

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
402768044
Date Issued:
08/02/2021
Date Resolved:

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

CORRECTIVE ACTION COMPLETED

Rule: 326.b

Rule Description: Shut-in Wells

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.

Document Number	Description
402768062	NOAV CERTIFIED MAIL RECEIPT
402768063	NOAV ISSUED

Total Attach: 2 Files