

FILED

IN THE UNITED STATES DISTRICT COURT
UNITED STATES DISTRICT COURT
ALBUQUERQUE, NEW MEXICO
FOR THE DISTRICT OF NEW MEXICO

JUL 11 2024

UNITED STATES OF AMERICA,

Plaintiff,

vs.

TERESA MCCOWN,

Defendant.

MITCHELL R. ELFERS
CLERK

Cr. No. 24-CR-00091-DHU

PLEA AGREEMENT

1. Pursuant to Rule 11(c)(1)(C), Fed. R. Crim. P., the parties notify the Court of the following agreement between the United States of America, by the United States Attorney for the District of New Mexico, and the Defendant, Teresa McCown, with the advice and counsel of her attorney, James Loonam. This agreement is limited to the United States Attorney's Office for the District of New Mexico and does not bind any other federal, state, or local agencies or prosecuting authorities.

REPRESENTATION BY COUNSEL

2. The Defendant understands the Defendant's right to be represented by an attorney and is so represented. The Defendant has thoroughly reviewed all aspects of this case with the Defendant's attorney and is fully satisfied with that attorney's legal representation.

RIGHTS OF THE DEFENDANT

3. The Defendant further understands the Defendant's rights:
- a. to plead not guilty, or having already so pleaded, to persist in that plea;

- b. to have a trial by jury; and
- c. at a trial:
 - 1) to confront and cross-examine adverse witnesses,
 - 2) to be protected from compelled self-incrimination,
 - 3) to testify and present evidence on the Defendant's own behalf, and
 - 4) to compel the attendance of witnesses for the defense.

WAIVER OF RIGHTS AND PLEA OF GUILTY

4. The Defendant agrees to waive these rights and to plead guilty to Counts 1-9 of the indictment, charging violations of 30 U.S.C. §§ 1719(d)(1) and 1720, that being Criminal Penalties Associated with Violations of Federal Royalty Management and Enforcement (Gas); and 18 U.S.C. § 1343, that being wire fraud.

SENTENCING

5. The Defendant understands that the maximum penalty provided by law for these offenses are:

Count 1: 30 U.S.C. §§ 1719(d)(1) and 1720, that being Criminal Penalties Associated with Violations of Federal Royalty Management and Enforcement (Gas):

- a. imprisonment for a period of not more than 2 years;
- b. a fine of not more than \$50,000;
- c. a term of supervised release of not more than one year to follow any term of imprisonment. (If the Defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the Defendant's supervised release could be revoked — even on

the last day of the term — and the Defendant could then be returned to another period of incarceration and a new term of supervised release.);

- d. a mandatory special penalty assessment of \$100.00; and /
- e. restitution as may be ordered by the Court.

Counts 2-9: 18 U.S.C. § 1343, that being Wire Fraud:

- a. imprisonment for a period of not more than 20 years;
- b. a fine not to exceed the greater of \$250,000 or twice the pecuniary gain to the Defendant or pecuniary loss to the victim;
- c. a term of supervised release of not more than three years to follow any term of imprisonment. (If the Defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the Defendant's supervised release could be revoked — even on the last day of the term — and the Defendant could then be returned to another period of incarceration and a new term of supervised release.);
- d. a mandatory special penalty assessment of \$100.00; and
- e. restitution as may be ordered by the Court.

6. The parties recognize that the federal sentencing guidelines are advisory and that the Court is required to consider them in determining the sentence it imposes.

7. The parties are aware that the Court will decide whether to accept or reject this plea agreement. The Court may defer its decision as to acceptance or rejection until there has been an opportunity to consider the presentence report. Pursuant to Federal Rule of Criminal Procedure

11(c)(5), if the Court rejects this plea agreement, the Defendant shall have the right to withdraw the Defendant's plea of guilty.

8. Regardless of any other provision in this agreement, the United States reserves the right to provide to the United States Pretrial Services and Probation Office and to the Court any information the United States believes may be helpful to the Court, including but not limited to information about the recommendations contained in this agreement and any relevant conduct under U.S.S.G. § 1B1.3.

ELEMENTS OF THE OFFENSE

9. If this matter proceeded to trial, the Defendant understands that the United States would be required to prove, beyond a reasonable doubt, the following elements for violations of the charges listed below:

10. Count 1: 30 U.S.C. §§ 1719(d)(1) and 1720, that being Criminal Penalties

Associated with Violations of Federal Royalty Management and Enforcement (Gas):

- First:* Pursuant to 30 USC § 1719(d), Defendant is a person who was required to prepare, maintain, and submit accurate reports, notices, affidavits, records, data, or other written information for extraction under her leases;
- Second:* Under 30 USC § 1719(d), Defendant prepared, maintained, and submitted false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information for her leases; and
- Third:* Defendant committed an act for which a civil penalty is provided in 30 USC § 1719(d), and is thus subject to prosecution under 30 USC § 1720 – which provides Criminal Penalties Associated with Violations of Federal Royalty Management and Enforcement

11. Counts 2-9: 18 U.S.C. § 1343, that being Wire Fraud:

- First:* The defendant devised or intended to devise a scheme to defraud (a scheme to defraud includes a scheme to deprive another of money or property);
- Second:* The defendant acted with specific intent to defraud.
- Third:* The defendant used interstate or foreign wires.
- Fourth:* The scheme employed false or fraudulent pretenses, representations or promises that were material.

DEFENDANT=S ADMISSION OF FACTS

12. By my signature on this plea agreement, I am acknowledging that I am pleading guilty because I am, in fact, guilty of the offense(s) to which I am pleading guilty. I recognize and accept responsibility for my criminal conduct. Moreover, in pleading guilty, I acknowledge that if I chose to go to trial instead of entering this plea, the United States could prove facts sufficient to establish my guilt of the offense(s) to which I am pleading guilty beyond a reasonable doubt, including any facts alleged in the indictment that increase the statutory minimum or maximum penalties. I specifically admit the following facts related to the charges against me, and declare under penalty of perjury that all of these facts are true and correct:

Between 2017-2023, I, Teresa McCown, owner of M&M Production & Operation, Inc. (M&M) and Shoreline Oil & Gas Company (Shoreline), repeatedly submitted false and inaccurate oil and gas extraction and production reports through online reporting systems, failed to submit mineral reports at all in other cases, did not pay due taxes to the Jicarilla Apache Nation, the Navajo Nation, or the federal government, and royalties for oil and gas produced from Federal and Indian leases. As a lease operator, I am responsible for the accounting and reporting of mineral production from leased lands, and I am responsible for the payment of royalties to the mineral interest owners for my companies' shares of the gas and minerals removed from the leased lands.¹ As such, I am required to submit monthly oil and gas production reports and mineral royalty reports to the Department of the Interior's Office of Natural Resources Revenue (ONRR) to account for all oil and gas produced from Federal and Indian lands. Additionally,

¹ All admissions in this plea agreement are made in the present-tense, but apply to the entire charged period.

I am required to submit royalty payments to ONRR, to the Jicarilla Apache Nation, and to the Navajo Nation based on the amount and value of oil and gas produced from the leased lands.

I own and operate M&M and Shoreline – and have owned and operated both companies during the entire period under Indictment. Both are in the business of extracting oil and gas from land leased to the companies by the federal government, the Navajo Nation, and by the Jicarilla Apache Nation. M&M is incorporated in the State of New Mexico as a domestic profit corporation and Shoreline is registered in New Mexico as a foreign for-profit corporation originally incorporated in Colorado. I am the sole owner and President of both. The New Mexico Secretary of State Corporations database properly lists the corporations' business address at my home address in Farmington, NM.

Through the two companies, I operate (or operated) myriad leases on federal land and in Indian Country. Specifically, M&M leases include:

- 17 Federal leases with 35 associated wells within the jurisdiction of the BLM's Farmington Field Office.
- 6 Indian leases with six associated wells within the jurisdiction of the BLM's Farmington Field Office.
- 1 Federal lease with one associated well within the jurisdiction of the BLM's Rio Puerco Field Office.
- 6 Indian leases with 19 associated wells within the jurisdiction of the BLM's Rio Puerco Field Office.
- Shoreline leases include 3 Indian leases with 15 associated wells within the jurisdiction of the BLM's Rio Puerco Field Office.

The Indian leases are all located within the exterior boundaries of the Navajo Nation and the Jicarilla Apache Nation. M&M and Shoreline are responsible for paying taxes and royalties to the Navajo and Jicarilla Nations and to the federal government for oil and gas extracted from those leases. M&M and Shoreline are required to report to the Department of Interior, the Jicarilla Nation, and the Navajo Nation the amount of oil and gas extracted from the leases and the revenue derived from sales of those materials.

The corporations, acting through me, are required to deposit payments directly to the Jicarilla Nation by placing a check in a "lockbox" located at the Jicarilla Nation's Office of Revenue. The royalties owed on different wells in different leases differs depending on several factors.

I am admitting guilt to the charges contained in the Indictment and explained in this plea agreement. The charges are for inaccurate reporting, and for inaccurate reporting over interstate wires – wire fraud. During this whole period, I have also been assessed notices of non-compliance and civil penalties for failures to

accurately report oil and gas extraction, and have not taken any corrective action.

I am aware and admit that on December 6, 2019, the Bureau of Indian Affairs (BIA) received a complaint letter from the Jicarilla Apache Nation alleging M&M and Shoreline's ongoing failures to report oil and gas extraction volumes, failure to report revenue, as well as other allegations.

After this referral, ONRR began its investigation into my and my companies' failure to pay royalties. ONRR immediately determined that required reporting for royalties (known in ONRR as Form ONRR-2014) was missing for long periods of time. I admit that M&M went weeks, months, and even years without providing 2014s to ONRR. I also admit that there were numerous other reports that had been filed which were inaccurate.

The ONRR-2014 reports the quantity and quality of the production (whether oil or gas) when measured at a Bureau of Land Management (BLM) royalty settlement point and is required to determine royalties due. In addition to ONRR-2014s, companies such as M&M and Shoreline are also required to file Oil Gas Operations Reports (OGOR) with ONRR. These detail how much oil and gas are *produced* at each lease and are sub-divided by well numbers. After oil and gas is produced, it is processed by refiners. Both of my companies sold extracted oil and gas to refiner Tristar Production LLC.

I admit that M&M often reported "residue" amounts on its OGOR reports, rather than produced (or unprocessed) amounts as required by regulation. Not only was M&M's OGOR and ONRR-2014 reporting incorrect, but what M&M paid in royalties as a result was also incorrect, in violation of 30 U.S.C. § 1719(d). I further admit submitting over 400 incorrect reports on both Indian and Federal leases during the covered period and that there are approximately 1,000 missing/unfiled OGOR reports for at least 32 leases/agreements spanning my two companies for the charged period. No OGOR was submitted for M&M between 5/2020 and 6/2023 for its Indian leases, nor between 4/2020 and 8/2023 for its federal leases.

Thus, through my companies, I falsely reported gas extraction amounts (and other times failed to report them at all) and subsequently failed to pay due royalties and interest. During the periods that I failed to pay royalties and failed to correct my violations, I was issued and notified of Notice of Noncompliance (NONC) under 30 C.F.R. § 1241.50 for failure to report production from Federal and Indian properties on the OGOR for July 2019-January 2021. My noncompliance continued after January 2021. 30 C.F.R. § 1241.52 authorizes ONRR to issue civil penalties associated with the NONC for failure to correct violations identified. The civil penalties take the form of Failure to Correct Civil Penalties (FCCP), authorized by 30 U.S.C. § 1719. They are imposed on the time periods between

service of a NONC and the date compliance is achieved.

ONRR issued a NONC to me in March 2021 for failures to provide OGOR reports for M&M. That NONC was delivered to me by service of process on April 6, 2021. An associated FCCP was issued on July 7, 2022, after I failed to correct the violations identified in the NONC.

Under 30 C.F.R. § 1241.60, ONRR may issue civil penalties for violations without prior notice by issuing Immediate Liability Civil Penalties (ILCPs), as authorized by 30 U.S.C. § 1719. ONRR issued ILCPs in October 2020 and July 2022 to M&M and Shoreline for their failure to pay royalties due. The October 2020 ILCP was delivered to me by service of process on March 9, 2021. One of the July 2022 ILCPs was delivered to me by service of process on July 14, 2022.

ONRR held pre-penalty teleconferences with me on September 2, 2020 and March 11, 2022 to discuss the civil penalties assessed in the NONCs and ILCPs and any mitigating circumstances that may have prevented M&M from complying by the prescribed deadlines. Both of these teleconferences were audio recorded. In the September meeting, I offered no relevant mitigating circumstances and ONRR maintained the civil penalty assessments. Rather, I gave various excuses blaming medical ailments and fired employees for not properly reporting the well sites. In reality, the legal responsibility had been mine. For the period preceding this teleconference, I acknowledged that I had many years of experience submitting OGORs and ONRR-2014s and acknowledged the failure to accurately report and pay M&M and Shoreline's royalties.

To date, all civil penalties assessed remain unpaid and continue to accrue. Moreover, nearly all ONRR-2014 and OGORs during the charged time period are either incorrect or missing entirely. ONRR previously sent Shoreline's debts for unpaid royalties and penalties to the U.S. Treasury for collection, which total \$208,341.28. ONRR also sent M&M's debts to the U.S. Treasury for its unpaid royalties and penalties. Based on ONRR's FCCP and ILCPs, M&M had debts totaling \$2,191,802.91. As of January 2024, neither M&M nor Shoreline had paid the debts to the U.S. Treasury—and both debts continued to grow.

In sum, I admit that as to M&M and Shoreline, I am a person who was required to prepare, maintain, and submit accurate reports, notices, affidavits, records, data, or other written information for extraction under my companies' leases. Because I filed and knowingly failed to correct required documents during the charged period, I admit that I knowingly and willfully prepared and submitted false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information about those leases in violation of 30 USC § 1719(d)(1). As a result, I admit that I am also subject to criminal penalties associated with violations of Federal Royalty Management and Enforcement under 30 USC

§ 1720.

Violations of 18 U.S.C. § 1343 – Wire Fraud

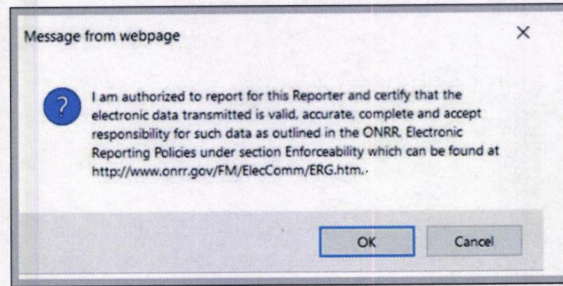
ONRR-2014s and OGORs are submitted by companies electronically to ONRR's e-commerce website. E-Commerce is ONRR's electronic reporting website. All reporters must report to ONRR electronically via the e-Commerce website within three months of its first reporting requirement, unless the company is a small business without access to a computer. My companies filed electronically.

Reporting may be done by directly entering data or uploading files using an ONRR electronic standard format. ONRR contracts with a private company (AFS) to administer the electronic receipt and processing of OGOR and 2014 submissions (via the Minerals Revenue Management Support System (MRMSS)). The contractor manages Government owned and furnished servers that are physically housed in Raleigh, North Carolina. No matter where in the world an external user signs into the e-Commerce system, the transmission over the internet—and over interstate wires—is made to ONRR's data center in North Carolina. ONRR employees in Lakewood, Colorado then access the same data through an internal networking system for overseeing production reporting and processing royalty payments.

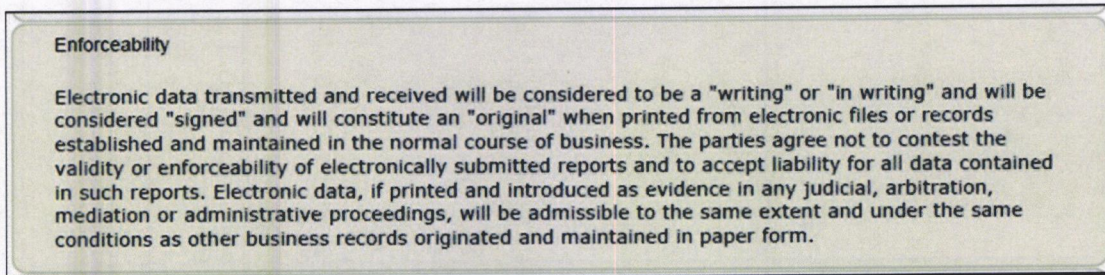
When a user enters data to be processed, there is a validation process. Per Department of the Interior mandate, external users must go through a trusted internet connection (TIC) to access the eCommerce application. The validation process all occurs over wires and an interaction with the data center. User logins are authenticated and authorized via Oracle software implemented in MRMSS.

Thus, when I submitted reports in the system from my computer in Farmington, NM, the reports were transmitted to data servers in Raleigh, North Carolina. Furthermore, when ONRR employees in Lakewood, Colorado, accessed the reports, they did so from the servers in Raleigh, North Carolina.

Before a system user like me submitted an OGOR or Form ONRR-2014 into the e-Commerce system, we were confronted with the following popup message, and must click "OK" to proceed. This popup existed during the entire period in the Indictment:



The referenced enforceability section of the website provides:



During the reporting periods at issue in this indictment, I submitted Electronic MRMSS Application Request Forms (EMARFs) for access to ONRR's e-commerce website relating to M&M and Shoreline. As a result of these requests, I was issued and utilized two user identification names.

I submitted three EMARFs to access ONRR's e-Commerce website as a representative of M&M on February 1, 2016, September 27, 2016, and January 10, 2020. When I submitted the requests, I agreed to ONRR's Acceptable Use Policy (AUP) for accessing the e-Commerce system. By accepting the policy, I agreed to never enter unauthorized, inaccurate, or false information into the system. The EMARF warned me that a violation of ONRR's AUP may result in criminal prosecution.

"Modify Existing" is selected under current User ID

McCown Last Name	Teresa First Name	D Middle Initial
mmprod@ddbbroadband.net E-Mail Address	(505) 327-6908 Telephone	Po Box 3470 Mailing Address Number and Street
M&M Production & Operation, Inc. Organization (Company Name)	Farmington City	NM 87403 State ZIP Code
Teresa McCown Supervisor's Name (Printed)	(505) 327-6908 Supervisor's Phone Number	mmprod@ddbbroadband.net Supervisor's E-mail Address
Industry _____ Payor Code _____ -OR- _____ Operator Number _____		<input checked="" type="checkbox"/> Check if eCommerce Reporting <input type="checkbox"/> Check if Solids P&R Reports Submitted
Financial (Non-STRAC) State: _____ County: _____ Tribe: _____		
8. If I am aware of a security breach (password sharing, use of unauthorized software), I will immediately notify the Service Desk.		
I have read, understand, and will comply with the detailed ONRR Acceptable Use Policy found at http://www.onrr.gov/EDEDocs/ONRR_External_User_Acceptable_Use_Policy.pdf . By checking this box, I understand that if I violate any portion of the ONRR Acceptable Use Policy, my access may be revoked and/or possible criminal prosecution. I confirm that the information provided above is accurate and complete and that I have not knowingly or deliberately misrepresented any information.		
Digital Acceptance: Teresa McCown		Date: 2-1-2016

I digitally signed the second M&M EMARF I submitted on September 27, 2016. In the EMARF, I checked the box identifying myself as the primary industry representative and the EMARF was for eCommerce reporting. I again accepted ONRR's AUP which again stated to never enter inaccurate or false information into the system.

McCown Last Name	Teresa First Name	D Middle Initial
mmprod75@gmail.com Email Address	(505) 327-6908 Telephone	PO BOX 3470 Business Mailing Address Number and Street
M&M Production & Operation, Inc. Organization (Company Name)	Farmington City	New Mexico 87499-3470 State Zip Code
Teresa D McCown Supervisor's Name (Printed)	(505) 327-6908 Supervisor's Telephone Number	mmprod75@gmail.com Supervisor's Email Address
Industry 30950 Home Organization Reporter Code Additional Reporter Codes	<input checked="" type="checkbox"/> Check if eCommerce Reporting <input type="checkbox"/> Check if Solids P&R Reports Submitted <input checked="" type="checkbox"/> Check if Primary Industry Representative	
Financial (non-STRAC) State: _____ County: _____ Tribe: _____		
8. If I am aware of a security breach (password sharing, use of unauthorized software), I will immediately notify the Service Desk.		
I have read, understand, and will comply with the detailed ONRR Acceptable Use Policy found at http://www.onrr.gov/EDEDocs/ONRR_External_User_Acceptable_Use_Policy.pdf . By checking this box, I understand that if I violate any portion of the ONRR Acceptable Use Policy, my access may be revoked and/or possible criminal prosecution. I confirm that the information provided above is accurate and complete and that I have not knowingly or deliberately misrepresented any information.		
Digital Acceptance: Teresa McCown		Date: 09/27/16

I digitally signed the third M&M EMARF on September 27, 2016. In the EMARF, I checked the box for e-Commerce reporting. I once again accepted ONRR's AUP.

In an EMARF that I submitted for Shoreline and digitally signed on September 2, 2020, I checked the box stating the EMARF was for eCommerce reporting and identified myself as the "Primary Industry Representative." I also accepted ONRR's AUP, in which I agreed to not submit inaccurate or false information into the system. I was warned I could face criminal penalties for doing so.

After submitting the EMARFs and gaining access to the eCommerce system, I filed the OGOR and ONRR-2014 forms detailed above with false and inaccurate information, even after receiving notices, penalties, and participating in teleconferences with regulators. I did so consistent with and specifically intending to undertake a scheme to defraud the Navajo Nation, the Jicarilla Nation, and the United States of full amounts due for my companies' operations. Thus, because I knowingly submitted the false or inaccurate reports to ONRR over an internet connection using interstate wires, and across state borders, I committed wire fraud. These false or inaccurate reports contained false or fraudulent pretenses, representations, or promises that were material.

13. By signing this agreement, the Defendant admits that there is a factual basis for each element of the crime(s) to which the Defendant is pleading guilty and agrees to affirm the facts set forth above during the plea colloquy. The Defendant agrees that the Court may rely on any of these facts, as well as facts in the presentence report, to determine the Defendant's sentence, including, but not limited to, the advisory guideline offense level.

RECOMMENDATIONS

14. The United States and the Defendant recommend as follows:
- a. The Defendant and the United States have made an AGREEMENT pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C), that a specific sentence of 1 day of imprisonment and 3 years of supervised release, and restitution, as detailed below, is the appropriate disposition in this case.

This agreement takes into account the Defendant's acceptance of responsibility, with no further reduction to occur.

- b. The remaining components of the Defendant's sentence, including but not limited to any fine, shall be imposed by the Court after the presentation of evidence and/or argument by the parties.
- c. If the Court accepts the plea agreement, it must inform the Defendant that the agreed upon disposition will be included in the judgment, and the Court is bound by the terms of the plea agreement once the Court accepts the plea agreement.

DEFENDANT'S ADDITIONAL AGREEMENT

15. The Defendant understands the Defendant's obligation to provide the United States Pretrial Services and Probation Office with truthful, accurate, and complete information. The Defendant represents that the Defendant has complied with and will continue to comply with this obligation.

- a. The Defendant specifically agrees to disclose to the United States Pretrial Services and Probation Office complete information about her property and automobile ownership in the State of New Mexico and elsewhere.

16. The Defendant agrees that any financial records and information provided by the Defendant to the Probation Office, before or after sentencing, may be disclosed to the United States Attorney's Office for use in the collection of any unpaid financial obligation.

17. Except under circumstances where the Court, acting on its own, rejects this plea agreement (or functionally rejects it, as described below under the heading Violation or

Rejection of Plea Agreement), the Defendant agrees that, upon the Defendant's signing of this plea agreement, the facts that the Defendant has admitted under this plea agreement as set forth above, as well as any facts to which the Defendant admits in open court at the Defendant's plea hearing, shall be admissible against the Defendant under Federal Rule of Evidence 801(d)(2)(A) in any subsequent proceeding, including a criminal trial, and the Defendant expressly waives the Defendant's rights under Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 with regard to the facts the Defendant admits in conjunction with this plea agreement. The Court has not acted on its own if its rejection of the plea agreement occurs after the Defendant has expressly or implicitly suggested to the Court a desire or willingness to withdraw his or her plea or not to be bound by the terms of this plea agreement.

18. By signing this plea agreement, the Defendant waives the right to withdraw the Defendant's plea of guilty pursuant to Federal Rule of Criminal Procedure 11(d) unless (1) the court rejects the plea agreement pursuant to Federal Rule of Criminal Procedure 11(c)(5) or (2) the Defendant can show a fair and just reason as those terms are used in Rule 11(d)(2)(B) for requesting the withdrawal.

19. The Defendant recognizes that this plea agreement has already conferred a benefit on the Defendant. Consequently, in return for the benefit conferred on the Defendant by entering into this agreement, the Defendant agrees not to seek any sentence other than the specific sentence of 1 day as agreed to by the parties pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure.

20. The Defendant will not willfully fail to appear for any court appearance in this matter, nor willfully fail to surrender as ordered for service of any sentence.

21. The Defendant agrees to issue a separate written apology to the Jicarilla Apache and Navajo Nations for providing false information and removing oil and gas from Indian Country without authorization and without paying property rents and royalties.

22. The Defendant and her companies, M&M and Shoreline, understand and agree that ONRR may audit or otherwise review any of M&M and Shoreline production and royalty reporting and payments and that nothing in this Agreement shall limit the scope of such audit or review. Moreover, nothing in this Agreement shall be construed as limiting any order to be issued by ONRR to M&M and Shoreline following any audit or review. For any future corrections and amendments subject to ONRR's audit or compliance review, the timing and scheduling of such corrections and amendments shall be governed by ONRR's audit and compliance requirements.

23. The Defendant agrees not to engage in conduct that would constitute a new crime. Offenses that would be excluded for sentencing purposes under USSG § 4A1.2(c) are not within the scope of this paragraph's agreement.

24. Defendant agrees not to engage in conduct that would constitute obstructing or impeding the administration of justice under U.S.S.G. § 3C1.1.

RESTITUTION

25. The Defendant agrees and acknowledges that, as part of the Defendant's sentence, the Court is not limited to ordering restitution only for the amount involved in the particular offense or offenses to which the Defendant is entering a plea of guilty, but may and should order restitution resulting from all of the Defendant's criminal conduct related to this case.

26. In this case, the Defendant agrees pursuant to 18 U.S.C. § 3663A to pay restitution in the total principal amount of \$208,341.28 in relation to Counts 1-9, which is payable to the United States District Court Clerk. The Defendant acknowledges that the Defendant has the financial ability to pay the agreed-upon sum of restitution in full, and consents to the entry of an order providing that the entire amount is due in full immediately. The Defendant further agrees that it is appropriate for the Court at sentencing to order the Defendant to liquidate certain property, to the extent necessary to pay restitution in full, and apply the proceeds of that property to restitution. This property includes the following:

- a. A property in San Juan County at address 5006 Sandalwood Dr., Farmington, NM 87402; legal description: Crestwood Estates No.2 Phase IV Lot 4 Block 4 B.1452 P.691;
- b. A property in Rio Arriba County, legal description: S: 14 T: 23N R: 07W 23.96 AC. 334/442; REC#200500342 01132005 BOOK.528 PAGE.342 H OF HH; EXEMPTION REMOVED AS PER NEW MEXICO STATUTE 7-37-4, BK. 137 PG.344 BK.528 PG.342, 542/5561, Land Square Feet: 1,043,698;
- c. A 2015 Heartland RV Wilderness Series M-2750RL; VIN: 5SFNB3025FE283586;
- d. A 2021 BMW X3, VIN: 5UXTS1C02M9G30761; and
- e. A 2008 FORD F-150, VIN: 1FTPW12V98FA95128.

27. No later than July 1 of each year after sentencing, until restitution is paid in full, the Defendant shall provide the Asset Recovery Unit, United States Attorney's Office, P.O. Box

607, Albuquerque, New Mexico 87103, (1) a completed and signed financial statement provided to the Defendant by the United States Attorney's Office and/or the United States Probation Office and (2) a copy of the Defendant's most recent tax returns.

FORFEITURE

28. The Defendant agrees to forfeit, and hereby forfeits, whatever interest the Defendant may have in any asset derived from or used in the commission of the offense(s) in this case.

29. The Defendant agrees not to contest proceedings instituted by the Department of the Interior, the Bureau of Indian Affairs, the Bureau of Land Management or any lessor in a forum of competent jurisdiction, including before an official of the Bureau of Indian Affairs or the Bureau of Land Management or in administrative fora such as the Interior Board of Indian Appeals or the Interior Board of Land Appeals, to cancel her oil and gas leases pursuant to 25 CFR 211.54, 25 CFR 212.54, 43 CFR 3514.30 or other related statutes and regulations.

30. The Defendant knowingly and voluntarily waives the right to a jury trial on the forfeiture and/or cancellation of the above-described leases. The Defendant knowingly and voluntarily waives all constitutional, legal, and equitable defenses to the forfeiture of said property in any proceeding. The Defendant agrees to waive any jeopardy defense or claim of double jeopardy, whether constitutional or statutory, and agrees to waive any claim or defense under the Eighth Amendment to the United States Constitution, including any claim of excessive fine, to the forfeiture and/or cancellation of said property by the United States or any State or its subdivisions.

WAIVER OF APPEAL RIGHTS AND POST-CONVICTION RIGHTS

31. The Defendant is aware that 28 U.S.C. § 1291 and 18 U.S.C. § 3742 afford the right to appeal a conviction and the sentence imposed. Acknowledging that, the Defendant knowingly waives the right to appeal the Defendant's conviction(s) and any sentence imposed in conformity with this Fed. R. Crim. P. 11(c)(1)(C) plea agreement, as well as any order of restitution entered by the Court. This waiver extends to any challenge to the manner in which the sentence was determined or imposed, including the district court's authority to make findings supporting the sentence.

32. The Defendant also waives the right to appeal any sentence imposed below or within the guideline range upon a revocation of supervised release in this cause number but may nonetheless appeal the determination of the revocation guideline range.

33. The Defendant also waives the right to appeal the denial of any motion filed under 18 U.S.C. § 3582(c) where such denial rests upon the court's determination that a sentence reduction is not warranted under the factors set forth in 18 U.S.C. § 3553(a).

34. In addition, the Defendant agrees to waive any collateral attack to the Defendant's conviction(s) and any sentence pursuant to 28 U.S.C. §§ 2241, 2255, or any other extraordinary writ, except on the issue of defense counsel's ineffective assistance.

GOVERNMENT'S ADDITIONAL AGREEMENT

35. Provided that the Defendant fulfills the Defendant's obligations as set out above, the United States agrees that:

- a. The United States will not bring additional criminal charges against the Defendant arising out of the facts forming the basis of the present indictment.
- b. Conditioned upon receipt from Defendant of the Restitution of \$208,341.28 (constituting missing royalty principal and interest for Federal and Indian leases between January 24, 2017 and March 25, 2024), ONRR waives all claims arising out of, or related directly or indirectly to, the payment obligations for the period between on or about January 24, 2017 and the date on which this plea agreement is signed (the “Covered Conduct”) that were the subject of the ILCPs and FCCPs, including the payment of further civil penalties, fees, or interest arising from or related to those ILCPs or FCCPs. Notwithstanding the foregoing, in evaluating any future violations by Defendant or determining appropriate assessments for those violations, ONRR may cite or otherwise use the ILCPs and FCCPs as evidence of Defendant’s history of compliance.
- c. Conditioned upon receipt from ONRR of the Restitution Payment, ONRR waives all claims it has or may have against M&M and Shoreline and all of its present and former officers, present and former directors, partners, agents, attorneys, present and former employees, investors, legal representatives, shareholders, parents, subsidiaries, successors and assigns from any civil, criminal, or administrative actions under the Federal Oil and Gas Royalty Management Act, 30 U.S.C. §§ 1701-1759, arising out

of, or related directly or indirectly to, the payment obligations for the Covered Conduct. However, for avoidance of doubt, M&M and Shoreline shall remain liable, and ONRR does not release any claims, for any knowing or willful violations as defined under 30 C.F.R. §§ 1241.3 and 1241.60 for reporting outside the scope of the Covered Conduct.

VOLUNTARY PLEA

36. The Defendant agrees and represents that this plea of guilty is freely and voluntarily made and is not the result of force, threats, or promises (other than the promises set forth in this agreement and any addenda). The Defendant also represents that the Defendant is pleading guilty because the Defendant is in fact guilty.

VIOLATION OR REJECTION OF PLEA AGREEMENT

37. The Defendant agrees that if the Court finds by a preponderance of the evidence that the Defendant has violated any provision of this agreement, the United States will be released from its obligations under the agreement. In such a case, or where the Court has rejected the plea agreement or has functionally rejected it by failing to accept the agreement within six months of its entry (except where the United States, in its sole discretion, agrees to an extension of that time) the United States is released from its obligations under the plea agreement and the Defendant will thereafter be subject to prosecution for any criminal violation, including but not limited to any crime(s) or offense(s) contained in or related to the charges in this case, as well as perjury, false statement, obstruction of justice, and any other crime committed by the Defendant during this prosecution.

38. The Defendant further agrees that in the event the Court finds that Defendant has breached this plea agreement, thus releasing the United States of its obligations under the agreement, such events do not constitute a fair and just reason under Rule 11(d)(2)(B) for withdrawing the guilty plea(s) entered pursuant to this agreement.

39. Following the Court's finding of a breach of this agreement by the Defendant, or rejection or functional rejection of the agreement by the Court, should the United States choose to pursue any charge that was either dismissed or not filed as a result of this agreement, the Defendant waives any defense to that charge or charges based on the lapse of time between the entry of this agreement and such event.

SPECIAL ASSESSMENT

40. At the time of sentencing, the Defendant will tender to the United States District Court, District of New Mexico, 333 Lomas Blvd. NW, Suite 270, Albuquerque, New Mexico 87102, a money order or certified check payable to the order of the **United States District Court** in the amount of \$900 in payment of the special penalty assessment described above.

ENTIRETY OF AGREEMENT

41. This document and any addenda are a complete statement of the agreement in this case and may not be altered unless done so in writing and signed by all parties. This agreement is effective upon signature by the Defendant and an Assistant United States Attorney.

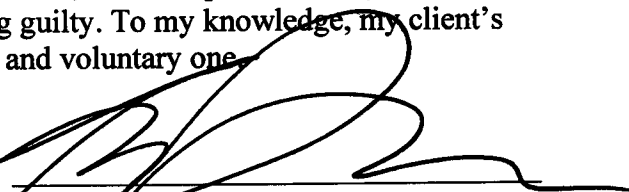
AGREED TO AND SIGNED this 11TH day of July, 2024.

Alexander M.M. Uballez
United States Attorney




Alexander F. Flores
Assistant United States Attorney
Albuquerque, New Mexico 87102
(505) 346-7274

I have carefully discussed every part of this agreement with my client. Further, I have fully advised my client of my client's rights, of possible defenses, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of the relevant sentencing guidelines provisions, and of the consequences of entering into this agreement. In addition, I have explained to my client the elements to each offense to which she/he is pleading guilty. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.



Jim Loonam
Attorney for the Defendant

I have carefully discussed every part of this agreement with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. My attorney has advised me of my rights, of possible defenses, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of the relevant sentencing guidelines provisions, and of the consequences of entering into this agreement.



Teresa McCown
Defendant