



COLORADO

Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/ecmc

WARNING LETTER # 403966668

10/22/2024

WAVETECH HELIUM INC (# 10791)

PATRICK JOBE

pjobe@wavetechenergy.com

1801 BROADWAY SUITE600

DENVER, CO 80202

UPRC 1 Eiger 14-11 (API# 017-07124)

SWSW, 11, 12S, 43W, CHEYENNE

This Warning Letter is to inform you that WAVETECH HELIUM INC (“Operator”) may be in violation of the rules and regulations of the Colorado Energy and Carbon Management Commission (“ECMC”) and corrective action is required.

ECMC has reasonable cause to believe that Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which ECMC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

219 Form 10, Certificate of Clearance

Violation Date: 10/22/2024

Violation Discovery Date: 10/22/2024

Description of Alleged Violation: 219. FORM 10, CERTIFICATE OF CLEARANCE

- The Operator of a Well will file with the Director a Form 10, Certificate of Clearance to designate the transporter(s) and gatherer(s), as applicable, for the Well. The certificate, when properly executed and approved by the Commission, constitutes authorization to the Pipeline or other transporter to transport the authorized Fluid from the Well named therein; provided that this section will not prevent the production or transportation in order to prevent waste, pending execution, and approval of said certificate.
- Within 30 days after initial sale of oil or gas, each Operator of a new Well will file a Form 10 with the Director for the Well.

Required Corrective Action: Operator shall complete and submit an accurate Form 10, Certificate of Clearance for this well for any transporters or gas gatherers of produced fluids.

Corrective Action Deadline Date: 11/15/2024

34-60-121(1) CRS-b Statutory Violation - Permit Violation

Violation Date: 10/22/2024

Violation Discovery Date: 10/22/2024



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Description of Alleged Violation: Operator did not complete Conditions of Approval included with approved Application for Permit to Drill 403414856.

3) Run an Inclination survey and submit with the Form 5 Drilling Completion Report.

Operator did not include an inclination survey with the Form 5 Drilling Completion Report

Required Corrective Action: Operator shall submit required inclination survey (410.c.)

Corrective Action Deadline Date: 11/15/2024

413 Form 7, Operators Monthly Report of Operations

Violation Date: 10/22/2024

Violation Discovery Date: 10/22/2024

Description of Alleged Violation: Operator is receiving this letter because, based on ECMC records, ECMC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Monthly Reports of Operations ("Form 7"), are missing, inaccurate, or incomplete for this Well.

Pursuant to Rule 413.a., Operator is required to submit Form 7 for all existing oil and gas wells that are not plugged and abandoned, within 45 days after the end of each month. Operator is required to report the well every month from the month it is spud until it has been reported for one month as abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.

If Operator failed to file Form 7, Monthly Reports of Operations, or has filed incomplete or inaccurate information for the Well, then Operator violated Rule 413.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the ECMC Representative indicated below, confirming that all required Form 7s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 413. in the future. Operator shall reference this Warning Letter document number in the subject of the email.

Corrective Action Deadline Date: 11/15/2024

414 Form 5, Drilling Completion Report

Violation Date: 10/22/2024

Violation Discovery Date: 10/22/2024

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Drilling Completion Reports ("Form 5"), are outstanding for the Well.

Operator is required to submit a Final Form 5 within 60 days of rig release after drilling, sidetracking, or deepening a well to total depth (or within 60 days of such rig release after the last well drilled in continuous, sequential drilling of multiple wells on a pad). The Final Form 5 shall include the information indicated in Rule 414.b.(2). (FIR 701007485 10/6/23 rig on location)

Rig release date on submitted Form 5 should reflect activity being reported.



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Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the COGCC Representative indicated below, confirming that all required Form 5s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 414 in the future. Operator shall reference this Warning Letter document number in the subject of the email.

Corrective Action Deadline Date: 11/15/2024

416 Form 5A, Completed Interval Report

Violation Date: 10/22/2024

Violation Discovery Date: 10/22/2024

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Form 5A, Completed Interval Reports, are outstanding for the Well.

Pursuant to Rule 416, Operator is required to submit a Completed Interval Report ("Form 5A"), within 30 days after a formation is completed (successful or not); temporarily or permanently abandoned; recompleted, reperforated, or restimulated; or commingled. Operator shall include on the Form 5A details of fracturing, acidizing, or other similar treatment, including the volumes of all fluids involved.

If a formation in the Well has been completed, abandoned, recompleted, reperforated, restimulated, or commingled, and has not been reported on a Form 5A within 30 days of such activity, Operator violated Rule 416.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the COGCC Representative indicated below, confirming that all required Form 5As are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 416. in the future. Operator shall reference this Warning Letter document number in the subject of the email.

Corrective Action Deadline Date: 11/15/2024

How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the ECMC staff identified below by the Corrective Action Deadline Date(s):

ECMC Representative: Wolfe, Stephen
Email: stephen.wolfe@state.co.us

Title: East Area Engineer
Phone Num: (720) 697-8299x

If you have any questions about this Warning Letter, please contact the ECMC Representative identified above.

Failure to Comply with Warning Letter:

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above ECMC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.



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Disclaimers:

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the ECMC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.

All well data, rules and forms are available on our website at www.colorado.gov/ecmc.

Sincerely,

Wolfe, Stephen
East Area Engineer

Attachments

View Attachments in Imaged Documents on ECMC website <http://ecmcweblink.state.co.us/> Search by Document Number.

<u>Document Number</u>	<u>Description</u>

Total Attach: 0 Files