



DEPARTMENT OF NATURAL RESOURCES
John W. Hickenlooper, Governor
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February 24, 2012

Jerry Calley & Ed Neibauer
P&M Petroleum Management LLC
518 17th Street #1105
Denver, CO 80202

Location ID: 317195

RE: Niobrara Illuminating Gas Association LLC – Operator #63380
Young #1-26 well API#121-09659
Non-Compliance Reclamation Rules & Regulations 1000 Series

Dear Jerry & Ed:

An inspection was conducted on the Young #1-26 well located in Washington County NESE Sec16-2S-50W on 4/28/2011 by area inspector, Colby Horton. The condition of this well site was unsatisfactory in accordance to the oil and gas rules and regulations set the Colorado Oil and Gas Conservation Commission.

As assigned designated agents of Niobrara Illuminating Gas Association, and phone conversations conducted on 4/25/11 you were directed to contact area field inspector for guidance on proper reclamation procedures on the inspection that was conducted on 4/16/2007. Our records indicate that the Form 4 for reclamation procedures or the Form 27 for pit closure has not been filed.

Please contact area inspector supervisor, Jim Precup at #303-726-3822 and John Axelson, Environmental Specialist at #303-877-9964 for issues addressed on the enclosed field inspection. Please forward all documents to my attention for tracking and processing purposes.

To avoid any enforcement action which may result in fines and penalties your attention in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Martha Ramos".

Martha Ramos
Financial Assurance Analyst

XC: Operator File

Enclosure

Jim Precup, NE Area Inspector Supervisor
John Axelson, NE Environmental Specialist
✓ Alex Fischer, Environmental Supervisor

COGIS - Field Inspection Report

PJM

Related GIS Doc

API Number: 05-121-09659	Name: YOUNG #1-26
Location: NESE 26 2S 50W	Lat: 39.849055 Long: -102.936899
Operator #:	Operator Name: NIOBRARA ILLUMINATING GAS ASSOCIATES LLC
Inspection Date: 4/28/2011	Inspector: COLBY HORTON

Inspection was: **Unsatisfactory**

Insp. Type: SR	Insp. Stat: PA	Reclamation (Pass, Interim or Fail):	P&A (Pass/Fail):
Brhd. Pressure:	Inj. Pressure:	T-C Ann. Pressure:	UIC Violation Type:
Violation: Y	NOAV Sent: N	Date Corrective Action Due: 11/30/2011	Date Remedied:

Field Inspection Comments and Observations

Insp. Comment	Inspection/Violation Comments
ACTION	SAMPLE PIT AND WITH APPROVAL FROM JOHN AXELSON PIT CAN BE CLOSED PROPERLY. RECLAIM LOCATION PER RULE 1004.
FENCECOMMENT	BARBED WIRE
SURFRH	FLOWLINES STILL IN PLACE ALONG WITH BURIED GAS SCRUBBER / PIT SEEMS TO HAVE BEEN COVERED WITH BLOW SAND