



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

796 Megan Avenue, Suite 201
Rifle, CO 81650

WARNING LETTER #2597077

Petro Mex Resources
Attn: Linn Wilson and Barb Sonnier, Designated Agents
888 CR 4990
Bloomfield, NM 87413

Operator Number: 10059
Contact email: linn_wilson@sisna.com, sonnier3@earthlink.net
Well Name: FEDERAL #6-9-8-101
API Number: 05-045-13342
Legal Location: SESW Section 9, Township 9S, Range 101W, 6th P.M.
Mesa County, Colorado

Date: July 3, 2014

This Warning Letter is to inform you that the oil and gas facility or the oil and gas operations listed above may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Warning Letter is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

The COGCC requires Petro Mex Resources (“Operator”) to implement corrective action(s) for the conditions identified below.

P 970.625.2497 F 970.625.5682 www.colorado.gov/cogcc

Commissioners: Thomas L. Compton - Chairman, Richard Alward, John H. Benton, DeAnn Craig,
James W. Hawkins, Tommy Holton, Andrew L. Spielman, Mike King, Dr. Larry Wolk
John W. Hickenlooper, Governor | Mike King, Executive Director, DNR | Matthew J. Lepore, Director



Alleged Violation:

Operator spudded the Federal #6-9-8-101 Well on 5/22/2005. Operator did not transmit to the Director the Drilling Completion Report, Form 5. COGCC requested the Form 5 in a July 23, 2013 and subsequent telephone conversations with Operator's agent Barbara Sonnier. Attempts to communicate with the Operator's agents via email have been unsuccessful. The Form 5 has not been transmitted to the Director as of this writing.

An inspection by COGCC staff on June 30, 2014 has led staff to a determination that the Federal #6-9-8-101 Well lacks mechanical integrity. Photographs attached to inspection document # 663903403 dated June 30, 2014 show an open annulus. Operator shall repair or plug and abandon the well.

Rule(s), Regulations(s), or Permit Conditions Cited: Rules 308A and 326.d

How to Comply with this Warning Letter:

Submit a Form 5 Drilling Completion Report. Submit a Form 4 Sundry Notice that contains a plan and schedule to repair the well or a Form 6 Notice of Intent to plug and abandon the well.

Corrective Action Deadline Date: August 4, 2014.

Failure to Comply with this Warning Letter:

If Operator fails to perform the required corrective actions, COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

If you have any questions about this Warning Letter, please contact the COGCC representative below.

Sincerely,

Craig A. Burger, P.E.
Northwest Region Engineer - Western Region
Email: Craig.Burger@state.co.us