

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: 47120

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP

Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-3779

Contact Name and Telephone:

Name: Cheryl Light

Phone: (720) 929-6461 Fax: ()

Email: cheryl.light@anadarko.com

Well Location, or Facility Information (If applicable):

API Number: 05-123-16104-00

Facility or Location ID: _____

Name: ROCKY MOUNTAIN FUEL

Number: 8-6U

QtrQtr: SENW

Sec: 8

Twp: 1N

Range: 67W

Meridian: 6

County: WELD

ALLEGED VIOLATION

Rule: 308B

Rule Description: Completed Interval 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 308B, Kerr McGee Oil & Gas Onshore LP (Operator) is required to submit a Completed Interval Report, Form 5A, within 30 days after a formation is temporarily abandoned (TA). Operator set a bridge plug and temporarily abandoned the Rocky Mountain Fuel #8-6U well, API 123-16104, on July 2, 2014 and should have submitted a Form 5A by August 1, 2014. Operator failed to submit a Form 5A until July 22, 2016 (Document #401082581), violating Rule 308B.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/24/2016

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

Operator shall submit a Sundry Notice, Form 4, detailing how it will implement internal procedures to insure approvable Form 5A submissions are timely submitted in the future.

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, 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 it has been abandoned and reported for one month as abandoned, and the reported volumes shall include all

fluids produced during flowback, initial testing, and completion of the well. Operator Temporarily Abandoned (TA) the Rocky Mountain Fuel #8-6U well, API 123-16104, (Well) on July 2, 2014. Operator has submitted Form 7 reports for the J Sand, Niobrara, Codell, and Ft. Hays from July 2014 to the present reporting these formations as Shut-In (SI), but these formations should all have been reporting TA status. Operator failed to accurately report for all formations for the Well from July 2014 to present, violating Rule 309.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/24/2016

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

As soon as possible, but no later than October 24, 2016, Operator shall submit revised Form 7 reports for July 2014 to August 2016 to accurately reflect the status of all formations at the Well during this time.

Rule: 319.b

Rule Description: Temporary Abandonment

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 319.b., if a well is TA for more than six (6) months, Operator is required to make a request to COGCC stating the reason for the request for continued temporary abandonment (TA) status and the plans for future operation. A Sundry Notice, Form 4, is required annually to request continued TA status and state the last successful MIT date, a brief statement of future plans for the well and a declaration of how the well is closed to the atmosphere. Operator temporarily abandoned the Rocky Mountain Fuel #8-6U well, API 123-16104, on July 2, 2014 and should have requested continued TA status by January 2, 2015 and again January 2016. To date Operator has not submitted a request for continued TA status, violating Rule 319.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/24/2016

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

Operator shall submit a Sundry Notice, Form 4, detailing how it will implement internal procedures to insure requests for continued TA status are timely submitted in the future

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: 09/23/2016

COGCC Representative Signature: Barbara Westerdale

COGCC Representative: Barbara Westerdale 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>
401117155	NOAV COVER LETTER
401117165	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files