

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

7/29/2013

200383874

***** NOTICE OF ALLEGED VIOLATION *****

OGCC Operator Number:	101101		
Name of Operator:	SAGA PETROLEUM LIMITED LIABILITY CO OF CO		
Address:	600 17TH ST STE 1700N		
City:	DENVER	State:	CO Zip: 80202
Company Representative:	KELLY OLNEY		

Date Notice Issued:

7/29/2013

Well Name: FEDERAL	Well Number: 1-30	Facility Number: 230065
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNW 30 2N 101W 6	County: RIO BLANCO	
API Number: 05 103 07724 00	Lease Number:	

COGCC Representative:	BROWNING CHUCK	Phone Number:	970 433-4139
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THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

<p>Date of Alleged Violation: <u>7/24/2013</u></p> <p>Description of Alleged Violation:</p> <p>This well has been shut-in since 8/2007 without having passed a mechanical integrity test (MIT). An application for shut-in or temporary abandonment in excess of 6 months was not filed.</p>	<p>Approximate Time of Violation:</p>
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<p>Act, Order, Regulation, Permit Conditions Cited:</p> <p>319.b.(1), 319.b.(3), 326.a.(5),</p>

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

The operator is required to either: 1.) produce the well, 2.) perform a mechanical integrity test on the well (the well must pass the test), or 3.) properly plug and abandon the well. Forms used to submit information and operational requests shall be the most recent versions available on the Colorado Oil and Gas Conservation Commission website: www.colorado.gov/cogcc.

Abatement or Corrective Action to be Completed by (date): **1/29/2014**

* 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 of Alleged Violation. The Director may, at his or her discretion, allow a violator 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

Director may propose a penalty as listed in the table below. The maximum 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 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: 7/29/2013 Time: _____

Resolution Approved by: _____ Date: _____