

State of Colorado  
Oil and Gas Conservation Commission

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Document Number:  
403331889  
Date Issued:  
02/27/2023  
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: 10560  
Name of Operator: WEST TEXAS OPERATING CO LLC DBA XTREME ENERGYCO  
Address: PO BOX 2326  
City: VICTORIA State: TX Zip: 77902  
Contact Name and Telephone:  
Name: MIKE HAHN  
Phone: (361) 570-1600 Fax: ( )  
Email: mhahn@xeogc.com

**Well Location, or Facility Information (if applicable):**

API Number: 05-009-06309-00 Facility or Location ID: \_\_\_\_\_  
Name: MCKINLEY Number: 1-20-WD  
QtrQtr: SENE Sec: 20 Twp: 33S Range: 43W Meridian: 6  
County: BACA

**ALLEGED VIOLATION**

Rule: 417  
Rule Description: Mechanical Integrity Testing  
Initial Discovery Date: 08/15/2022 Was this violation self-reported by the operator? No  
Date of Violation: 02/15/2023 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 417.f., all wells which lack mechanical integrity, as determined through a mechanical integrity test ("MIT") will be repaired or Plugged and Abandoned within 6 months. If West Texas Operating Co., LLC dba Xtreme Energy Co. ("Operator") has performed an MIT within the 2 years required for Shut-in Wells by this Rule, Operator will have 6 months from the date of the unsuccessful test to make repairs or Plug and Abandon the Well.

COGCC staff conducted an inspection of Operator's McKinley 1-20-WD well on August 15, 2022 (document no. 701005602), to witness Operator's timely 5 year Underground Injection Control ("UIC") well MIT. Staff observed the well lacked mechanical integrity as determined through the MIT. Staff required Operator to immediately shut-in the well and disconnect the flowline or disable and lock-out/tag-out the injection pump.

COGCC staff issued a Warning Letter to Operator on September 9, 2022 (document no. 403161380), requiring Operator to repair or plug and abandon the McKinley 1-20 WD well within 6 months, or by February 15, 2023.

As of February 27, 2023, more than 6 months after the failed MIT, Operator has not submitted a Form 4, Sundry Notice of Intent to Repair or Form 6, Notice of Intent to Abandon the well.

Operator failed to timely repair or plug and abandon the well within 6 months after an unsuccessful MIT, violating Rule 417.f.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/27/2023

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

Operator shall immediately repair and successfully pass an MIT or plug and abandon the Well.

Rule: 418

Rule Description: Form 21, Mechanical Integrity Test

Initial Discovery Date: 08/15/2022

Was this violation self-reported by the operator? No

Date of Violation: 02/15/2023

Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 418.a., West Texas Operating Co., LLC dba Xtreme Energy Co. ("Operator") will submit results of all mechanical integrity tests, including tests that show a lack of integrity, on a Form 21, Mechanical Integrity Test, within 30 days after the test.

COGCC staff conducted an inspection of Operator's McKinley 1-20-WD well on August 15, 2022 (document no. 701005602), to witness Operator's timely 5 year Underground Injection Control ("UIC") well mechanical integrity test ("MIT"). Staff observed the well lacked mechanical integrity as determined through the MIT. Staff required Operator to immediately shut-in the well and disconnect the flowline or disable and lock-out/tag-out the injection pump.

COGCC staff issued a Warning Letter to Operator on September 9, 2022 (document no. 403161380), requiring Operator to submit the results of the MIT, performed on the McKinley 1-20 WD well, on a Form 21 within 30 days after the unsuccessful MIT, or by February 15, 2023.

As of February 27, 2023, more than 30 days after the failed MIT, Operator has not submitted a Form 21, violating Rule 418.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/27/2023

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

Operator shall immediately submit the results of the failed MIT, conducted on August 15, 2022, on a Form 21, Mechanical Integrity 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](mailto:dnr_cogccenforcement@state.co.us).

### NOAV ISSUED

NOAV Issue Date: 02/27/2023

COGCC Representative Signature: \_\_\_\_\_

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

### CORRECTIVE ACTION COMPLETED

Rule: 417 \_\_\_\_\_  
 Rule Description: Mechanical Integrity Testing  
 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  
 \_\_\_\_\_

Rule: 418 \_\_\_\_\_  
 Rule Description: Form 21, 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>
403331909	NOAV CERTIFIED MAIL RECEIPT
403331917	NOAV ISSUED

Total Attach: 2 Files