

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
1/17/2012
200337810

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 7800
Name of Operator: BEREN CORPORATION
Address: 2020 N BRAMBLEWOOD STREET ATTN: EMMA RICHMOND
City: WICHITA State: KS Zip: 67206
Company Representative: DANA WREATH

Date Notice Issued:
1/17/2012

Well Name: COOK Well Number: 1-X Facility Number: 237290
Location (QtrQtr, Sec, Twp, Rng, Meridian): SESE 12 4S 54W 6 County: WASHINGTON
API Number: 05 121 09791 00 Lease Number:

COGCC Representative: AXELSON JOHN Phone Number: 303 637-7178

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

Date of Alleged Violation: 11/30/2011 Approximate Time of Violation:
Description of Alleged Violation:
COGCC engineering staff, Diana Burn performed inspection on 11/30/2011 (reference document #662000046). A recent release from the treater was observed with some free-phase oil and oil saturated soil contained within the berm. Several rule violations were documented including an unlined skim pit. On 12/02/2011, COGCC environmental staff, John Axelson sent an email to Dana Wreath of Beren Corporation (Beren) with COGCC release reporting requirements and associated rules. Beren submitted an incomplete Form 19 to COGCC on 12/12/2011 indicating that the release was a total of 70-bbls and took place on 11/27/2011. A request was made by COGCC environmental supervisor Steve Lindblom that Beren re-submit a complete Form 19. On 01/05/2012, John Axelson made another request to Beren via email regarding submittal of the Form 19. Beren submitted the same Form 19 via email on 01/05/2012 and stated in the email that the affected soil was transported to a landfill. On 01/06/2012, Diana Burn performed a follow-up inspection at the Cook tank battery. It did not appear that any oily soil had been excavated from the tank battery. Some fresh dirt had been applied covering the areas of oily soil. None of the sprayed oil had been cleaned from the treater or treater shed.

Act, Order, Regulation, Permit Conditions Cited:
Rule 324A.a.; Rule 902.a.; Rule 902.b.; 904.a.(4); Rule 906.a.; Rule 906.b.; Rule 906.d.; Rule 907.a.; Rule 907.b.; Rule 907.e.

Abatement or Corrective Action Required to be Performed by Operator:*
If oily waste was removed from the location and disposed, immediately provide all waste generator information required by Rule 907.b.(2). Remove all remaining oily waste at the location and properly treat or dispose in accordance with Rule 907.e. Clean residual oil from the equipment. After removal of all oily waste, collect a sufficient number of confirmation soil samples to verify compliance with Table 910-1. Provide documentation of waste disposal and sampling results in a closure report referencing Spill Report #2221914. Also, provide a Form 27 for prior approval to properly close the unlined skim pit. Once closure requirements are documented, the skim pit can be properly lined or replaced with alternative skimming equipment. The Form 27 shall be submitted within 90-days from the date of this notice. All other rule violations and corrective actions required by the inspection performed on 11/30/2011 shall be performed by the due date listed on the inspection.
Abatement or Corrective Action to be Completed by (date): 4/17/2012
* 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
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, 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, 306, 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.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: _____ Date: 1/17/2012 Time: 10:00AM
Resolution Approved by: _____ Date: _____