

FORM
NOAV
Rev 6/99

State of Colorado

Oil and Gas Conservation Commission

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



FOR OGCC USE ONLY

07/18/2008

200192627

*** NOTICE OF ALLEGED VIOLATION ***

RECEIVED

AUG 08 2008

COGCC

Date Notice Issued:

07/18/2008

OGCC Operator Number: 10084
Name of Operator: PIONEER NATURAL RESOURCES USA INC
Address: 1401 17TH ST STE 1200
City: DENVER State: CO Zip: 80202
Company Representative: JERRY JACOB

Well Name: PARACHUTE Well Number: 34-25 Facility Number: 278032
Location (QtrQtr, Sec, Twp, Rng, Meridian): SWSE 25 31S 66W 6 County: LAS ANIMAS
API Number: 05 071 08408 00 Lease Number:

COGCC Representative: GINTAUTAS PETER Phone Number: 719 846-3091

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 07/18/2008

Approximate Time of Violation:

Description of Alleged Violation:

Pioneer has not submitted water quality information for produced water from this well as required as a condition of approval in the Form 15 Earthen Pit Report / Permit (document 1395840). Data submission within 60 days of first gas sales was required. First gas sales were reported as in March 2006. No data has been submitted to date.

Act, Order, Regulation, Permit Conditions Cited:

Condition of Approval in permit.

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

Submit water quality data for produced water in well or cease use of pit. See attached for list of required analytes.

Abatement or Corrective Action to be Completed by (date): 08/08/2008

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

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name: MATTHEW SANCHEZ Title: ENVIRONMENTAL COORDINATOR

Signature: [Signature] Date: 8-08-08

Company Comments:

A WELLHEAD SAMPLE HAS BEEN COLLECTED FROM THE PARACHUTE 34-25; WATER QUALITY DATA SHALL BE SUBMITTED TO THE COMMISSION AS SOON AS IT BECOMES AVAILABLE.

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or five days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported promptly, effectively and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed. The Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations, and orders. The Commission has final authority over the penalty amount assessed.

- BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 803, 804
- BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 326, 329, 330, 331, 332, 401
- BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 805, 806A, 806B, 807
- BASE FINE \$1,000.00 PER DAY PER VIOLATION: RULES 209, 301, 303, 305, 308, 316B, 317, 317A, 318, 319, 320, 323, 324, 325, 326, 327, 333, 404, 602, 603, 604, 703, 704, 705, 706, 707, 708, 709, 711, 802, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103

In accordance with Rule 523.2(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative: [Signature] Date: 6 July 2011 Time:

Resolution Approved by: Peter Gintautas Date: 6 July 2011

Water quality data provided 6/27/11 ✓