

State of Colorado  
Oil and Gas Conservation Commission

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**NOTICE OF ALLEGED VIOLATION - ISSUED**

Per Rule 522, 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 523, 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: 10412  
Name of Operator: AUS-TEX EXPLORATION INC  
Address: 113 N SANTA FE  
City: FLORENCE State: CO Zip: 81226  
Contact Name and Telephone:  
Name: Guy Goudy  
Phone: (720) 454-8037 Fax: ( )  
Email: guyg@austineexploration.com

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

API Number: 05-043-06229-00 Facility or Location ID: \_\_\_\_\_  
Name: Magellan Number: #1  
QtrQtr: NWNE Sec: 18 Twp: 20S Range: 69W Meridian: 6  
County: FREMONT

**ALLEGED VIOLATION**

Rule: 609  
Rule Description: Statewide Groundwater Baseline Sampling and Monitoring  
Initial Discovery Date: \_\_\_\_\_ Was this violation self-reported by the operator? No  
Date of Violation: 04/16/2016 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? No

**Description of Alleged Violation:**

Pursuant to Rule 609, Aus-Tex Exploration Inc (Operator) is required to conduct groundwater baseline sampling and monitoring for any Oil and Gas Wells, Multi-Well sites, and Dedicated Injection Wells for which a Form 2, Application for Permit to Drill, (APD) is submitted on or after May 1, 2013. Initial baseline sampling is required within 12 months prior to setting conductor pipe and copies of testing results are due to COGCC and the water well owner or landowner within three (3) months of collecting the samples. If a sample cannot be obtained, Operator may submit a Form 4, Sundry Notice, to COGCC requesting an exception to Rule 609 prior to spudding the well. Operator submitted an APD (Document #400852028) for the Megellan ##1, API 043-06229, (Well) on June 12, 2015 and Spud the Well on April 16, 2016. To date COGCC has not received groundwater sampling results for the Well and no Form 4, Sundry Notice, requesting an exception to the rule was received prior to spud, violating Rule 609.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 09/06/2016

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

Operator shall provide analytical data from pre drilling samples to COGCC as required by Rule 609, or, if samples may not be obtained, submit a Form 4, Sundry Notice, requesting an exception to the 609 requirements. Any Form 4, Sundry Notice, seeking relief must include details of Operator's good faith efforts to obtain groundwater samples.

**PENALTY**

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

**ANSWER**

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to [dnr\\_cogccenforcement@state.co.us](mailto:dnr_cogccenforcement@state.co.us).

**NOAV ISSUED**

NOAV Issue Date:	<u>08/05/2016</u>		
COGCC Representative Signature:			
COGCC Representative:	<u>Arthur Koepsell</u>	Title:	<u>Environmental Data Analys</u>
Email:	<u>arthur.koepsell@state.co.us</u>	Phone Num:	<u>(303) 894-2100x5148</u>

**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>
401089546	

Total Attach: 1 Files