

Great Western Operating
Company, LLC
1801 Broadway, Suite 500
Denver, CO 80202

Phone: 303.398.0302
Facsimile: 866.742.1784
Email: info@gwogco.com
www.gwogco.com

September 21, 2015



Colorado Oil & Gas Conservation Commission
ATTN: Diana Burn
1120 Lincoln St., Suite 801
Denver, CO 80203

**RE: Spaur Brothers EH # 31-222HN Notice of Alleged Violation
Great Western Operating Company
NOAV No. 200436875**

Dear Diana;

Please accept this letter as Great Western's formal response to the Colorado Oil & Gas Conservation Commission's ("COGCC") Notice of Hearing for the NOAV associated with the Spaur Brothers # 31-222HN (API# 051233869300) well ("well") in Weld County, Colorado. All violations have been rectified with the COGCC and internally to prevent reoccurrence. The alleged violations are listed and responded to below including attachments.

No Drilling Completion, Form 5, or Completed Interval, Form 5A, reports were filed.

The Spaur Brothers EH 31-222HN 5 and 5A were originally submitted shortly after their creation date around November of 2014. Based on conversations Great Western had with COGCC regarding problems with Form 5/5A submittals, GWOG requested a large batch of 5 and 5A's be sent back to draft for further review and to ensure their accuracy. The Spaur Brothers EH 31-222HN 5 and 5A were in this group of Form 5/5As that were returned to draft. They were then resubmitted with corrections on 8/24/2015. Due to this re-submittal the original submittal date was deleted and replaced with the re-submittal date. The email trail of this exchange and a list of all Form 5/5A form numbers returned to draft at GWOG's request is attached.

FracFocus reporting was 207 days late.

Figure 1 (attached) shows a screen shot of the XML file downloaded from fracfocus.org showing the Original Submission Date of 7/23/2014 is at 80 days (or 20 days late) from the Job End Date. GWOG noticed on 1/26/2015 that the wellname was incorrect and it was then edited in FracFocus from "EG" to "EH". This modified date becomes represented as the Submission Date not Original Submission Date which is why it appears the reporting

was 207 days late. In actuality, GWOG was 20 days late and the wellname was corrected 267 days after the Job End Date. This is further verified by Figure 2 (attached) which is a screenshot of the FracFocus webpage prior to the wellname correction showing a modified date (original submission date) of 7/23/2014.

GWOG is fully aware of the importance of submitting fracture treatment disclosures to FracFocus within the required timeframes. Since the email dated 12/17/2014 we have implemented additional internal processes to ensure timely and accurate FracFocus reporting which is apparent on all 2015 disclosures. We have recently taken this one step further and are now evolving this process to capture key dates and requirements using an electronic well filing system and streamlining responsibilities.

Monthly Report of Operations, Form 7, was not filed timely.

Due to several issues with transitioning from our previous production system (PRAMS plus Production Accounting System), the submittal of the Form 7 state production reports were delayed. The issues that required correction included tank to completion allocations, and discrepancies between the tank ending inventory and the February 2015 Form 7 ending inventory (February was the last month reported from PRAMS plus). The allocation issues have been corrected in the new production system (P2 Merrick) and the ending inventory discrepancies have been reconciled. March through July Form 7 reports were emailed to the COGCC on Thursday 9/17/2015. The Spaur 222 Form 7 data for March through July 2015 is attached.

If you have any questions regarding the information in this response, please do not hesitate to contact me. I can be reached at 303-398-0302 or sdonato@gwogco.com.

Sincerely,

Great Western Operating Company, LLC



Scot A. Donato
EH&S/Regulatory Manager

SAD/bh

cc: file, J. Conger; GWOG

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
8/24/2015
200436875

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10110
Name of Operator: GREAT WESTERN OPERATING COMPANY LLC
Address: 1801 BROADWAY #500 ATTN: SCOT DONATO
City: DENVER State: CO Zip: 80202
Company Representative: SCOT DONATO

Date Notice Issued:
8/24/2015

Well Name: Spaur Brothers EH Well Number: 31-222HN Facility Number: 435636
Location (QtrQtr, Sec, Twp, Rng, Meridian): NESE 31 7N 63W 6 County: WELD
API Number: 05 123 38693 00 Lease Number:
COGCC Representative: Burn Diana Phone Number: 303

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

Date of Alleged Violation: 8/24/2015 Approximate Time of Violation:
Description of Alleged Violation:
Well spud 2/18/2014 and stimulated 5/4/2014. No Drilling Completion Report, Form 5 and Completed Interval Report, Form 5A have been filed. FracFocus reporting was 207 days late. This well was indicated to have a FracFocus report without a Form 5A in an email to the operator 12/17/14. Monthly Report of Operations, Form 7, are required from the month of spud to one month after abandonment.

Act, Order, Regulation, Permit Conditions Cited:
205A., 308A., 308B., 309

Abatement or Corrective Action Required to be Performed by Operator:*
File Drilling Completion Report, Form 5 and Completed Interval Report complete and accurate in a very timely manner. Submit delinquent Monthly Report of Operations for this well and clarify water disposal method on existing reporting.
Abatement or Corrective Action to be Completed by (date): 8/24/2015
* 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: SCOT DONATO Title: EH/Reg Mgr
Signature: [Signature] Date: 082415
Company Comments: Please see attached letter (w/attachments) for response to NOAV.

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Hard-copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

Signature of COGCC Representative: [Signature] Date: 8/24/15 Time:
Resolution Approved by: _____ Date:



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

August 24, 2015

Mr. Scot Donato
GREAT WESTERN OPERATING COMPANY LLC - #10110
1801 BROADWAY #500
DENVER , CO 80202

Re: Spaur Brothers EH #31-222HN_ 123-38693

Dear Mr. Donato,

Colorado Oil and Gas Conservation Commission (COGCC) records indicate that the well(s) operated by GREAT WESTERN OPERATING COMPANY LLC are out of compliance with COGCC Rules. Rule 308, 309, and 205A. for reporting. These deficiencies have been previously noticed without response. A Notice of Alleged Violation has been issued for this well due to this lack of reporting.

Please provide an Answer to the NOAV within 28 days of receipt. The original NOAV should be returned, signed with the Operator Comments completed. The required documentation should be submitted complete and accurately in an extremely timely manner.

COGCC has issued a Notice of Alleged Violation and will seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)

Thank you for your help and please feel free to contact me if you have any questions.

Sincerely,

Diana Burn
Eastern Engineering Supervisor

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc

Commissioners: Thomas L. Compton - Chairman, Richard Alward, John H. Benton, DeAnn Craig,
James W. Hawkins, Tommy Holton, Andrew L. Spielman, Mike King, Dr. Larry Wolk
John W. Hickenlooper, Governor | Mike King, Executive Director, DNR | Matthew J. Lepore, Director

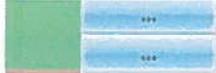


Form 5/5As

Scot Donato

From: Callie Fiddes
Sent: Wednesday, September 9, 2015 1:23 PM
To: Scot Donato
Subject: RE: Spaur Brothers EH #31-222HN 456-38693 NOAV

The Spaur Brothers EH 31-222HN 5 and 5A were originally submitted shortly after their creation date around November of 2014. Great Western had requested a large batch of 5 and 5A's to be sent back to draft to further review and to ensure their accuracy. The Spaur Brothers EH 31-222HN 5 and 5A were part of that batch. They were then resubmitted with corrections on 8/24/2015. Due to this new submittal it has wiped out the exact original submittal date of the old ones.

400719668	05A	IN PROCESS	1	08/24/2015	10110	GREAT WESTERN OPERATING CO	WELD	31	7N	63W	Spaur Brothers EH 31-222HN	
400722464	05	IN PROCESS	1	08/24/2015	10110	GREAT WESTERN OPERATING CO	WELD	31	7N	63W	Spaur Brothers EH 31-222HN	

 Callie Fiddes
Regulatory Compliance Specialist
Direct: 303.398.0550
Fax: 866.742.1784

Privileged / Confidential information may be contained in this message. This information is intended solely for use by the individual entity named as the recipient. If you are not the intended recipient, be aware that any disclosure, copying, distribution, or use of the contents of this communication is prohibited. In such case, you should destroy this communication and notify the sender by reply email.

From: Scot Donato
Sent: Wednesday, September 09, 2015 1:02 PM
To: Callie Fiddes
Subject: RE: Spaur Brothers EH #31-222HN 456-38693 NOAV

I need a repsonse from you to the cogcc-I don't know what or where this info is from-assume youre explaining it to Diana B-III take it from there.

Thanks
S

 Scot A. Donato
EHS/Regulatory Manager
Phone: 303-398-0302
Email: sdonato@GWOGCO.com

From: Callie Fiddes
Sent: Wednesday, September 9, 2015 12:59 PM
To: Scot Donato
Subject: FW: Spaur Brothers EH #31-222HN 456-38693 NOAV

See email below for submittal details.

Scot Donato

From: Callie Fiddes
Sent: Thursday, September 17, 2015 8:58 AM
To: Scot Donato
Subject: FW: Corrections

 Callie Fiddes
Regulatory Compliance Specialist
Direct: 303.398.0550
Fax: 866.742.1784

Privileged / Confidential information may be contained in this message. This information is intended solely for use by the individual entity named as the recipient. If you are not the intended recipient, be aware that any disclosure, copying, distribution, or use of the contents of this communication is prohibited. In such case, you should destroy this communication and notify the sender by reply email.

From: Westerdale - DNR, Barbara [mailto:barbara.westerdale@state.co.us]
Sent: Thursday, July 09, 2015 6:58 AM
To: Callie Fiddes
Cc: Allison Linz; Scot Donato; Kosola - DNR, Jason (jason.kosola@state.co.us); Garrison - DNR, Penny (penny.garrison@state.co.us); Bryce Holder - DNR
Subject: Re: Corrections

Good Morning, Callie,

I appreciate that you and Allison have reviewed all of these completion reports.

Please wait for feedback from Penny regarding the specific Form 5/5A's that she has reviewed in the past and for which you have submitted missing information. This will help you determine if your current evaluation of these forms is on the right track.

Penny and Bryce,

Please keep each other informed on the progress of the review of Great Western's Form 5/5A's.

Bryce,

Please go ahead and send back to draft all of the forms listed on Callie's spreadsheet so that they can begin fixing them. Once Penny gives the okay for their re-submission, you can begin reviewing them as they are re-submitted.

Callie and Allison,

Please keep Bryce informed when you "re-submit" forms so that he can immediately review them.

Thank you,

On Wed, Jul 8, 2015 at 5:02 PM, Callie Fiddes <cfiddes@gwogco.com> wrote:

Hi Barbara,

Thanks for taking the time to chat with Allison and I today. Per our conversation, would you please review the attached and return the listed document numbers back to draft. We intend to make these corrections as soon as possible and get them resubmitted. In the meantime, please let us know how the ones we've kept in process are looking and if there any more adjustments to be made. There's been a lot of hands in the pot on these older wells but I want to assure you that Allison and I do feel confident that our more current horizontal submissions are accurate and we intend to continue to keep up with our current reporting.

Thank you,



Callie Fiddes

Regulatory Compliance Specialist

Great Western Operating Company, LLC

1801 Broadway, Suite 500

Denver, CO 80202

Direct: [303.398.0550](tel:303.398.0550)

Fax: [866.742.1784](tel:866.742.1784)

Privileged / Confidential information may be contained in this message. This information is intended solely for use by the individual entity named as the recipient. If you are not the intended recipient, be aware that any disclosure, copying, distribution, or use of the contents of this communication is prohibited. In such case, you should destroy this communication and notify the sender by reply email.

--

Barbara Westerdale

Permit Supervisor



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P 303.894.2100 x5159 | F 303.894.2105

1120 Lincoln Street, Suite 801, Denver, CO 80203

barbara.westerdale@state.co.us | www.colorado.gov/cogcc

400499090	400500902	400487613	400766178	400721645
400499049	400498602	400414487	400766198	400721540
400479206	400497524	400489269	400766203	400849321
400479912	400501155	400414537	400766207	
40047918	400500387	400488971	400802148	
400479907	400498513	400414547	400766212	
400479228	400497824	400489054	400766217	
400479701	400500798	400414555	400503798	
400499219	400497970	400488794	400640148	
400497691	400499733	400414493	400482480	
400499196	400499761	400489188	400483395	
400499206	400753914	400414498	400803159	
400499114	400486223	400488968	400803167	
400499026	400427730	400512903	400642756	
400499747	400427712	400520693	400729554	
400499013	400678802	400485522	400642848	
400499521	400753926	400497607	400642840	
400498569	400754059	400766159	400722653	
400499493	400754098	400766171	400722464	← SPAUR EH-31-222 HN
400499718	400487038	400766174	400719668	← " "

LIST of Forms
Returned to
Request. Draft at Gwog

Frac Focus

In regards to the FracFocus portion of COGCC NOAV #200436875 dated 8/24/2015:

The NOAV states that Great Western Oil and Gas (GWOG) was 207 days late in reporting fracture treatment data to FracFocus. Figure 1 shows a screen shot of the XML file downloaded from fracfocus.org showing the Original Submission Date of 7/23/2014 is 80 days (or 20 days late) from the Job End Date. GWOG noticed on 1/26/2015 that the wellname was incorrect and it was then edited in FracFocus from "EG" to "EH". This modified date is represented below as the Submission Date not Original Submission Date which is why it appears the reporting was 207 days late while in actuality GWOG was 20 days late and the wellname was corrected 267 days after the Job End Date. This is further verified by Figure 2 which is a screenshot of the FracFocus webpage prior to the wellname correction showing a modified date (original submission date) of 7/23/2014.

Figure 1: Spaur Brothers EH 31-222HN XML Screenshot

```
<?xml version="1.0" encoding="UTF-8"?>
<OperatorExtract xmlns="OperatorExtractFracFocus2_0.xsd" xmlns:xsd="http://www.w
- <FractureJob>
  <RecordGUID>2b8d8dc3-1e6d-4d7f-957f-3b6a89749dcc</RecordGUID>
  <SubmissionDate>2015-01-26T10:59:43.743</SubmissionDate>
  <OriginalSubmissionDate>2014-07-23T10:54:42.123</OriginalSubmissionDate>
  <APINumber>5123386930000</APINumber>
  <JobStartDate>2014-05-03T00:00:00</JobStartDate>
  <JobEndDate>2014-05-04T00:00:00</JobEndDate>
  <OperatorName>Great Western Oil & Gas Company, LLC</OperatorName>
  <WellName> Spaur Brothers EH 31-222 HN</WellName>
  <SurfLongitude>-104.471103</SurfLongitude>
  <SurfLatitude>40.5296</SurfLatitude>
  <Datum>NAD83</Datum>
  <FederalWell>>false</FederalWell>
  <TVD>6765</TVD>
  <TotalBaseWaterVolume>3458466</TotalBaseWaterVolume>
  <TotalBaseNonWaterVolume>0</TotalBaseNonWaterVolume>
  <SubmitUser>psalaz@gwogco.com</SubmitUser>
  <UploadDate>2014-07-23T09:47:17.957</UploadDate>
  <UploadUser>psalaz@gwogco.com</UploadUser>
  <TypeUploader>Oper</TypeUploader>
  <FFVersion>2</FFVersion>
```

Figure 2: FracFocus screenshot on 1/26/2015 prior to wellname change

Edit	Delete	Great Western Oil & Gas Company, LLC	05-123-38762-00-00	Spaur Brothers EG 31-219 HN	5/2/2014	5/4/2014	6,785	4,030,608	7/23/2014	PDF
Edit	Delete	Great Western Oil & Gas Company, LLC	05-123-38693-00-00	Spaur Brothers EG 31-222 HN	5/3/2014	5/4/2014	6,765	3,458,466	7/23/2014	PDF
Edit	Delete	Great Western Oil & Gas Company, LLC	05-123-38694-00-00	Spaur Brothers EH 31-259 HC	5/4/2014	5/8/2014	6,951	2,662,521	8/8/2014	PDF
Edit	Delete	Great Western Oil & Gas Company, LLC	05-123-38696-00-00	Spaur Brothers EH 31-262 HN	5/4/2014	5/6/2014	6,785	3,344,587	8/12/2014	PDF

Figures 3 and 4 are copies of the 12/17/2014 email from COGCC to GWOG mentioned in the NOAV. This illustrates the wrong wellnames on two wells as having “EG” instead of “EH” and is why those were changed on 1/26/2015. Figure 4 also shows the Original Submission Date as 80 days from Job End Date.

Figure 3: Email from COGCC to GWOG dated 12/17/2014

From: Diana Burn - DNR <diana.burn@state.co.us>
 Date: December 17, 2014 at 7:03:32 PM MST
 To: Scot Donato <sdonato@gwogco.com>
 Subject: These are listed as having a FracFocus but no Form 5A - please investigate. Thanks. Please check for Form 5s also.

All of these are post June 2013 reminder of the FracFocus 60 day reporting requirement and are greater than 60 days.

We don't have an API #123-38762 - we show EH 31-219HN as 123-38695 (not EG)(this one does have 5A - but no FracFocus) - however there was a 123-38762 listed on a Form 10

Figure 4: Content showing dates in email from COGCC to GWOG dated 12/17/2015

512336324	Campbell JF 17-41D	Great Western Oil & Gas Company, LLC
512336807	Campbell JF 17-7D	Great Western Oil & Gas Company, LLC
512338693	Spaur Brothers EG 31-222 HN	Great Western Oil & Gas Company, LLC
512338762	Spaur Brothers EG 31-219 HN	Great Western Oil & Gas Company, LLC
512338696	Spaur Brothers EH 31-262 HN	Great Western Oil & Gas Company, LLC
512338694	Spaur Brothers EH 31-259 HC	Great Western Oil & Gas Company, LLC

5/23/2013	5/23/2013	5/13/2014	5/13/2014	355
5/27/2013	5/27/2013	5/13/2014	5/13/2014	351
5/3/2014	5/4/2014	7/23/2014	7/23/2014	80
5/2/2014	5/4/2014	7/23/2014	7/23/2014	80
5/4/2014	5/6/2014	8/12/2014	8/12/2014	98
5/4/2014	5/8/2014	8/8/2014	8/8/2014	92

GWOG is fully aware of the importance of submitting fracture treatment disclosures to FracFocus within the required 60 days. Since the email dated 12/17/2014 we have implemented additional internal processes to ensure timely and accurate FracFocus reporting which is apparent on all 2015 disclosures. We have recently taken this one step further and are now evolving this process to capture key dates and requirements using an electronic well filing system and streamlining responsibilities.

