

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

IN RE JIM PIERCE.

CASE NO. 24009

**OIL CONSERVATION DIVISION'S
DOCKETING NOTICE**

The New Mexico Oil Conservation Division (“OCD”), pursuant to 19.15.5.10(E)(2)(a) NMAC, gives notice that it has docketed the Notice of Violation (“NOV”) attached as *Exhibit A*, and states the following in support thereof:

1. On September 25, 2023, OCD issued the NOV to Jim Pierce, OGRID #99439.
2. The NOV was mailed via USPS certified mail, return receipt requested, on September 25, 2023. Delivery was attempted on September 30, 2023. USPS was unable to deliver and left a note that the envelope was available for pickup. A reminder was delivered by USPS on October 14, 2023. As of October 16, 2023 the certified mailing was unclaimed and returned to the Oil Conservation Division.
3. In addition, an electronic mail containing the NOV was submitted to the email address for Horace DeLong, who is registered with the Oil Conservation Division as the Executer and Central Contact person for Jim Pierce, at the email address of record: dxotx@outlook.com.
4. The NOV identified the factual basis for the alleged violations, the compliance actions required to remedy the alleged violations, and the proposed sanctions.
5. The NOV stated that if Jim Pierce did not informally resolve the NOV within 30 days of receipt of service, then OCD would hold a hearing on December 7, 2023.
6. The period for informal resolution has elapsed without response from operator.

WHEREFORE, OCD requests that the NOV be docketed for hearing on December 7, 2023.

Respectfully submitted,

Jesse Tremaine

Jesse Tremaine, Assistant General Counsel
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Tel (505) 231-9212
Jessek,tremaine@emnrd.nm.gov

CERTIFICATE OF SERVICE

I certify that on November 7, 2023, this pleading was served by electronic mail on:

Horace Delong, Executer
Jim Pierce
P.O. Box 381
Artesia, NM 88210
dxotx@outlook.com

Jesse Tremaine

Jesse K. Tremaine

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

Dylan M. Fuge, Division Director
Oil Conservation Division



BY CERTIFIED AND ELECTRONIC MAIL

Horace Delong, Executer
Jim Pierce
P.O. Box 381
Artesia, NM 88210
dxotx@outlook.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. 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.

Regards,


Dylan M. Fuge
Director

9/22/2023

Date

cc: EMNRD-OGC

