

**STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

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In the Matter of the Alleged Violations of Articles 23 and 71 of the New York State Environmental Conservation Law (ECL) and Title 6 of the Official Compilation of Codes, Rules and Regulations of the State of New York (6 NYCRR),

- by -

**SHEFFIELD ENERGY, LLC,**

Respondent.

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**ORDER**

DEC Case No.  
**CO 9-20230622-79**

In this administrative enforcement proceeding, New York State Department of Environmental Conservation (Department) staff alleges that respondent Sheffield Energy, LLC (respondent) violated 6 NYCRR 551.2(b) by failing to timely file a complete and accurate annual well report for the 2022 calendar year for 24 oil wells located in the Town of Busti, Chautauqua County, New York (see Attachment A; see also Department’s Motion for Default Judgment, Gallagher aff ¶¶ 4, 7, Exhibit 1; Exhibit A; and Affirmation of Conyers [Conyers aff] ¶¶ 5-8).<sup>1</sup>

Respondent failed to file an answer to the Complaint served by Department staff and failed to appear for an adjudicatory hearing convened by Administrative Law Judge (ALJ) Timothy MacPherson on June 5, 2024 (see Default Summary Report at 1-3, Findings of Fact 8-11; Conyers aff ¶¶ 2-4). Following the scheduled adjudicatory hearing, Department staff submitted a written motion for default judgment with supporting papers. The matter was then assigned to ALJ Elizabeth Phillips who prepared the attached Default Summary Report, which I adopt as my Decision in this matter, subject to my comments below.

As set forth in ALJ Phillips’s Default Summary Report, and as a consequence of respondent’s failure to answer or appear in this matter, the ALJ recommends that Department staff’s motion for a default judgment be granted (see Default Summary Report at 6-7). I concur that staff is entitled to a judgment of default pursuant to 6 NYCRR 622.15. The pleadings and the papers submitted with, and in support of, the motion provide sufficient facts to enable me to determine that staff has a viable claim that respondent failed to timely file annual well reports for the 2022 calendar year for the 24 wells it owns and operates in the Town of Busti, Chautauqua County, New York and, therefore, is in violation of 6 NYCRR 551.2(b).

Department staff correctly points out that the requirement to file annual well reports is important to determining the status of the State’s resources given the potential or actual

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<sup>1</sup> Identification information for the 24 wells at issue in this matter is set forth in Attachment A appended to this order and can be found in the record at Exhibit 1 to the Gallagher affidavit.

environmental harm that may result from the lack of accurate, annual information about well activity. The identification of non-producing wells for plugging is significant for the prevention of groundwater contamination (see Conyers aff ¶ 13; Gallagher aff ¶ 12).

Department staff, in its papers, sought a penalty of three thousand dollars (\$3,000), and the ALJ recommended that respondent Sheffield Energy, LLC be directed to pay this amount. ECL 71-1307(1) provides that any person who violates any provision of ECL article 23 or commits any offense described in ECL 71-1305 shall be liable for a penalty of up to eight thousand dollars (\$8,000) for the first day of violation and up to two thousand dollars (\$2,000) per day for each day the violation continues. ECL 71-1305(2) provides that it is unlawful for any person to violate any rule or regulation promulgated pursuant to ECL article 23, which would include the regulatory requirement at issue here - 6 NYCRR 551.2(b).

In other proceedings of this nature, Department staff has requested civil penalties (see e.g. In the Matter of the William J. Sahlem, Respondent [2022 WL 1493245, at \*2-3]; In the Matter of William J. Sahlem, Respondent [2021 WL 2404987, at \*2]; In the Matter of the Thomas A. Gilray, Respondent [2015 WL 1599627, at \*2]; In the Matter of the Buffalo China, Inc., Respondent [2013 WL 7850943, at \*2]). In those cases, a civil penalty of \$1,500 was assessed for each time that a well owner or operator failed to timely submit an annual well report (id.; see also In the Matter of the Michael J. Mccaffery, Respondent [2024 WL 1014206, at \*2] [holding that “the history of noncompliance could warrant a civil penalty greater than the nine thousand dollars requested”]).

The record demonstrates that respondent Sheffield Energy, LLC failed to submit timely and complete reports for the 24 wells it owns and operates in the Town of Busti, Chautauqua County, New York for the calendar year 2022 and the ALJ recommends that Department staff’s requested penalty of three thousand dollars (\$3,000) is appropriate in light of the large number of wells at issue and the amount of the potential maximum penalty (see Default Summary Report at 5-6).

Notwithstanding the efforts of Department staff to obtain respondent’s compliance over time, including numerous written and oral reminders, nothing in this record indicates that respondent filed a report for the 2022 calendar year (see e.g. Default Summary Report at 3, Findings of Fact 3-7). The requested penalty is consistent with ECL 71-1307(1), the Department’s Civil Penalty Policy (DEE-1), dated June 20, 1990, and administrative precedent (see Default Summary Report at 5-7; Conyers aff ¶¶ 10-16).

Based on the record before me, the recommended penalty is authorized and appropriate. I direct that respondent submit the civil penalty of three thousand dollars (\$3,000) to the Department within thirty (30) days of the service of this order upon respondent. In addition, within thirty (30) days of the service of this order upon respondent, respondent Sheffield Energy, LLC is directed to submit complete and accurate well reports for its 24 wells in the Town of Busti, Chautauqua County, New York for calendar year 2022 to the Department (see Attachment A).

**NOW, THEREFORE**, having considered this matter and being duly advised, it is **ORDERED** that:

- I. Department staff’s motion for a default judgment pursuant to 6 NYCRR 622.15 is

granted. By failing to answer or appear in this proceeding, respondent Sheffield Energy, LLC waived its right to be heard at the hearing.

- II. Based on the pleadings and papers submitted with and in support of Department staff's motion, respondent Sheffield Energy, LLC is determined to have violated 6 NYCRR 551.2(b), by failing to timely file complete and accurate annual well reports for the 2022 calendar year for the 24 wells in the Town of Busti, Chautauqua County, New York (Attachment A).
- III. Within thirty (30) days of the service of this order upon respondent Sheffield Energy, LLC, respondent shall submit to the Department complete and accurate annual well reports for the referenced wells for the 2022 calendar year.
- IV. Respondent Sheffield Energy, LLC is hereby assessed a civil penalty in the amount of three thousand dollars (\$3,000), to be paid within thirty (30) days of the service of this order upon respondent. Payment is to be by certified check, cashier's check or money order made payable to the New York State Department of Environmental Conservation at the address noted in paragraph V of this order.
- V. The annual well report and civil penalty payment shall be sent to the following address:

New York State Department of Environmental Conservation  
Division of Mineral Resources  
Oil and Gas Compliance Enforcement Section  
625 Broadway, 3<sup>rd</sup> Floor  
Albany, New York 12233-6500  
Attn: Grace R. Gallagher, Chief.

- VI. Any questions or other correspondence regarding this order shall also be addressed to Grace R. Gallagher at the address referenced in paragraph V of this order.
- VII. The provisions, terms and conditions of this order shall bind respondent Sheffield Energy, LLC and respondent's agents, successors and assigns, in any and all capacities.

For the New York State Department  
of Environmental Conservation

/s/

By:

\_\_\_\_\_  
Sean Mahar  
Interim Commissioner

Dated: December 13, 2024  
Albany, New York

## Attachment A: Wells Operated by Respondent

#	API	Well Name	Hole	Operator Name	Status	Status Date	Type	County	Town	Field	DTD	Completion Date
1	31-013-05068-00-00	Eckstrom Unit 4	5068	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	645	1/17/1967
2	31-013-05125-00-00	Myers W L 10	5125	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	651	6/1/1967
3	31-013-05220-00-00	Myers W L 12	5220	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	676	7/19/1967
4	31-013-06646-00-00	Eckstrom Unit 12	6646	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	650	11/15/1968
5	31-013-07668-00-00	Myers-Eckstrom 1	7668	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	725	11/4/1970
6	31-013-07684-00-00	Eckstrom Unit 15	7684	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	651	3/20/1971
7	31-013-08864-00-00	Myers-Eckstrom 2	8864	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	720	1/3/1972
8	31-013-08971-00-00	Eckstrom 17	8971	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	720	3/8/1972
9	31-013-09534-00-00	Eckstrom 18	9534	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	693	11/17/1972
10	31-013-09832-00-00	Johnson 3	9832	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	664	5/8/1973
11	31-013-09833-00-00	Johnson 4	9833	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	706	5/7/1973
12	31-013-10571-00-00	Eckstrom 19	10571	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	720	4/14/1974
13	31-013-10572-00-00	Eckstrom 20	10572	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	670	5/7/1974
14	31-013-10573-00-00	Eckstrom 21	10573	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	677	5/29/1974
15	31-013-11365-00-00	Northrup 11	11365	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	691	3/17/1975
16	31-013-11366-00-00	Northrop 12	11366	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	697	4/4/1975
17	31-013-11367-00-00	Eckstrom 22	11367	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	686	4/29/1975
18	31-013-11368-00-00	Eckstrom 23	11368	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	673	5/23/1975
19	31-013-12354-00-00	Eckstrom 24	12354	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	670	10/26/1976
20	31-013-12698-00-00	Northrop 13	12698	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	691	5/13/1977
21	31-013-12699-00-00	Eckstrom 25	12699	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	728	4/6/1977
22	31-013-13632-00-00	Eckstrom 26	13632	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	714	9/26/1978
23	31-013-13633-00-00	Eckstrom 27	13633	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	735	10/20/1978
24	31-013-66092-00-00	Darwin Eckstrom #1	66092	Sheffield Energy, LLC	NR		OD	Chautauqua	Busti	Busti	520	

**STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

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In the Matter of the Alleged Violations of Articles 23 and 71 of the New York State Environmental Conservation Law (ECL) and Title 6 of the Official Compilation of Codes, Rules and Regulations of the State of New York (6 NYCRR),

**DEFAULT SUMMARY  
REPORT**

- by -

**SHEFFIELD ENERGY, LLC,**

DEC Case No.  
**CO 9-20230622-79**

Respondent.

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Procedural History

Staff of the New York State Department of Environmental Conservation (Department) served respondent Sheffield Energy, LLC (respondent) with a notice of hearing and complaint dated March 28, 2024, alleging a violation of ECL 71-1305(2) and 6 NYCRR 551.2(b), for failure to file a timely annual well report for the 2022 calendar year for 24 oil wells located in the Town of Busti, Chautauqua County, New York.

The complaint seeks an order of the Commissioner (1) finding respondent in violation of ECL 71-1305(2) and 6 NYCRR 551.2(b); (2) directing respondent to submit the missing annual well report to the Department; (3) assessing a civil penalty in the amount of three thousand dollars (\$3,000); and (4) granting such other relief as the Commissioner may deem appropriate.

Service of the notice of hearing and complaint was made by certified mail and was received by respondent on April 2, 2024 (*see* Affidavit of Service of Kathleen Burton, sworn to August 28, 2024). Respondent failed to answer the complaint as directed in the notice of hearing (*see* Attorney Affirmation of Carol Conyers, Esq. [Conyers Affirmation] ¶ 3). Administrative Law Judge Timothy MacPherson convened a virtual adjudicatory hearing on June 5, 2024 pursuant to the March 28, 2024 Notice of Hearing (*see* Conyers Affirmation ¶ 2 and Exhibit B). Department staff was represented by Carol Conyers, Esq., Office of General Counsel, New York State Department of Environmental Conservation, 625 Broadway, Albany, New York.

Respondent failed to answer the complaint and failed to appear for the adjudicatory hearing on June 5, 2024 (*see* Conyers Affirmation ¶¶ 3, 4). Staff submitted a written motion for default judgment with supporting papers on September 11, 2024 (*see* Appendix A, attached hereto [listing documents submitted by staff]). Department staff served the motion and supporting papers on respondent by first class mail on September 11, 2024 (*see* Affidavit of Service of Kathleen Burton, sworn to September 11, 2024). Respondent has not filed a response to the motion.

Applicable Regulatory Provision

The Department’s regulation, 6 NYCRR 551.2, provides in pertinent part:

“(b) Each person who first produces, sells or purchases oil and gas produced in the State and the operator of each gas storage facility in the State must file with the department on a form the department prescribes a statement of the oil and gas produced, sold, purchased or stored. The information contained in this statement must be compiled on a calendar year basis and must be filed no later than March 31st next following the close of the calendar year, unless the department requires otherwise.”

Findings of Fact

1. Grace R. Gallagher is a Mineral Resource Specialist 4 in the Department’s Division of Mineral Resources, and Chief of the Oil and Gas Compliance and Enforcement Section. As such, she is custodian of Department records relating to oil and gas production, including annual well reports (AWRs). (See Affidavit of Grace R. Gallagher sworn to September 5, 2024 [Gallagher Aff.] ¶¶ 1, 3.)
2. Respondent Sheffield Energy LLC owns and operates the following 24 wells, located in the Town of Busti, Chautauqua County, New York:

#	API	Well Name
1	31-013-05068-00-00	Eckstrom Unit 4
2	31-013-05125-00-00	Myers W L 10
3	31-013-05220-00-00	Myers W L 12
4	31-013-06646-00-00	Eckstrom Unit 12
5	31-013-07668-00-00	Myers-Eckstrom 1
6	31-013-07684-00-00	Eckstrom Unit 15
7	31-013-08864-00-00	Myers-Eckstrom 2
8	31-013-08971-00-00	Eckstrom 17
9	31-013-09534-00-00	Eckstrom 18
10	31-013-09832-00-00	Johnson 3
11	31-013-09833-00-00	Johnson 4
12	31-013-10571-00-00	Eckstrom 19
13	31-013-10572-00-00	Eckstrom 20
14	31-013-10573-00-00	Eckstrom 21
15	31-013-11365-00-00	Northrup 11
16	31-013-11366-00-00	Northrop 12
17	31-013-11367-00-00	Eckstrom 22
18	31-013-11368-00-00	Eckstrom 23
19	31-013-12354-00-00	Eckstrom 24
20	31-013-12698-00-00	Northrop 13
21	31-013-12699-00-00	Eckstrom 25
22	31-013-13632-00-00	Eckstrom 26
23	31-013-13633-00-00	Eckstrom 27
24	31-013-66092-00-00	Darwin Eckstrom #1

(*see* Gallagher Aff. ¶¶ 4-6 and Exhibits 1-3 thereto; Conyers Affirmation ¶ 6).

3. Respondent is required to file an AWR with the Department for each calendar year for the wells respondent operates on a form supplied by the Department (*see* Gallagher Aff. ¶ 4).
4. On January 5, 2023, Department staff mailed respondent a cover letter and AWR form for the 2022 calendar year, pre-printed with respondent's name, address and well information. The cover letter reminded respondent to file the completed AWR by March 31, 2023. Respondent failed to submit the 2022 AWR by March 31, 2023. (*See* Gallagher Aff. ¶¶ 8, 9 and Exhibit 4 thereto.)
5. On April 19, 2023, Department staff mailed respondent a notice of violation (NOV) advising respondent that respondent had failed to file an acceptable AWR by March 31, 2023. The NOV advised respondent of the potential penalties for failing to submit the required AWR. Respondent failed to submit the missing AWR or otherwise respond to the April 19, 2023 NOV. The NOV and consent order were mailed by certified mail, return receipt requested, and were delivered to respondent on April 24, 2023. (*See* Gallagher Aff. ¶ 10, Exhibit 5.)
6. On July 26, 2023, Department staff sent respondent a second NOV by certified mail, return receipt requested (*see* Gallagher Aff. ¶ 11). Included with the NOV was an order on consent to settle the matter within thirty days. The second NOV was delivered to respondent's address on August 1, 2023 (*see id.* and Exhibit 6 thereto).
7. Respondent has not filed the required AWRs for calendar year 2022 (*see* Gallagher Aff. ¶ 7).
8. Department staff served the notice of hearing and complaint, statement of readiness, order on consent, and invoice on respondent by certified mail, pursuant to 6 NYCRR 622.3(a)(3) (*see* Conyers Affirmation ¶ 2 and Exhibit C [Affidavit of Service of Kathleen Burton, sworn to August 28, 2024]). The service address was the address listed by respondent on the organizational report and also was the address listed with the Secretary of State for service of process (*see* Exhibit 2 to Gallagher Aff. and Exhibit D).
9. The notice of hearing and complaint and accompanying documents were received by respondent on April 2, 2024 (*see* Exhibit C [USPS electronic proof of delivery].) Department staff also served the notice of hearing and complaint, statement of readiness, order on consent, and invoice on the Department of State as agent for the respondent, a foreign limited liability company (*see* Exhibit C [Affidavit of Service of Drew Wellette, sworn to August 27, 2024]).
10. Respondent did not answer the complaint (*see* Conyers Affirmation ¶ 3).
11. Respondent failed to appear at the June 5, 2024 hearing (*see* Conyers Affirmation ¶ 4).

## Discussion

A respondent upon whom a complaint has been served must serve an answer within 20 days of receiving a notice of hearing and complaint (*see* 6 NYCRR 622.4[a]). A respondent's failure to file a timely answer "constitutes a default and a waiver of respondent's right to a hearing" (6 NYCRR 622.15[a]). In addition, attendance by a respondent at a scheduled pre-hearing conference or hearing is mandatory, and failure to attend constitutes a default and a waiver of the opportunity for a hearing (*see* 6 NYCRR 622.8[c]; *see also* 6 NYCRR 622.15[a] ["A respondent's ... failure to appear at the hearing or the pre-hearing conference ... constitutes a default and waiver of respondent's right to a hearing"]).

Upon a respondent's failure to answer a complaint or failure to appear for a pre-hearing conference or hearing, Department staff may make a motion to an ALJ for a default judgment. Such motion must contain:

- "(1) Proof of service upon respondent of the notice of hearing and complaint or such other document which commenced the proceeding;
  - "(2) Proof of respondent's failure to appear or failure to file a timely answer;
  - "(3) Consistent with CPLR 3215(f), proof of the facts sufficient to support the violations alleged and enable the ALJ and commissioner to determine that staff has a viable claim;
  - "(4) A concise statement of the relief requested;
  - "(5) A statement of authority and support for any penalty or relief requested; and
  - "(6) Proof of mailing the notice required by [6 NYCRR 622.15(d)], where applicable."
- (6 NYCRR 622.15[b][1] - [6].)

As the Commissioner has held, "a defaulting respondent is deemed to have admitted the factual allegations of the complaint and all reasonable inferences that flow from them" (*Matter of Alvin Hunt, d/b/a Our Cleaners*, Decision and Order of the Commissioner, July 25, 2006, at 6 [citations omitted]). In addition, in support of a motion for a default judgment, staff must "provide proof of the facts sufficient to support the claim[s]" alleged in the complaint. (*Matter of Queen City Recycle Center, Inc.*, Decision and Order of the Commissioner, December 12, 2013, at 3.) Staff is required to support its motion for a default judgment with enough facts to enable the ALJ and the Commissioner to determine that staff has a viable claim (*see Matter of Samber Holding Corp.*, Order of the Commissioner, March 12, 2018 at 1 [citing *Woodson v Mendon Leasing Corp.*, 100 NY2d 62, 70-71 (2003)]; *see also* 6 NYCRR 622.15[b][3], CPLR 3215[f]).

Department staff's submissions in support of the motion for a default judgment provide proof of facts sufficient to enable me to determine that staff has a viable claim that respondent failed to timely file a complete and accurate AWR for the 2022 calendar year for respondent's wells, in violation of 6 NYCRR 551.2(b).

The record establishes that:

- (i) Department staff served the notice of hearing and complaint upon respondent (*see* Findings of Fact 8, 9);
- (ii) respondent failed to file an answer to the complaint and failed to appear for the adjudicatory hearing scheduled on June 5, 2024, as directed in the notice of hearing (*see* Findings of Fact 10, 11);



- (iii) Department staff's papers provide proof of the facts sufficient to support the violations alleged and enable me to determine that staff has a viable claim (*see* Findings of Fact 2, 3, 7) ;
- (iv) Department staff's papers include a concise statement of the relief requested (*see* motion for default judgment, wherefore clause; Exhibit B [complaint], wherefore clause);
- (v) Department staff's motion includes a statement of authority and support for the penalty and relief requested (*see* Conyers Affirmation ¶¶ 10-16); and
- (vi) Department staff provided proof of mailing the motion papers on respondent (*see* Affidavit of Service of Sherry Teal, sworn to September 9, 2024).

Respondent did not file a response to staff's motion for default. Based upon the foregoing, the Department is entitled to default judgment in this matter pursuant to the provisions of 6 NYCRR 622.15(b).

Staff's complaint requested a total civil penalty of three thousand dollars (\$3,000). Staff's submissions on the motion for a default judgment elaborate on the requested civil penalty, discussing the Department's Civil Penalty Policy (DEE 1, issued June 20, 1990) and administrative precedent concerning similar violations (*see* Conyers Affirmation ¶¶ 12-14). In *Matter of Sahlem*, Order of the Commissioner, January 4, 2021 (*Sahlem*); *Matter of Gilray*, Order of the Commissioner, March 4, 2015 (*Gilray*); and *Matter of Buffalo China, Inc.*, Order of the Commissioner, October 27, 2013 (*Buffalo China*), the Commissioner assessed a civil penalty of \$1,500 for failure to file an AWR when there were no prior enforcement actions. In *Sahlem*, *Gilray* and *Buffalo China*, however, the number of wells ranged from one to nine wells. In contrast, the respondent has failed to file an AWR for 24 wells.

Department staff asserts that reporting requirements, such as those at issue here, provide the Department with important information about the status of the State's resources. According to Department staff, the failure to timely submit AWRs may result in potential and actual environmental harm. Staff explains that the AWRs identify non-producing wells for plugging, and that the failure to plug non-producing wells may result in contamination of groundwater with petroleum products and the release of harmful greenhouse gases. (*See* Gallagher Aff. ¶12). In addition, Department staff transmits production information to affected State agencies and local governments for real property tax purposes (*see* Conyers Affirmation ¶ 13).

ECL 71-1307(1) provides that any person who violates any provision of ECL article 23 or commits any offense described in ECL 71-1305 shall be liable for a penalty of up to eight thousand dollars (\$8,000) for the first day of violation and up to two thousand dollars (\$2,000) per day for each day the violation continues. ECL 71-1305(2) provides that it is unlawful for any person to violate any rule or regulation promulgated pursuant to ECL article 23, which includes the regulation at issue here -- 6 NYCRR 551.2(b). Staff calculated the maximum penalty to be seven hundred thirty-two thousand dollars (\$732,000) (*see* Conyers Affirmation ¶ 11). Department staff's proposed civil penalty of three thousand dollars (\$3,000) is consistent with DEE-1 as well as applicable provisions of ECL article 71 and prior Commissioner orders. Furthermore, staff demonstrated the importance of AWRs to the regulatory scheme. The Commissioner has previously held that "the timely filing of complete and accurate AWRs is

critical to the regulatory requirements of this program” (see *Buffalo China, Inc.*, Order of the Commissioner, October 27, 2013, at 2). Accordingly, I conclude that the penalty of three thousand dollars (\$3,000) requested by Department staff is supported and appropriate.

Conclusion of Law

By failing to timely file a complete and accurate annual well report for the 2022 calendar year for respondent’s 24 wells, respondent Sheffield Energy LLC violated 6 NYCRR 551.2(b).

Recommendation

Based upon the foregoing, I recommend that the Commissioner issue an order:

- 1) granting Department staff’s motion for default;
- 2) holding that respondent Sheffield Energy LLC violated 6 NYCRR 551.2(b) by failing to timely file a complete and accurate annual well report for the 2022 calendar year for respondent’s twenty-four (24) wells:

1. Eckstrom Unit 4
2. Myers W L 10
3. Myers W L 12
4. Eckstrom Unit 12
5. Myers-Eckstrom 1
6. Eckstrom Unit 15
7. Myers-Eckstrom 2
8. Eckstrom 17
9. Eckstrom 18
10. Johnson 3
11. Johnson 4
12. Eckstrom 19
13. Eckstrom 20
14. Eckstrom 21
15. Northrup 11
16. Northrop 12
17. Eckstrom 22
18. Eckstrom 23
19. Eckstrom 24
20. Northrop 13
21. Eckstrom 25
22. Eckstrom 26
23. Eckstrom 27
24. Darwin Eckstrom #1

- 3) directing respondent Sheffield Energy LLC to submit a complete and accurate annual well report for the twenty four (24) wells listed above for the 2022 calendar year within thirty (30) days of the service of the Commissioner's order upon respondent;
- 4) directing respondent Sheffield Energy LLC to pay a civil penalty in the amount of three thousand dollars (\$3,000) within thirty (30) days of the service of the Commissioner's order upon respondent; and
- 5) directing such other and further relief as he may deem just and appropriate.

/s/

Elizabeth Phillips  
Administrative Law Judge

Dated: Albany, New York  
October 1, 2024

## APPENDIX A

*Matter of Sheffield Energy LLC*  
DEC Case No. CO 9-20230622-79  
Motion for Default Judgment

1. Cover letter, dated September 11, 2024, from Carol Conyers, Esq., attaching Affidavit of Service of Motion for Default Judgment of Sherry Teal, sworn to September 9, 2024.
2. Notice of Motion for Default Judgment, dated September 6, 2024.
3. Motion for Default Judgment, dated September 6, 2024, attaching:
  - Exhibit A: Attorney Affirmation of Carol Conyers, Esq., dated September 6, 2024;
  - Exhibit B: Cover letter, Notice of Hearing, Complaint, Statement of Readiness, proposed Order on Consent and invoice; and
  - Exhibit C: Affidavit of Service of Kathleen Burton, sworn to August 28, 2024, attaching United States Postal Service (USPS) electronic proof of delivery by certified mail on respondent on April 2, 2024 and Affidavit of Service of Drew Wellette showing service on NYS Department of State on March 28, 2024, sworn to August 27, 2024.
  - Exhibit D: NYS Department of State Entity Information Sheet for Sheffield Energy, LLC.
4. Affidavit of Grace R. Gallagher, sworn to September 5, 2024, attaching:
  - Exhibit 1: Printout from Department records showing Sheffield Energy LLC as operator of 24 wells in the Town of Busti, Chautauqua County;
  - Exhibit 2: Organizational Report for Sheffield Energy LLC, sworn to by Frank Travis Dunkle on October 27, 2015;
  - Exhibit 3: Approved Request for Well Transfer dated February 11, 2016, attaching Request for Well Transfer, sworn to by Jessica D. Eckstrom and Frank Travis Dunkle on September 23, 2015;
  - Exhibit 4: Letter from Theodore N. Loukides to Sheffield Energy LLC, dated January 5, 2023, with enclosed 2022 Annual Well Report form;
  - Exhibit 5: April 19, 2023 Notice of Violation – Failure to File Annual Well Report, with USPS electronic proof of delivery attached; and
  - Exhibit 6: July 26, 2023 Second Notice of Violation and Consent Order – Failure to File Annual Well Report with proposed Order on Consent, invoice and 2022 Annual Well Report form enclosed and USPS electronic proof of delivery attached.