



FOR OGCC USE ONLY 3/30/2010 [Barcode]

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 24461 Name of Operator: DIVERSIFIED OPERATING CORPORATION Address: 15000 W 6TH AVE STE 102 ATTN: TERRY J. CAMMON City: GOLDEN State: CO Zip: 80401 Company Representative: TERRY CAMMON

Date Notice Issued: 3/30/2010

APR 01 2010

Well Name: DOC SOONER UNIT Well Number: 16-13-8 Facility Number: 268133 Location (QtrQtr, Sec, Twp, Rng, Meridian): SWSW 16 8N 58W 6 County: WELD API Number: 05 123 21379 00 Lease Number: 79/41460-S

COGCC Representative: HORTON COLBY Phone Number: 970 867-2517

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

Date of Alleged Violation: 1/20/2010 Approximate Time of Violation: 1:20PM Description of Alleged Violation: Well was plugged out in August of 2005. Existing vegetation does not reflect reference vegetation. A gravel pad also remains, along with backfilled pits that are no longer level.

Act, Order, Regulation, Permit Conditions Cited: 306 e and 1004a

Abatement or Corrective Action Required to be Performed by Operator: Consult with land owner as to reclamation issues involving vegetation, gravel removal, and re-contouring. With land owner consent a variance may be issued through a form 4. Abatement or Corrective Action to be Completed by (date): 5/1/2010 * 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: Terry J. Cammon Title: President Signature: [Signature] Date: 5/6/2010 Company Comments: DOC will remove all gravel and restore contour to best possible Area is in the wildcat creek drainage area, which flooded two weeks ago removing most of the North Sooner Unit access road. T.E. area is subject to seasonal flooding. Disturbed areas will be reseeded and completed 6/15/10

*** 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, 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 623.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: [Signature] Date: 5-29-2012 Time: Resolution Approved by: [Signature] Date: 5-29-2012 AOC 1V-388

State of Colorado
Oil and Gas Conservation Commission

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



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Grouped # 7009 2250 0000 0113 0819

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306 e and 1004a

Abatement or Corrective Action Required to be Performed by Operator:
Consult with land owner as to reclamation issues involving vegetation, gravel removal, and re-contouring. With land owner consent a variance may be issued through a form 4.

Abatement or Corrective Action to be Completed by (date): 5/1/2010
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Company Representative Name: _____ Title: _____
Signature: _____ Date: _____
Company Comments:

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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 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.

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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: _____ Time: _____
Resolution Approved by: *[Signature]* Date: 5-24-2012
AOC 14 388