



DEPARTMENT OF NATURAL RESOURCES
John W. Hickenlooper, Governor
1120 Lincoln St. Suite 801
Denver, CO 80203
Phone: (303) 894-2100
FAX: (303) 894-2109
www.colorado.gov/cogcc

Petrohunter Operating Company
Attn: Mr. Paul Maniscalco
1600 Stout Street, Suite 2000
Denver, Colorado 80202-3113

May 5, 2011

Dear Mr. Maniscalco,

Enclosed are four (4) Notices of Alleged Violation (NOAVs) for Petrohunter wells in the Buckskin Mesa Unit. (Please see Selected Details worksheet of enclosed file: PetroHunter_List Sent_050511.xlsx.) The four wells are in violation of Colorado Oil and Gas Conservation Commission (COGCC) rules for Mechanical Integrity Testing (MIT), reporting of production, or requesting Continued Temporarily Abandoned (TA) status (Rules 319, 309, and/or 326). Furthermore, in Form 4-Sundry Notices approved September 15, 2008 Petrohunter agreed to either begin producing the wells by May 1, 2010 or test them for mechanical integrity by April 1, 2010. The wells are now a year overdue for testing. The NOAVs require that the four wells be either: produced, plugged and abandoned, or pass an MIT by July 10, 2011 and that Sundry Notices requesting Continued Temporarily Abandoned Status (where appropriate) be filed by June 10, 2011.

The well status for 3 of the 4 wells discussed above is Temporarily Abandoned in COGCC records. One well is listed as Shut-In. As of April 1, 2009, annual requests for Temporarily Abandoned status are required. The status of the fourth well needs to be clarified; whether it is actually shut-in or is temporarily abandoned.

Five (5) wells on the Selected Details worksheet already have unresolved NOAVs for drilling pit closure, production pit nets, trash, weeds, and/or hydrocarbons floating on the water in the drilling pit. These NOAVs were supposed to be resolved by July 10, 2010 but were not. Recently (February 25, 2011) a pit remediation plan was approved but the fact that the NOAVs were not remediated within the time specified in the NOAV still remains.

Petrohunter Operating submitted Form 5-Drilling Completion Reports for four (4) of the wells with pit violations. These forms are still in processing. COGCC has not received a Form 5 for the Anderson A12-16C well. The pit violation indicates that Petrohunter is in violation of Rule 308A for not filing the Form 5 within thirty (30) days of reaching Total Depth. Petrohunter is required to file a Form 5 for the Anderson A12-16C by June 10, 2011.

COGCC has not received a Form 5A-Completed Interval Report for any of the five (5) wells with pit violations. Based on COGCC field inspections that found hydrocarbons floating on drilling pits we infer that the wells have been perforated. Petrohunter Operating is in violation of COGCC Rule 308B for not filing a Form 5A within thirty (30) days of completing these wells. Petrohunter is required to file a Form 5A for these five (5) wells by June 10, 2011. COGCC is

proceeding with preparing an Administrative Order by Consent for the five (5) wells with pit violations.

Finally, enclosed is a list of all wells operated by Petrohunter as shown in COGCC records (see All Wells worksheet of the enclosure). Please review the list. Twenty-seven of the wells have an "XX" well status indicating the well is permitted but not yet drilled and the well location has not been abandoned. Documentation received at or generated by COGCC indicates that many of these wells have been drilled and perforated. For wells that have not been drilled and the drilling permit has expired you are required to file a Sundry Notice notifying COGCC that the location has been abandoned or, if the location will be drilled in the future re-file for a new drilling permit. For wells which have been drilled, COGCC requires Forms 5 and 5A if they have not already been submitted. Please submit the Forms (4, 5, or 5A) to my attention by June 10, 2011.

Due to the high number of inactive wells, Petrohunter may be lacking in financial assurance. Additional bonding above the \$60,000 blanket plugging bond may be required as per Rule 707 to cover the excess inactive wells.

If you are not the responsible party, please forward this information to them and provide me with the appropriate contact information for the responsible party. The corrective action dates will remain the same. Thank you for your attention and please contact me if you have any questions.

Sincerely,



Robert Koehler
Engineering/Environmental Technician

Telephone: 303-894-2100 x5147
Facsimile: 303-894-2109

Email: Bob.Koehler@state.co.us
Website: www.colorado.gov/cogcc

API	Well Name	Well#	Qtr Qtr	Sec	Twn	Rng	Status	PR Data	Last MIT	Insp	Notes A	Notes B
103-09995	BUCKSKIN MESA UNIT	2571	SESW	26	1N	95W	TA	SI 12/02-3/09	6/4/2004	4/14/2006	Last Sundry approved 9/08 see below*	
103-10001	BMU	2570	SWSW	23	1N	95W	SI	SI 12/02-3/09	3/26/2005	4/14/2006	Last Sundry approved 9/08 see below*	
103-10062	BUCKSKIN MESA UNIT	2574	SENW	35	1N	95W	TA	SI 6/02-3/09	6/4/2004	4/14/2006	Last Sundry approved 9/08 see below*	
103-10230	BMU	2520	NWNE	35	1N	95W	TA	SI 1/02-3/09	6/3/2004	4/14/2006	Last Sundry approved 9/08 see below*	Some forms show 2620 not 2520
103-10941	HAROLD ANDERSON	4-21	NWNW	21	1N	95W	XX	No Records	None	6/3/2010	No 5A, 5 In process 1/11/2008	5/2010 Unresolved NOAV for pit violations. Form 27 Pit Closure Plan approved 2/25/2011. In Process Form 15 Pit Permit.
103-10942	ANDERSON	13-10	SWSW	10	1N	95W	XX	No Records	None	4/6/2010	No 5A, 5 In process 1/11/2008	5/2010 Unresolved NOAV for pit violations. Form 27 Pit Closure Plan approved 2/25/2011
103-10972	LAKE	6-22	SENW	22	1N	95W	XX	No Records	None	6/3/2010	No 5A, 5 In process 1/4/2008	5/2010 Unresolved NOAV for pit violations. Form 27 Pit Closure Plan approved 2/25/2011
103-10973	LAKE	16-21	SESE	21	1N	95W	XX	No Records	None	6/3/2010	No 5A, 5 In process 1/11/2008	5/2010 Unresolved NOAV for pit violations. Form 27 Pit Closure Plan approved 2/25/2011
103-11316	ANDERSON	A12-16C	SENW	16	1N	95W	XX	No Records	None	6/3/2010	No 5 or 5A	6/2010 Unresolved NOAV for pit violations. Form 27 Pit Closure Plan approved 2/25/2011

*Sundries: BMU #'S 2571 (Doc # 1618843), 2570 (Doc # 1618846), 2574 (Doc # 1618845), 2520 (Doc #1618844)

Sundry text: PETROHUNTER OPERATING COMPANY IS REQUESTING CONTINUED TEMPORARY SHUT-IN STATUS FOR THIS WELL WHILE THE GAS GATHERING SYSTEM IS RECONFIGURED TO HANDLE THE HIGH CO2 CONTENT OF THIS WELL. IT IS ANTICIPATED THAT THIS CAN BE ACCOMPLISHED BY MAY 1, 2010. IN THE EVENT THE WELL CANNOT BE RETURNED TO PRODUCTION BY THIS DATE, AN MIT TEST WILL BE PERFORMED BY APRIL 1, 2010 AS REQUIRED BY THE COGCC, AND CONTINUED TEMPORARY SHUT-IN STATUS WILL BE REQUESTED.

County	API Co	API Seq	Well Name	Well#	Status	Field Name	Field#	Qtr Qtr	Sec	Twn	Rng
RIO BLANCO	103	11417	ETCHART	D10-1C	XX	WILDCAT	99999	NWSE	1	1N	95W
RIO BLANCO	103	10942	ANDERSON	13-10	XX	POWELL PARK	69900	SWSW	10	1N	95W
RIO BLANCO	103	10943	SLOAN	2-14	XX	POWELL PARK	69900	NWNE	14	1N	95W
RIO BLANCO	103	10954	ANDERSON	6-16	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11096	ANDERSON	A 10-16 A	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11220	ANDERSON	A 5-16C	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11221	HOWEY	A 4-16A	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11315	HOWEY	A3-16A	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11316	ANDERSON	A12-16C	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	11317	ANDERSON	A11-16C	XX	POWELL PARK	69900	SESW	16	1N	95W
RIO BLANCO	103	10941	HAROLD ANDERSON	4-21	XX	POWELL PARK	69900	NWNW	21	1N	95W
RIO BLANCO	103	11387	LAKE	D9-21S	XX	POWELL PARK	69900	SESE	21	1N	95W
RIO BLANCO	103	11388	LAKE	D10-21S	XX	POWELL PARK	69900	SESE	21	1N	95W
RIO BLANCO	103	11389	LAKE	D7-28A	XX	POWELL PARK	69900	SESE	21	1N	95W
RIO BLANCO	103	11390	LAKE	D12-22S	XX	POWELL PARK	69900	SESE	21	1N	95W
RIO BLANCO	103	10973	LAKE	16-21	XX	POWELL PARK	69900	SESE	21	1N	95W
RIO BLANCO	103	10972	LAKE	6-22	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11495	LAKE	A4-22B	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11496	LAKE	A3-22B	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11497	LAKE	A5-22B	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11498	LAKE	A11 22B	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11499	LAKE	A7-22A	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	11500	LAKE	A10-22B	XX	POWELL PARK	69900	SESW	22	1N	95W
RIO BLANCO	103	10032	BUCKSKIN MESA UNIT	2572	PA	POWELL PARK	69900	SESW	23	1N	95W
RIO BLANCO	103	10001	BMU	2570	SI	POWELL PARK	69900	SWSW	23	1N	95W
RIO BLANCO	103	9995	BUCKSKIN MESA UNIT	2571	TA	POWELL PARK	69900	SESW	26	1N	95W
RIO BLANCO	103	10091	BUCKSKIN MESA UNIT	2575	TA	POWELL PARK	69900	NENW	27	1N	95W
RIO BLANCO	103	11419	SHULTS RANCH	C 11-31C	XX	WILDCAT	99999	NESW	31	1N	95W
RIO BLANCO	103	10230	BMU	2520	TA	POWELL PARK	69900	NWNE	35	1N	95W

County	API Co	API Seq	Well Name	Well#	Status	Field Name	Field#	Qtr	Qtr	Sec	Twn	Rng
RIO BLANCO	103	10062	BUCKSKIN MESA UNIT	2574	TA	POWELL PARK	69900	SENW		35	1N	95W
RIO BLANCO	103	11418	AJA	D16-35C	XX	WILDCAT	99999	SESE		35	1N	95W
GARFIELD	45	18397	KEINATH	3-9	XX	GRAND VALLEY	31290	NENW		9	8S	96W
MESA	77	10059	KEINATH	10-18	XX	WILDCAT	99999	NWSE		18	8S	96W

PETROHUNTER OPERATING COMPANY

Operator #10200

1600 Stout Street, Suite 2000

Denver, CO. 80202-3113

Paul Maniscalco

303-572-8900

see Selected Details Worksheet

7008 0150 0001 7352 1604

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To <u>PETROHUNTER OP. / Attn Paul Maniscalco</u> Street, Apt. No., or PO Box No. <u>1600 Stout St., Ste #2000</u> City, State, ZIP+4 <u>Denver, CO. 80202-3113</u>	
PS Form 3800, August 2006 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <u>Melanie Frank</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <u>Petrohunter Operating Co.</u> <u>Attn: Mr. Paul Maniscalco</u> <u>1600 Stout St., Suite 2000</u> <u>Denver, CO. 80202-3113</u>		B. Received by (Printed Name) C. Date of Delivery <u>5/9/11</u>	
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <u>#450</u>	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt	

7008 0150 0001 7352 1604

102595-02-M-1540