

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
401078793
Date Issued:
07/15/2016

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: 64310
Name of Operator: NORTHSTAR GAS COMPANY INC
Address: PO BOX 440789
City: HOUSTON State: TX Zip: 77244
Contact Name and Telephone:
Name: Ken McKinney
Phone: (832) 721-4775 Fax: ()
Email: kkmacgas@concentric.net

Well Location, or Facility Information (if applicable):

API Number: 05-045-06162-00 Facility or Location ID:
Name: COHIBA-FEDERAL Number: 6-8
QtrQtr: SENE Sec: 6 Twp: 6S Range: 102W Meridian: 6
County: GARFIELD

ALLEGED VIOLATION

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, Northstar Gas Company Inc (Operator) is required to submit Form 7 Monthly Reports of Operations for all existing oil and gas wells that are not plugged and abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment. Operator failed to submit Form 7 Monthly Reports of Operations for Cohiba-Federal #6-8, API 045-06162, (Well) from February 2016 through May 2016, violating Rule 309.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 08/15/2016
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.
Operator shall immediately submit Form 7 reports for Well for February 2016 through May 2016.

Rule: 326.b
Rule Description: Shut-in Wells
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 Rules 326.b.(1) and (2), Operator is required to perform a mechanical integrity test (MIT) on shut in (SI) wells within two (2) years of the initial shut in date and then at five (5) year intervals after an initial successful MIT. Based on Operator's Form 7 Monthly Reports of Operations stating the well has been SI since February 2011, COGCC staff has reason to believe the Cohiba-Federal #6-8 well, API 045-06162, (Well) is past due for performance of an MIT. Warning Letter #2193185 was issued to Operator on

February 2, 2016 and required corrective action to resolve the delinquent MIT by April 30, 2016. To date Operator has not conducted an MIT for the Well, violating Rules 326.b.(1) and (2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/30/2016

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

Operator shall immediately schedule and complete either MIT testing of the Well or plugging and abandonment of API 057-06510. Rule 316B requires notice to the Director on a Form 42 at least ten (10) days prior to conducting an MIT and submission of MIT results on a Form 21, within thirty (30) days after the test. A pressure chart shall accompany this Form 21 report. Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon and secure Director approval prior plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed

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: 07/15/2016

COGCC Representative Signature: Andrew Stone

COGCC Representative: Andrew Stone

Title: Engineering Tech

Email: andrewg.stone@state.co.us

Phone Num: (303) 894-2100x5188

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>

Total Attach: 0 Files