



\*\*\* NOTICE OF ALLEGED VIOLATION \*\*\*

OGCC Operator Number: 66565  
Name of Operator: P & M PETROLEUM MANAGEMENT LLC  
Address: 518 17TH ST STE 1105 ATTN: JERRY CALLEY  
City: DENVER State: CO Zip: 80202  
Company Representative: ED NEIBAUER

Date Notice Issued:  
7/8/2013

Well Name: LOUSBERG Well Number: 1 Facility Number: 240126  
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWSW 18 9N 56W 6 County: WELD  
API Number: 05 123 07914 00 Lease Number:

COGCC Representative: LEONARD MIKE Phone Number: 719 647-9715

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED  
Date of Alleged Violation: 6/11/2013 Approximate Time of Violation:  
Description of Alleged Violation:  
SEE ATTACHMENT LETTER FOR ADDITIONAL INFORMATION. The Colorado Oil and Gas Conservation Commission (COGCC) is issuing Notice of Alleged Violation to P&M Petroleum Management based on conditions found during field inspection conducted by COGCC Staff. These conditions involve non-compliance with reclamation rules.

Act, Order, Regulation, Permit Conditions Cited:  
1004. a., 1103., 1004. b., 324A. a. , 906

Abatement or Corrective Action Required to be Performed by Operator: \*  
SEE ATTACHMENT LETTER FOR FULL LIST OF ABATEMENTS OR CORRECTIVE ACTIONS AND CORRECTIVE ACTION DATES. Within ten (10) days of receipt of this Notice of Alleged Violation submit to COGCC a compliance plan for the performance and completion of Abatement and/or Corrective Actions listed in Attachment letter.  
Abatement or Corrective Action to be Completed by (date): 7/22/2013  
\* Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:  
Company Representative Name: Title:  
Signature: Date:  
Company Comments:

\*\*\* THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED \*\*\*

WARNING  
Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or five days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523  
The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported; promptly, effectively and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed.  
the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations, and orders. The  
BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 803, 804  
BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401  
BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 605, 606A, 606B, 607  
BASE FINE \$1,000.00 PER DAY PER VIOLATION: RULES 209, 301, 303, 305, 306, 316B, 317, 317A, 318, 319, 320, 323, 324, 325, 326, 327, 333, 404, 602, 603, 604, 703, 704, 705, 706, 707, 708, 709, 711, 802, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103  
In accordance with Rule 523.a.(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative: Date: 7/8/2013 Time:  
Resolution Approved by: Date: