

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
401089534
Date Issued:
09/14/2016
Date Resolved:

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_cogccenforecment@state.co.us.

NOAV ISSUED

NOAV Issue Date: 09/14/2016

COGCC Representative Signature: _____

COGCC Representative: Arthur Koepsell

Title: Environmental Data Analys

Email: arthur.koepsell@state.co.us

Phone Num: (303) 894-2100x5148

CORRECTIVE ACTION COMPLETED

Rule: 609

Rule Description: Statewide Groundwater Baseline Sampling and Monitoring

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>
401089546	NOAV COVER LETTER
401089556	NOAV ISSUED
401089557	NOAV CERTIFIED MAIL RECEIPT
401089560	NOAV IN PROCESS

Total Attach: 4 Files