



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
White River Field Office
220 East Market Street
Meeker, CO 81641



COGCC Document No. 2056245
Received 10/19/2015

10/5/16

In Reply Refer To:
3160 (LLCON05000)
Lease: COD033622A
Agreement: COC47637A
Well: Iles Dome Unit #6 (API #05-081-05107)

Certified Mail - Return Receipt Requested

POC-I, LLC
1888 Sherman Street, Suite 500
Denver, CO 80203

NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER

Mr. Tom Rogers,

The White River Field Office (WRFO) recently conducted an idle well review for all wells within the WRFO and Little Snake Field Office (LSFO) areas. It was found that the operation of the Iles Dome Unit #6 (API #05-081-05107) was not being conducted in a manner designed to protect the mineral resources, other natural resources, and environmental quality (43 CFR 3162.5).

ORDERS OF THE AUTHORIZED OFFICER

The following compliance problem was identified upon review of the subject well, pursuant to 43 CFR 3162.3-4(a) which states that the operator shall promptly plug and abandon a well that is demonstrated to the satisfaction of the authorized officer to be no longer capable of producing oil or gas in paying quantities.

- **Problem No. 01SS2017WOME:** The WRFO has determined that the Iles Dome Unit #6 (API #05-081-05107) is not capable of production in paying quantities since it has not produced since it was temporarily abandoned in June, 1988.

Corrective Action: POC-I, LLC must complete one of the following 3 options:

1. Resume production in lease-paying quantities and notify the BLM by Sundry (Form 3160-5). Include proof that the well has mechanical integrity.
2. Submit a Sundry with an up-to-date MIT, production test, and economic analysis that proves the well is capable of producing in paying quantities. All test results must be recorded by chart and you must notify this field office at least 48 hours prior to testing to afford us an opportunity to observe. The production test must be run for a minimum of 48 consecutive hours after the well has been cleaned up and a stabilized flow rate has been achieved. For your economic analysis, use the results of the production test and a reasonable price for the area to calculate revenues and then subtract lease minimum royalties and day-to-day operating expenses. You may assume

operating expenses, but provide a breakdown for our review. If the net result shows that the well is not capable of producing in paying quantities with mechanical integrity you may be ordered to plug and abandon the well.

3. Submit a Notice of Intent sundry with your procedure to permanently plug the well.

In accordance with 43 CFR 3163.1(a), you must comply with the corrective actions stated above no later than **January 1, 2017**. If you fail to comply within the time frame specified, you will be subject to further enforcement action as may be deemed necessary.

WARNING

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3156.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

If you have questions regarding this notice please contact Sean Simpson, Petroleum Engineer, at 970-878-3846.

Sincerely,



Kent E. Walter
Field Manager

cc: Well files
Lease files