

State of Colorado
Oil and Gas Conservation Commission

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Date Resolved:

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

OGCC Operator Number: 10059
Name of Operator: PETRO MEX RESOURCES
Address: PO BOX 6724
City: FARMINGTON State: NM Zip: 87499-6724

Contact Name and Telephone:

Name: Linn Wilson
Phone: (505) 486-5557 Fax: ()
Email: linn_wilson@sisna.com

Well Location, or Facility Information (if applicable):

API Number: 05-045-06779-00 Facility or Location ID:
Name: GOVERNMENT Number: 6
QtrQtr: NESE Sec: 8 Twp: 8S Range: 101W Meridian: 6
County: GARFIELD

ALLEGED VIOLATION

Rule: 316B

Rule Description: Mechanical Integrity Test

Initial Discovery Date: Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:
Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 316B, Petro Mex Resources (Operator) is required to provide notice to the Director on a Form 42 at least ten (10) days prior to conducting a mechanical integrity test (MIT) and submission of MIT results on a Form 21, within thirty (30) days after the test. A pressure chart shall accompany this Form 21 report. Based on Operator's Form 7 Monthly Reports of Operations stating the well has been Shut-in (SI) since February 1999 and COGCC inspections on June 3, 2015 (Document # 675201618); February 5, 2015 (Document #675201169); June 30, 2014 (Document #674700180); and October 19, 2011 (Document #663800058) which documented Well statuses of SI and temporarily abandoned (TA), COGCC staff had reason to believe the Government #6, API 045-06779, (Well) was overdue to perform an MIT. A COGCC inspection on June 16, 2015 documented observations of the MIT conducted on the Well on that date, but no Form 21 has been submitted to COGCC as required by rule. Warning Letter #2193187 was issued to Operator on February 2, 2016 and required corrective action to resolve the delinquent MIT, through proper documentation, by April 30, 2016. A Form 21 should have been submitted by July 16, 2015, but to date Operator has not submitted a Form 21 to COGCC, violating Rule 316B.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 04/30/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall immediately submit a Form 21 for the MIT performed on the Well to COGCC.

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 judgement 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_cogccenforecment@state.co.us.

NOAV ISSUED

NOAV Issue Date: 10/27/2016

COGCC Representative Signature: _____

COGCC Representative: Andrew Stone

Title: Engineering Tech

Email: andrewg.stone@state.co.us

Phone Num: (303) 894-2100x5188

CORRECTIVE ACTION COMPLETED

Rule: 316B

Rule Description: Mechanical Integrity Test

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: _____ Order #: _____ Docket #: _____

Enforcement Action: _____

Final Resolution Date: _____

Final Resolution Comments:

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
401137981	NOAV COVER LETTER
401137982	NOAV CERTIFIED MAIL RECEIPT
401138145	NOAV ISSUED

Total Attach: 3 Files