

State of Colorado
Oil and Gas Conservation Commission

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01/25/2016

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

OGCC Operator Number: 83555
Name of Operator: SUNBURST INC
Address: 1401 E GIRARD STE 143
City: ENGLEWOOD State: CO Zip: 80110
Contact Name and Telephone:
Name: Jay Jackson
Phone: (303) 781-3044 Fax: (303) 781-3044
Email: sun1045@aol.com

Additional Operator Contacts	Email
Joe Mazotti	ogp-co@comcast.net

Well Location, or Facility Information (if applicable):

API Number: 05-069-06404-00 Facility or Location ID:
Name: Vader Number: 33-15
QtrQtr: SWSE Sec: 33 Twp: 5N Range: 68W Meridian: 6
County: LARIMER

ALLEGED VIOLATION

Rule: 205A
Rule Description: Hydraulic Fracturing Chemical Disclosure
Initial Discovery Date: 07/23/2015 Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:
Was this a discrete violation of obvious duration? No
Description of Alleged Violation:
Pursuant to Rule 205A., Operator was required to submit details of hydraulic fracturing treatments for Vader #33-15 (API 069-06404) within 60 days of the end of the treatment to the chemical disclosure registry (FracFocus). COGCC records reflect that Operator completed a hydraulic fracturing treatment on January 12, 2014, but to date Operator failed to submit the required details to the chemical disclosure registry, violating Rule 205A.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 02/01/2016
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.
Operator shall submit a Form 4 Sundry Notice detailing an internal procedure for making timely reports to FracFocus. Operator shall submit report to the chemical disclosure registry (FracFocus) by February 1, 2016.

Rule: 303
Rule Description: Requirements for Form 2, Application for Permit-to-Drill, Deepen, Re-enter, or Recomplete and Operate; Form 2A, Oil and Gas Location Assessment
Initial Discovery Date: 07/23/2015 Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 303.a.(1)D., Operator was required to submit and receive approval for a Form 2, Recompletion Application, for any formation not previously completed before the expiration of the originally approved APD. Operator failed to submit and receive approval for a Form 2 for the recompletion of the Codell formation for Vader #33-15 (API 069-06404), violating Rule 303.a.(1)D. Due to the lack of cement 200 feet above the top of the Niobrara formation, an application to recomplete the Codell would not have been approved by COGCC without cement remediation.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall submit a Form 4 Sundry Notice detailing an internal procedure that will prevent the completion of unpermitted formations.

Rule: 308A

Rule Description: Drilling Completion Report

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

Pursuant to Rule 308A., as in effect at the time of drilling of this well, Operator was required to submit a Form 5, Drilling Completion Report, within thirty (30) days of the setting of production casing for Vader #33-15 (API 069-06404) on September 20, 2010. Operator failed to submit a Form 5 until January 18, 2011, violating Rule 308A. This Form 5 was incomplete and inaccurate and could not be approved. Additional COGCC staff requests for missing information were not addressed until October 18, 2015 when a new Form 5 was submitted. This form was returned to draft for missing information on October 18, 2015. The Form 5 was returned incomplete on October 19, 2015. Operator submitted some missing information via email to correct some of the Form 5 deficiencies, but additional data is still inaccurate or missing.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall review the Form 5, Document #400916047, for completeness and accuracy and resubmit a complete Form 5.

Rule: 308B

Rule Description: Completed Interval Report

Initial Discovery Date: 07/23/2015

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 308B., Operator was required to submit a Form 5A within thirty (30) days from date of completing a formation on February 10, 2014 at Vader #33-15 (API 069-06404). Operator did not submit a Form 5A reporting Codell completion until July 30, 2015. The Form 5A, Document #400872971, was returned to draft because of errors and has not been re-submitted as of this date, violating Rule 308B.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall submit a revised Form 5A, Document #400872971, to report completely and accurately the hydraulic fracturing treatment of the J Sand formation and the hydraulic fracturing treatment of the Codell formation done in 2014.

Rule: 309

Rule Description: Operator's Monthly Production Report

Initial Discovery Date: 07/23/2015

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 309, Operator is required to submit a Form 7 Monthly Report of Operations for every formation that is completed at Vader #33-15 (API 069-06404). Operator failed to submit an accurate report for the J Sand formation beginning in October 2014. Operator failed to submit an accurate report for the Codell formation beginning January 2014, and there has been no Form 7 reporting since December 2014, violating Rule 309.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall resubmit corrected Form 7 reporting for the J Sand formation from October 2014 to December 2014 and the Codell formation from January 2014 to December 2014. Operator shall submit accurate Form 7 reporting from January 1, 2015 to the present.

Rule: 316C

Rule Description: Notice of Intent to Conduct Hydraulic Fracturing Treatment

Initial Discovery Date: 07/23/2015 Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 316C.a., Operator was required to provide 48 hours advance written notice of intent to conduct hydraulic fracturing at Vader #33-15 (API 069-06404) via Form 42 Field Operations Notice. Operator failed to submit a Form 42 to provide COGCC 48 hour notice of the hydraulic fracturing completed on January 12, 2014, violating Rule 316C.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall submit a Form 4 detailing an internal procedure to comply with the requirements of Rule 316C. for all well operations.

Rule: 317.i

Rule Description: Surface and Intermediate Casing Cementing

Initial Discovery Date: 01/05/2016 Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 317.i. and the Condition of Approval in the approved Application for Permit to Drill (Document #400055638), Operator was required to provide cement coverage from total depth to a minimum of 200 feet above the Niobrara. Form 5 (Document #2592733) reports that top of cement is 6310 feet and top of Niobrara is 6450 feet. Operator failed to provide submit coverage from total depth to a minimum of 200 feet above the Niobrara, violating Rule 317.i and the Condition of Approval in Document #400055638.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/25/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall submit a Form 4 Sundry Notice to detail internal procedures that will ensure that a required condition of approval on a Form 2, Application for Permit to Drill, will be met.

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 judgement 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.

NOAV ISSUED

NOAV Issue Date: 01/25/2016

COGCC Representative Signature: Barbara Westerdale

COGCC Representative: Westerdale, Barbara Title: Permit/Completion Supervi

Email: barbara.westerdale@state.co.us Phone Num: (303) 894-2100x5159

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
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Total Attach: 0 Files