



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

OGCC Operator Number: 77330
Name of Operator: SG INTERESTS I LTD
Address: 100 WAUGH DR SUITE 400 ATTN: CATHERINE DICKERT
City: HOUSTON State: TX Zip: 77007
Company Representative: CATHERINE DICKERT

Date Notice Issued:
10/1/2015

Well Name: FEDERAL 11-89-17 Well Number: 1 Facility Number: 300502
Location (QtrQtr, Sec, Twp, Rng, Meridian): SWNE 17 11S 89W 6 County: GUNNISON
API Number: 05 051 06086 00 Lease Number: COC64164

COGCC Representative: Krabacher Jay Phone Number: 970 625-2497 X4

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

Date of Alleged Violation: 9/9/2015 Approximate Time of Violation: 7:00PM
Description of Alleged Violation:
SG Interests I LTD (SGI) flared gas from the Federal 11-89-17 #1 well from 7PM to 10PM on September 9, 2015 and failed to notify the local emergency dispatch or governmental designee within the timeframe required by COGCC Rule 912.e.

Act, Order, Regulation, Permit Conditions Cited:
COGCC Rule 912.e.

Abatement or Corrective Action Required to be Performed by Operator:*
SGI shall provide a written response describing how procedural changes will be implemented to prevent recurrence of this alleged violation.

Abatement or Corrective Action to be Completed by (date): 10/16/2015
* 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 *****

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Hard-copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

Signature of COGCC Representative: Jay Krabacher Date: 10/1/2015 Time: 13:00
Resolution Approved by: _____ Date: _____



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

October 1, 2015

SG Interests I LTD
Attn: Catherine Dickert
100 Waugh Dr., Suite 400
Houston, TX 77007

SG Interests I LTD
Attn: Catherine Dickert
922 East 2nd Avenue
Durango, CO 81301

RE: COGCC NOAV No. 200437638
SG Interests I LTD (Operator No. 77330)

Dear Ms. Dickert,

Please find the enclosed Notice of Alleged Violation (NOAV) for SG Interests I LTD's (SGI) facility in Gunnison County, Colorado. Instructions for SGI to respond and complete corrective action are included in the NOAV document. If you have procedural questions pertaining to the NOAV, please contact me at 303-894-2100 x5172. If you have technical questions pertaining to the NOAV, please contact Jay Krabacher at 970-625-2497 x4.

Very truly yours,

Steven Mah, NOAV Specialist

P 303.894.2100 F 303.894.2109 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



CERTIFICATE OF SERVICE

On October 1, 2015, a true and correct copy of the NOAV and this cover letter, was sent by Certified US Mail, return receipt requested, and electronic mail to the following as indicated:

SG Interests I LTD
Attn: Catherine Dickert
100 Waugh Dr., Suite 400
Houston, TX 77007

SG Interests I LTD
Attn: Catherine Dickert
922 East 2nd Avenue
Durango, CO 81301

Catherine Dickert
SG Interests I LTD
cdickert@sginterests.com

Sue Mehlhoff
Bureau of Land Management
Chief, Branch of Fluid Minerals
smehlhoff@blm.gov



Steven Mah