

State of Colorado
Energy & Carbon Management Commission

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404087731

Date Issued:
02/10/2025

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

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| ECMC Operator Number: <u>74740</u> | Contact Name and Telephone: |
| Name of Operator: <u>RIO MESA RESOURCES INC</u> | Name: <u>MICHAEL HAYES</u> |
| Address: <u>P.O. BOX 984</u> | Phone: <u>(970) 675-8491</u> Fax: <u>()</u> |
| City: <u>RANGELY</u> State: <u>CO</u> Zip: <u>81648</u> | Email: <u>hayespetroleum@gmail.com</u> |

Well Location, or Facility Information (if applicable):

API Number: 05-103-40007-00 Facility or Location ID: _____
Name: WOOSLEY Number: 3
QtrQtr: SWNW Sec: 7 Twp: 1N Range: 101W Meridian: 6
County: RIO BLANCO

ALLEGED VIOLATION

Rule: 434.a
Rule Description: Plugging

Initial Discovery Date: 05/14/2021 Was this violation self-reported by the operator? No
Date of Violation: 05/14/2021 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 434.a.(1), Rio Mesa Resource, Inc. ("Operator") will plug a dry or abandoned Well, seismic, core, or other exploratory hole, in such a manner that oil, gas, water, or other substance will be confined to the formation in which it originally occurred, isolating all zones specified in Rule 408.e., and zones identified and approved on the Form 6, Well Abandonment Report – Notice of Intent to Abandon.

On June 1, 2003, Operator's Woosley 3 (API: 05-103-40007) well was plugged (document no. 403347357).

On May 14, 2021, ECMC Staff inspected (document no. 701500762) the Woosley 3 well and observed a gas leak coming from the base of the above ground well marker. Staff's inspection report notified the Bureau of Land Management Staff upon issuance of the inspection report.

ECMC Staff conducted a follow up inspection on August 28, 2024 (document no. 701104067), and documented, using a Remote Methane Leak Detector ("RMLD"), that the well was still leaking gas.

Operator failed to plug and abandon the Woosley 3 well in such a manner that confines gas to the formation in which it originally occurred, violating Rule 434.a.(1).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: _____

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

Operator will re-enter and replug the Woosley 3 well to assure that all sources of hydrocarbons are isolated appropriately and the potential to emit gas is eliminated. Form 6 Notice of Intent should be filed within two weeks of NOAV issuance. Work must be completed and reported to ECMC within three months of NOAV issuance.

Rule: 902.Rule Description: PollutionInitial Discovery Date: 05/14/2021Was this violation self-reported by the operator? NoDate of Violation: 05/14/2021

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., Rio Mesa Resource, Inc. ("Operator") will prevent Pollution. Pursuant to Rule 902.b., Operator will prevent adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 902.c., Operator will prevent the unauthorized discharge or disposal of oil, condensate, gas, E&P Waste, Chemical substances, trash, discarded equipment, and other oil field waste.

On June 1, 2003, Operator's Woosley 3 (API: 05-103-40007) well was plugged (document no. 403347357).

On May 14, 2021, ECMC Staff inspected (document no. 701500762) the Woosley 3 well and observed a gas leak coming from the base of the above ground well marker. Staff's inspection report notified the Bureau of Land Management Staff upon issuance of the inspection report.

ECMC Staff conducted a follow up inspection on August 28, 2024 (document no. 701104067), and documented, using a Remote Methane Leak Detector ("RMLD"), that the well was still leaking gas.

Operator failed to prevent pollution and adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and prevent the unauthorized discharge of gas, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator: _____

Corrective Action Due Date: 02/24/2025**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will re-enter and replug the Woosley 3 well to assure that all sources of hydrocarbons are isolated appropriately and the potential to emit gas is eliminated. Form 6 Notice of Intent should be filed within two weeks of NOAV issuance. Work must be completed and reported to ECMC within three months of NOAV issuance.

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_ecmc_enforcement@state.co.us.

NOAV ISSUEDNOAV Issue Date: 02/10/2025ECMC Representative Signature: ECMC Representative: Trent LindleyTitle: NOAV SpecialistEmail: trent.lindley@state.co.usPhone Num: (720) 765-0031

ATTACHMENT LIST

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

| <u>Document Number</u> | <u>Description</u> |
|------------------------|-----------------------------|
| 404087737 | NOAV CERTIFIED MAIL RECEIPT |

Total Attach: 1 Files