

FORM
NOAV
Rev 6/99

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax (303) 894-2109



FOR OGCC USE ONLY
10/07/2013
200388006

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10107
Name of Operator: REDWINE RESOURCES INC
Address: 8214 WESTCHESTER STE 740
City: DALLAS State: TX Zip: 75225
Company Representative: GARY REDWINE

Date Notice Issued:
10/07/2013

Well Name: SOUTH NUCLA UNIT Well Number: 1-32 Facility Number: 292381
Location (QtrQtr, Sec, Twp, Rng, Meridian): SWNE 1 46N 14W N County: MONTROSE
API Number: 05 085 06047 00 Lease Number:

COGCC Representative: ANDREWS DAVID Phone Number: 970 625-2497 EXT 1

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 10/15/2012 Approximate Time of Violation:
Description of Alleged Violation:
The South Nucla Unit #1-32 well was spud on 3/7/2008, and production testing was completed in July 2008. Subsequently, the well was plugged back to a CICR at 7,765' with 2 sacks of cement on top, temporarily abandoning the well downhole. Production Reporting was last reported in October 2010, and is therefore delinquent (Rule 309). Temporary abandonment status approval is not current (Rule 319). The well is shut-in at the surface with a wellhead. There is no mechanical integrity test on record (Rule 326). Stormwater BMP's are in disrepair and erosion is prevalent on the access road and the well pad (Rule 1002). The drilling pit remains open, weeds are prevalent, minor junk and trash on location, and interim reclamation is incomplete (Rule 1003). Wildlife netting for the drilling pit is in disrepair (Rule 902.d.).

Act, Order, Regulation, Permit Conditions Cited:
Rules: 309, 319, 326, 902.d., 1002, and 1003

Abatement or Corrective Action Required to be Performed by Operator:*
Submit delinquent production reports. Produce the well, pass a mechanical integrity test, or plug and abandon the well. Mitigate erosion. Close the drilling pit, remove junk and trash, and perform interim reclamation. Perform weed mitigation.
Abatement or Corrective Action to be Completed by (date): 11/07/2013
* 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 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 Commission has final authority over the penalty amount assessed.
BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 603, 604
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, 308, 318B, 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 523.2(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative: David Andrews Date: 10/07/2013 Time: 4:00PM
Resolution Approved by: David Andrews Date: 6/17/2014
for PETER GOWEN
RESOLVED BY ORDER IV-470, ENTERED 6/17/2014



DEPARTMENT OF NATURAL RESOURCES

John W. Hickenlooper, Governor

796 Megan Avenue, Suite 201

Rifle, CO 81650

Phone: (970) 625-2497

FAX: (970) 625-5682

www.colorado.gov/cogcc

October 7, 2013

Redwine Resources, Inc.
Attn: Gary Redwine
8214 Westchester, Ste 740
Dallas, Texas 75225

RE: South Nucla Unit #1-32
API No. 05-085-06047

Dear Mr. Redwine:

Colorado Oil and Gas Conservation Commission (COGCC) Staff is issuing the attached Notice of Alleged Violation (NOAV) for the above-referenced well.

When your corrective action is completed, fill out the "TO BE COMPLETED BY OPERATOR" section on the NOAV and return it to my attention.

Please contact me at your convenience if you have any questions, and thank you for your prompt attention to this matter.

Sincerely,

David Andrews, P.E., P.G.
Engineering Supervisor
Western Region

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>REDWINE RESOURCES INC ATTN: GARY REDWINE 8214 WESTCHESTER STE 740 DALLAS, TX 75225</p>		<p>B. Received by (Printed Name) David M. Aschay</p> <p>C. Date of Delivery 10/9</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>7011 3500 0001 3156 7459</p>	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
DALLAS TX 75225 OFFICIAL USE		
Postage	\$ 0.46	0543
Certified Fee	\$3.10	02
Return Receipt Fee (Endorsement Required)	\$2.55	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	RIFL, CO
Total Postage & Fees	\$ 6.11	OCT 7 10/07/2013 2013
Sent To REDWINE RESOURCES		
Street, Apt. No., or PO Box No. 8214 WESTCHESTER, STE 740		
City, State, ZIP+4 DALLAS, TX 75225		
PS Form 3800, August 2006		See Reverse for Instructions

7011 3500 0001 3156 7459



STATE OF COLORADO

Andrews - DNR, David <david.andrews@state.co.us>

U.S. Postal Service Track & Confirm email Restoration - 70113500000131567459

1 message

US_Postal_Service@usps.com <US_Postal_Service@usps.com>

Thu, Mar 13, 2014 at 2:52 PM

To: david.andrews@state.co.us

This is a post-only message. Please do not respond.

David Andrews has requested that you receive this restoration information for Track & Confirm as listed below.

Current Track & Confirm e-mail information provided by the U.S. Postal Service.

Label Number: 70113500000131567459

Service Type: Certified Mail

Shipment Activity	Location	Date & Time
Delivered	DALLAS TX 75225	October 9, 2013 12:33 pm
Depart USPS Sort Facility	DALLAS TX 75260	October 9, 2013
Processed through USPS Sort Facility	DALLAS TX 75260	October 9, 2013 2:17 am
Processed through USPS Sort Facility	DALLAS TX 75260	October 8, 2013 11:15 pm
Depart USPS Sort Facility	GRAND JUNCTION CO 81505	October 7, 2013
Processed at USPS Origin Sort Facility	GRAND JUNCTION CO 81505	October 7, 2013 8:46 pm
Dispatched to Sort Facility	RIFLE CO 81650	October 7, 2013 5:07 pm
Acceptance	RIFLE CO 81650	October 7, 2013 5:03 pm

USPS has not verified the validity of any email addresses submitted via its online Track & Confirm tool.

For more information, or if you have additional questions on Track & Confirm services and features, please visit the Frequently Asked Questions (FAQs) section of our Track & Confirm tool at <http://www.usps.com/shipping/trackandconfirmfaqs.htm>.

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RIFLE POST OFFICE
RIFLE, Colorado
816509800
0723550543-0099
10/07/2013 (970)625-1070 05:04:28 PM
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===== Sales Receipt =====

Table with 3 columns: Product Description, Sale Unit Qty Price, Final Price. Includes items like DALLAS TX 75225 Zone-5, First-Class Mail Letter 0.70 oz., Return Rcpt (Green Card), @@ Certified, and Label #: 70113500000131567459.

Issue PVI: \$6.11
Total: \$6.11

Paid by:
Cash \$20.00
Change Due: -\$13.89

@@ For tracking or inquiries go to
USPS.com or call 1-800-222-1811.

Order stamps at usps.com/shop or
call 1-800-Stamp24. Go to
usps.com/clicknship to print
shipping labels with postage. For
other information call
1-800-ASK-USPS.

Get your mail when and where you
want it with a secure Post Office
Box. Sign up for a box online at
usps.com/poboxes.

Bill#:1000100573913
Clerk:02