

State of Colorado
Oil and Gas Conservation Commission

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NOTICE OF ALLEGED VIOLATION - RESOLVED

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: 90615

Name of Operator: TUDEX PETROLEUM INC

Address: 2121 39TH AVE NE UNIT E

City: CALGARY State: AL Zip: T2E 6R7

Contact Name and Telephone:

Name: Lionel Conn

Phone: (403) 250-7225 Fax: ()

Email: lconn@live.ca

Additional Operator Contacts

Email

Judith Hagan

TUDORCORP@hotmail.ca

Well Location, or Facility Information (if applicable):

API Number: 05-001-08163-00

Facility or Location ID: _____

Name: REINHOLT

Number: 12-6

QtrQtr: NWNE Sec: 12 Twp: 1S Range: 68W Meridian: 6

County: ADAMS

ALLEGED VIOLATION

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

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 210.b, within 60 days after the installation of a battery, Tudex Petroleum, Inc. (Operator) shall install a permanent sign at the wellhead. This sign shall provide, among other required information, the name of the Operator, a phone number at which the Operator can be reached at all times, and a phone number for local emergency services (911 where available). During an inspection on June 20, 2017 (Doc. No. 685503105), COGCC Staff observed that the signage on site at the Reinholt 12-6 well, API No. 001-08163 ("Well") did not include emergency contact information. COGCC Staff, in Doc. No. 685503105, required Operator to modify the signage to include emergency contact information as required by July 20, 2017. During follow up inspections on July 26, 2017 (Doc. No. 687400118), COGCC Staff observed that the signage had not been modified to include emergency contact information. Operator is therefore in violation of Rule 210.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/20/2017

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

Operator shall install signage at the Well including emergency contact information as required by Rule 210.b.

Rule: 309

Rule Description: Operator's Monthly Report of Operations

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 309.a, Operator shall report all existing oil and gas wells that are not plugged and abandoned on the Operator's Monthly Report of Operations, Form 7, within 45 days after the end of each month. Operator shall report every month from the month that it is spud until it has been reported for one month as abandoned. When reviewing records in connection with a June 20, 2017 inspection (Doc. No. 685503105), COGCC Staff observed that Operator has not filed Form 7s since December 2016. COGCC Staff, in Doc. No. 685503105, required Operator to file Form 7s as required by Rule 309.a by August 6, 2017. A review of records in connection with a July 26, 2017 follow up inspection (Doc. No. 687400118) revealed that Operator had not filed Form 7s. Operator has not filed Form 7s as of the issuance of this Notice of Alleged Violation. Operator is therefore in violation of Rule 309.a.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 08/06/2017

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

Operator shall report production via Form 7 as required by Rule 309.a.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

| | | |
|-------------------------|---|----|
| 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 603.f, Operator shall keep all locations including wells and surface production facilities free of equipment and supplies not necessary for use on that lease, weeds, rubbish, and other waste materials. During a June 20, 2017 inspection (Doc. No. 685503105) of the Reinholt 12-6 well, API No. 001-08163 ("Well"), COGCC Staff observed an unused long run drum and scrubber pot at the Well. COGCC Staff, in Doc. No. 685503105, required Operator to comply with Rule 603.f by July 20, 2017. During follow up inspections on July 26, 2017 (Doc. No. 687400118), COGCC Staff observed unused equipment and litter in multiple areas around the Well and inside the separator housing, in addition to weed overgrowth around production tanks, water tanks, and facility berms. Operator is therefore in violation of Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 07/20/2017

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

Operator shall comply with Rule 603.f using the Rule 603.f guidance document.

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: 09/07/2017

COGCC Representative Signature: _____

COGCC Representative: Steven Mah Title: Enforcement Officer

Email: steven.mah@state.co.us Phone Num: (303) 894-2100x5172

CORRECTIVE ACTION COMPLETED

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

No action taken.

Rule: 309

Rule Description: Operator's Monthly Report of Operations

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

No action taken.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

No action taken.

FINAL RESOLUTION

Cause #: 1V Order #: 646 Docket #: 171000766

Enforcement Action: Order Finding Violation Final Resolution Date: 10/30/2017

Final Resolution Comments:

Resolved by Order 1V-646.

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> |
|------------------------|-----------------------------|
| 401395439 | NOAV APPROVED |
| 401397878 | NOAV COVER LETTER |
| 401397882 | NOAV CERTIFIED MAIL RECEIPT |
| 401397917 | NOAV ISSUED |
| 401398833 | NOAV IN PROCESS |

Total Attach: 5 Files