtotal:	\$ 6,250.00

Adjustment Factors

Effort to Comply:	Factor
No Cooperation or Compliance	
Comments: <i>TBD</i>	
History of Non-Compliance:	Factor
No history	
Comments:	
Negligence and Willfulness:	Factor
None	
Comments:	
Economic Impact:	Factor
Less than 50 wells or gross sales less than \$500,000	0
Comments: <i>M&amp;M Production and Operation has registered 61 wells with OCD.</i>	
Factor Subtotal:	1

Outstanding Conditions

Outstanding Conditions	MaxPA(\$)/day
No outstanding conditions	\$ 2,500.00
<b>Total Penalty=</b>	<b>\$ 6,250.00</b>

