

State of Colorado
Oil and Gas Conservation Commission

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400984767
Date Issued:
04/05/2016

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: 10354
Name of Operator: DAKOTA EXPLORATION LLC
Address: 8801 S. YALE AVENUE, SUITE 120
City: TULSA State: OK Zip: 74137
Contact Name and Telephone:
Name: Paul Collins
Phone: (918) 691-3427 Fax: (918) 806-8688
Email: pcollins@dakotaexploration.com

Well Location, or Facility Information (if applicable):

API Number: 05-057-06510-00 Facility or Location ID:
Name: State Number: 6-81-24-4
QtrQtr: NWNW Sec: 24 Twp: 6N Range: 81W Meridian: 6
County: JACKSON

ALLEGED VIOLATION

Rule: 1003.b
Rule Description: Interim Reclamation - Areas No Longer In Use
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? No
Description of Alleged Violation:
Pursuant to Rule 1003.b., Operator was required to commence interim reclamation of all disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or subsequent drilling operations within twelve (12) months. State #6-81-24-4 (057-06510) was spud on July 23, 2011 and interim reclamation should have commenced by July 2012. During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed that interim reclamation has not been commenced, violating Rule 1003.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 04/05/2016
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.
Operator shall immediately commence interim reclamation at State #6-81-24-4 (057-06510).

Rule: 210.b
Rule Description: Signs & Markers- Wells & Batteries
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? No
Description of Alleged Violation:
Pursuant to Rule 210.b.(1) and (2), Operator was required to install signs at the State #6-81-24-4 (057-06510) wellhead and battery.

During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed that Operator failed to install a sign at the battery. Document #673402214 required Operator to install signs at the battery by June 30, 2015. During the inspections on October 8, 2015 (Document #673402534) and June 30, 2015 (Document #673402215), COGCC staff observed that Operator failed to have a sign installed at the wellhead. At the time of the most recent inspection on October 8, 2015 (Document #673402534), signs were not present at the wellhead and battery, violating Rule 210.b.(1) and (2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/30/2015

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

Operator shall install signs at the wellhead and battery to comply with Rule 210.b.(1).

Rule: 210.d.

Rule Description: Signs and Markers Tanks and Containers

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? No

Description of Alleged Violation:

Pursuant to Rule 210.d., Operator was required to install labels for the tanks and containers at State #6-81-24-4 (057-06510). During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed that Operator failed to install labels on tanks to comply with the requirements of Rule 210.d.(1), as the NFPA diamonds are not present. Document #673400879 required Operator to install labels to comply with Rule 210.d. by August 25, 2014, but to date Operator has failed to complete this corrective action, violating Rule 210.d.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/25/2014

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

Operator shall install NFPA diamonds on the tanks to comply with Rule 210.

Rule: 309

Rule Description: Operator's Monthly Production 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? No

Description of Alleged Violation:

Pursuant to Rule 309.a., Operator is required to submit Form 7 Monthly Reports of Operations. As noted in October 8, 2015 (Document #673402534) and June 30, 2015 (Document #673402215) inspection reports, Operator has failed to submit Form 7 Monthly Reports for State #6-81-24-4 (057-06510) since December 2014. Document #673402215 required delinquent Form 7's to be submitted by June 30, 2015, but to date the Form 7 Month Reports of Operation have not been submitted, violating Rule 309.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/30/2015

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

Operator shall immediately submit delinquent reports for State #6-81-24-4 (057-06510) from January 2015 through the present.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

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? No

Description of Alleged Violation:

Pursuant to Rule 603.f., Operator is required to keep State #6-81-24-4 (057-06510) clear of weeds and equipment not necessary for production. During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed weeds and equipment not necessary for production, including piping and tubing, present at State #6-81-24-4 (057-06510). Document #673400879 required Operator to implement and maintain a weed control program and remove equipment not necessary for production from State #6-81-24-4 (057-06510) by August 25, 2014. To date Operator has failed to implement and maintain a weed control program and remove equipment not necessary for production from State #6-81-24-4 (057-06510), violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/25/2014

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

Operator shall immediately implement and maintain a weed control program and remove equipment not necessary for production from State #6-81-24-4 (057-06510).

Rule: 605.a.(4)

Rule Description: Oil & Gas Facilities- Berms

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? No

Description of Alleged Violation:

Pursuant to Rule 605.a.(4), and conditions of approval (COA) required by COGCC staff in their June 23, 2011 approval of Operator's Form 2A (Document #400157400), Operator is required to construct and maintain berms or secondary containment devices around State #6-81-24-4 (057-06510) tanks with sufficient freeboard to contain precipitation and in such a way that they are sufficiently impervious to contain any spilled or released materials. During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed that the berms around the tanks is low in the southwest corner with insufficient freeboard and inadequate imperviousness to contain spilled or released material. Document #673400879 required Operator to perform maintenance on the berm by August 25, 2014, but to date this perm has not been repaired, violating Rule 605.a.(4).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/25/2014

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

Operator shall immediately perform maintenance on the State #6-81-24-4 (057-06510) berm to assure sufficient freeboard to contain precipitation and imperviousness to contain any spilled or released materials.

Rule: 605.b

Rule Description: O&G Facilities - Fired Vessel, Heater-Treater

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? No

Description of Alleged Violation:

Pursuant to Rule 605.b.(7), Operator is required to equip all stacks vents, or other openings on fired vessels with screens to prevent entry by wildlife. During inspections on October 8, 2015 (Document #673402534), June 30, 2015 (Document #673402215), September 12, 2014 (Document #673401105), and July 24, 2014 (Document #673400879), COGCC staff observed an exhaust stack at State #6-81-24-4 (057-06510) that did not appear to have wildlife protection screens. Document #673400879 required Operator to either notify COGCC if a screen was present on the exhaust or install a screen by August 25, 2014. To date, Operator has not confirmed the exhaust is properly screened to prevent entry by wildlife, violating Rule 605.b.(7).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/25/2014

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

Operator shall immediately either notify COGCC if a screen is present on the exhaust or install a screen.

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.

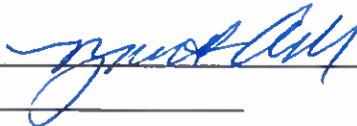
ANSWER

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: 04/05/2016

COGCC Representative Signature: _____



COGCC Representative: Margaret Ash

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>
401021790	NOAV CERTIFIED MAIL RECEIPT
401021792	NOAV COVER LETTER

Total Attach: 2 Files