

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**BY CERTIFIED AND ELECTRONIC MAIL**

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**NOTICE OF VIOLATION**

The Director of the Oil Conservation Division ("OCD") issues this Notice of Violation ("NOV") pursuant to 19.15.5.10 NMAC. A process is available to informally discuss and resolve the NOV. OCD will extend this process if doing so would facilitate informal resolution of the NOV. To initiate this process, contact the OCD employee identified at the end of this letter.

(1) *Alleged Violator:* Jim Pierce, OGRID # 99439 ("Operator").

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

**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 nine (9) wells. All wells identified in Table 1 are out of compliance with 19.15.25.8 NMAC and are not subject to an agreed compliance or final order:

Table 1:

<u>API</u>	<u>Well</u>	<u>Last Production Reported</u>
30-015-04591	KEOHANE FEDERAL #001	12/2020
30-015-03543	LEONARD STATE #002	02/2004
30-015-25140	MOUNTAIN STATES FEDERAL #001	05/2015
30-015-03509	STATE P #001	08/2001
30-015-10125	STATE P #002	08/2001
30-015-03540	STATE P #003	07/2015
30-015-03582	STATE S #002	03/2014
30-015-24904	TENNECO STATE #001	04/2022
30-015-25000	TENNECO STATE #002	04/2022

(3) *Compliance:* No later than thirty (30) days after receipt of this NOV, Operator shall plug and abandon all nine (9) wells listed in Table 1.

(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 sanctions:


- (a) Plug and Abandon Wells: OCD will request an order requiring Operator to plug and abandon all wells listed in Table 1, and alternatively, 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 to comply with the applicable requirements. Copies of the civil penalty calculations are attached.

Civil Penalty: 19.15.5.9(A)(4)(a) NMAC: \$ 4,050.00

(5) *Hearing:* If this NOV cannot be resolved informally, OCD will hold a hearing on December 7, 2023. Please see 19.15.5.10 NMAC for more information regarding the hearing. Even if OCD schedules a hearing, you can request an informal resolution at any time.

For more information regarding this NOV, contact Sheila Apodaca at (505) 699-8358 or [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov).

Regards,

  
Dylan M. Fuge  
Director

9/22/2023

Date

cc: EMNRD-OGC

[illegible]