



12/03/2010

200285602

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10163
Name of Operator: NONSUCH NATURAL GAS INC
Address: P O BOX 110066
City: NAPELS State: FL Zip: 34108
Company Representative: DAVID LEE PREIDENT

Date Notice Issued:

12/03/2010

Well Name: CSOC 697-14 Well Number: 1 Facility Number: 261391
Location (QtrQtr, Sec, Twp, Rng, Meridian): SWSW 14 6S 97W 6 County: GARFIELD
API Number: 05 045 07948 00 Lease Number:

COGCC Representative: CANFIELD CHRIS Phone Number: 970 625-2497

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

Date of Alleged Violation: 06/03/2008 Approximate Time of Violation:

Description of Alleged Violation:

Failure to report by Form 7 both the volume and COGCC disposal code for water produced by the subject well.
Failure to submit a Pit Construction Report/Permit, Form 15, within 30 days after pit construction.
Failure to ensure (during pit closure) that soils and ground water meet Table 910-1 concentrations.
Leaving a synthetic pit liner in place without surface owner approval.

Act, Order, Regulation, Permit Conditions Cited:

Rule 309. COGCC Form 7. Operator's Monthly Production Report; Rule 903.a.(2) Pit Permitting/Reporting Requirements; Rule 905.b.(1) Closure of Pits, and Buried or Partially Buried Produced Water Vessels; Rule 905.b.(3)A. Synthetic Liner Disposal.

Abatement or Corrective Action Required to be Performed by Operator:

Submit a Site Investigation and Remediation Work Plan, Form 27, for COGCC review and approval.
The work plan will describe how the synthetic pit liner will be removed and disposed of.
The work plan will also describe how soils and, if necessary, ground water will be sampled and analyzed to ensure compliance with Table 910-1. The work plan will also include an implementation schedule.
Report produced water volumes and disposal codes on future Form 7 submittals.
If possible, recreate the history of water production and disposal methods.

Abatement or Corrective Action to be Completed by (date): 01/07/2011

* 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: _____ Title: _____
Signature: _____ Date: _____
Company Comments: _____

*** 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 \$500.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 405, 803, 804

BASE FINE \$1,000.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 209, 301, 302, 303, 305, 306, 308, 309, 310, 313A, 316A, 316B, 317, 317A, 317B, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329,

330, 331, 332, 333, 341, 401, 403, 404, 602, 603, 604, 606A, 606B, 607, 608, 703, 704, 705, 706, 707, 708, 709, 711, 712, 802, 805, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103, 1201, 1203, 1204, 1103, 1201, 1203, 1204, 1205

In accordance with Rule 523.a.(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative:

Chris Canfield

Date:

12/3/2010

Time:

15:30

Resolution Approved by:

Date: