

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@austinexploration.com

Well Location, or Facility Information (if applicable):

API Number: 05-043-06226-00 Facility or Location ID:
Name: Hudson Number: #1
QtrQtr: SWNE Sec: 18 Twp: 20S Range: 69W Meridian: 6
County: FREMONT

ALLEGED VIOLATION

Rule: 1003.d
Rule Description: Interim Reclamation - Drilling Pit Closure
Initial Discovery Date: Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:
Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 1003.d., Aus-Tex Exploration Inc (Operator) is required to close and reclaim drilling pits within six months of completion of a well. Operator spud the Hudson #1 well, API 043-06226, (Well) on May 7, 2014; released the rig on June 25, 2014; and submitted a Form 5, Final Drilling Completion Report, (Document #400979956) on August 29, 2016. During a February 1, 2017 inspection of the Well (Document #682600262), COGCC staff observed that a drilling pit remains open. Document #682600262 required Operator to immediately begin pit closure procedures and contact COGCC environmental and reclamation staff regarding the closure by February 12, 2017. During a March 16, 2017 follow up inspection of the Well (Document #682600283), COGCC staff observed that the pit remains open and environmental and reclamation staff have not yet been contacted. Operator failed to close a drilling pit within six months of the completion of the Well, violating Rule 1003.d.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 02/12/2017

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

Operator shall immediately begin pit closure procedures or properly permit pit facility and contact COGCC environmental and reclamation staff regarding the closure or permit.

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_cogccenforecement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 04/21/2017

COGCC Representative Signature: _____



COGCC Representative: John Axelson

Title: East Environmental Superv

Email: john.axelson@state.co.us

Phone Num: (303) 894-2100x5115

ATTACHMENT LIST

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

Document Number Description

401263161	NOAV CERTIFIED MAIL RECEIPT
401263212	NOAV COVER LETTER

Total Attach: 2 Files