

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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Date Issued:
08/02/2021

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, 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 525, 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: 16520

Name of Operator: CHEMCO INC

Address: 6970 SOUTH HOLLY CIR STE 206

City: CENTENNIAL State: CO Zip: 80112

Contact Name and Telephone:

Name: GRAY H NEHER

Phone: (303) 771-7777 Fax: ()

Email: gh.neher@chemco-og.com

Well Location, or Facility Information (if applicable):

API Number: 05-061-06452-00

Facility or Location ID:

Name: BAUGHMAN

Number: 6

QtrQtr: NESW

Sec: 2

Twp: 19S

Range: 45W

Meridian: 6

County: KIOWA

ALLEGED VIOLATION

Rule: 326.b

Rule Description: Shut-in Wells

Initial Discovery Date: 07/13/2021

Was this violation self-reported by the operator? No

Date of Violation: 10/01/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.b., Chemco, Inc. ("Operator") is required to conduct a Mechanical Integrity Test ("MIT") on shut-in ("SI") wells within two (2) years of the initial SI date and then at five (5) year intervals after an initial successful MIT.

COGCC staff conducted an audit of COGCC records for the Baughman #6 well, and found that the well was reported as SI, for 30 months, from October 2018 to March 2021, and was returned to production without an MIT being conducted, violating Rule 326.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 09/02/2021

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

Operator shall submit results of the MIT, conducted on July 13, 2021, on a Form 21, within 30 days after the test.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Answers are filed by email to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 08/02/2021

COGCC Representative Signature:



COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100 x5143

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>
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Total Attach: 0 Files