

State of Colorado
Oil and Gas Conservation Commission

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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: 10447
Name of Operator: URSA OPERATING COMPANY LLC
Address: 602 SAWYER STREET #710
City: HOUSTON State: TX Zip: 77007
Contact Name and Telephone:
Name: Rob Bleil
Phone: (970) 329-4373 Fax: ()
Email: rbleil@ursaresources.com

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 159652
Name: YATER PAD Number: _____
QtrQtr: NWSW Sec: 17 Twp: 7S Range: 95W Meridian: 6
County: GARFIELD

ALLEGED VIOLATION

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date: 12/07/2015 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 605.d., Operator shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition. During a December 7, 2015 inspection (Document #680200013), COGCC staff observed leaking around gauge access points and around the gauge hatches of production tanks. The inspection required Operator to maintain or replace components on the production tanks as needed to prevent release of the contents to the atmosphere by December 12, 2015. During a December 11, 2015 follow-up inspection (Document #680200023), COGCC staff observed, by use of infrared camera, that leaks around gauge hatches on the production tanks were still present. Inspection restated the requirements from the December 7, 2015 inspection. Inspector verified these issues were fixed during a January 5, 2016 inspection.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/08/2016

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

In Operator's Rule 522.d.(2) NOAV answer, Operator shall provide a description of what steps they have taken to address the above alleged violations, including steps to address the issues on a statewide level.

Rule: 805

Rule Description: Odors and Dust

Initial Discovery Date: 12/11/2015 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 805.a., Operator is required to operate its facilities in such a manner that odors do not constitute a nuisance or hazard to public welfare. Pursuant to the Colorado Oil and Gas Act, Operator is required to comply with permit conditions of approval (COA). During a December 11, 2015 inspection (Document #680200023), COGCC staff observed that flowback was not routed to a sealed flowback tank and condensate captured during separation process was not sent to tanks with emissions controls as required per COAs. COGCC staff observed odors from this location. Operator failed to implement key COAs that would have prevented odors from becoming a nuisance to the public.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/08/2016

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

In Operator's Rule 522.d.(2) NOAV answer, Operator shall provide a description of what steps they have taken to address the above alleged violations, including steps to address the issues on a statewide level.

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_cogccenforecment@state.co.us.

NOAV ISSUED

NOAV Issue Date: 02/09/2016

COGCC Representative Signature: _____

COGCC Representative: Ash, Margaret

Title: Field Operations Manager

Email: margaret.ash@state.co.us

Phone Num: (303) 894-2100x5110

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>
400985921	NOAV COVER LETTER
400986010	NOAV DOCUMENTATION

Total Attach: 2 Files