

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
04/10/2008
200130026

*** NOTICE OF ALLEGED VIOLATION ***

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: GERALD JACOB

Date Notice Issued:
04/10/2008

Well Name: BACKYARD Well Number: 34-34 Facility Number: 289704
Location (QtrQtr, Sec, Twp, Rng, Meridian): SWSE 34 32S 67W 6 County: LAS ANIMAS
API Number: 05 071 09214 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: 04/11/2007 Approximate Time of Violation:
Description of Alleged Violation:
Drilling fluids spilled through pit liner (spill 200109995). The liquids that were spilled threaten significant adverse impact to waters and soils. Spill was not reported as having potential impact on groundwater even though Pioneer has been sampling water well down slope for possible impacts from spill. This spill from a lined pit during or shortly after drilling shows that proper practices for installation and care of liners are not used.

RECEIVED
MAY 28 2008
CO

Act, Order, Regulation, Permit Conditions Cited:
324A.a., 324A.b., 902.a., 906.b.(3), 906.e.(2), 907.a.(2)

Abatement or Corrective Action Required to be Performed by Operator:
Provide analytical data from samples collected after spill. Develop and implement plan to address problems with ruptured liners during drilling operations and submit plan and documentation of its implementation. Submit Form 27 Site Investigation and Remediation Plan including soil sampling in spill area as well as notification to landowner of possible impacts to soil.
Abatement or Corrective Action to be Completed by (date): 05/28/2008
* 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: MAT SANCHEZ Title: ENVIRONMENTAL COORDINATOR
Signature: [Signature] Date: 5-28-08
Company Comments:
SEE ATTACHED NOAV RESPONSE LETTER

*** 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, 603, 604
BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 306, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401
BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 605, 606A, 606B, 607
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 523A.(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative: _____ Date: _____ Time: _____
Resolution Approved by: _____ Date: _____