



DEPARTMENT OF NATURAL RESOURCES

John W. Hickenlooper, Governor

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October 3, 2013

CERTIFIED MAIL RETURN RECEIPT REQUESTED

7011 3500 0000 8456 3843

Email to csullins03@yahoo.com

Mr. Cory Sullins
Ephphatha LLC
1314 B Center Dr #449
Medford, OR 97501

RE: Notice of Alleged Violation Doc # 200387458
Dry Creek UT HD 31-#1A, Location ID: 316767
NENE 31 6N 88W 6 PM
Routt County, Colorado

Dear Mr. Sullins,

This letter is a follow up to our October 2, 2013, telephone conversation. On September 16, 2013, the Colorado Oil and Gas Conservation Commission (COGCC) issued a Notice of Alleged Violation (NOAV) to Ephphatha LLC for the Dry Creek UT HD 31-#1A, Location ID: 316767. The NOAV was in response to failed field inspections dated June 4, 2012, July 27, 2012, and May 16, 2013 (Document Numbers 662300573, 66710032 and 667100042). The NOAV was received by your office on September 20, 2013. The NOAV directed the following corrective actions and compliance dates.

CORRECTIVE ACTIONS and DATE CORRECTIVE ACTION REQUIRED

1. Correct signage and labeling by: 9/30/2013.
2. Remove excess equipment by: 9/30/2013.
3. Provide a work plan prepared by a competent environmental professional and/or environmental consultant and submit to the COGCC for review and approval prior to commencing site characterization activities. Plan should be an addendum to the previously submitted Form 27 Site Investigation Remediation Plan, Document ID: 1949163, outlining a comprehensive site investigation and characterization of the alleged releases of exploration and production waste. Provide plan by: 9/30/2013.
4. Fix fittings/elbows on flow line to tank by: 9/30/2013.
5. Submit to the COGCC, via Sundry Form 4, Ephphatha LLCs (Ephphatha) procedure to Temporarily Abandon (TA) the well by: 9/30/2013.
6. TA the well by: 10/7/2013.
7. Submit to the COGCC Ephphatha procedure to permanently plug and abandon (PA) the well by: 10/16/2013.

DEPARTMENT OF NATURAL RESOURCES: Mike King, Executive Director

COGCC COMMISSION: Richard Alward – John Benton – Thomas L. Compton – DeAnn Craig – Tommy Holton – W. Perry Pearce – Andrew Spielman – Mike King –
COGCC STAFF: Matt Lepore, Director – Margaret Ash, Field Inspection Manager – Jim Milne, Environmental Manager – Stuart Ellsworth, Engineering Manager

8. PA the well within 6-months of receipt of this letter.

Ephphatha stated the following:

- A temporary restraining order (TRO) against Ephphatha by the Hidden Springs Home Owners Association was to be lifted on or about October 8 or 9, 2013.
- Because of the TRO, Ephphatha has not been able to access the site to address the issues brought forth in the failed inspections and NOAV.
- Ephphatha had submitted forms (?) to the COGCC for either shutting in (SI) or temporarily abandoning (TA) the well; you indicated that you had communicated with one or more COGCC staff members regarding this, but did not recall which COGCC staff member(s).
- Transcontinental Oil purchased lease(s) on behalf of Ephphatha and therefore, Ephphatha had rights to produce the well.

I told you that the COGCC met with the State Land Board (SLB), and understood that the lease which Booco's Contact Service Inc., had with the SLB was never transferred to Ephphatha; further, the lease between the SLB and Booco's Contract Services was terminated approximately 2 years ago by the SLB.

We also discussed that by October 9, 2013, Ephphatha will provide a status addressing the corrective actions outlined above, including paperwork and/or communication (emails or letter correspondence) that Ephphatha had with COGCC staff members on the SI or TA of the well. The status is to be directed to myself and to Mr. Peter Gowen (COGCC Enforcement Officer). Additionally, Ephphatha is to provide a Form 27 Site Investigation and Remediation Work plan by October 30, 2013. You had asked if your consultant (Randy Miller) could contact me directly regarding the site investigation. I said he could, and offered to meet with Ephphatha representatives onsite. That said, the COGCC will not be directing Ephphatha's consultant, but working with them.

If you have any questions please contact me at 303-894-2100 X 5138 or alex.fischer@state.co.us.

Sincerely,



Alex J. Fischer, P.G.

Environmental Supervisor – Western Colorado

Cc: Matt Lepore, COGCC Director
Bob Frick, COGCC Hearings Manager
Peter Gowen, COGCC Enforcement Officer
James Milne, COGCC Environmental Manager
Kris Neidel, COGCC Environmental Protection Specialist NW
Pete Milanos, SLB Minerals Director
Timothy Kelly, SLB Minerals Leasing Manager