

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
07/14/2016
Date Resolved:

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: 10144
Name of Operator: XOG OPERATING LLC
Address: P O BOX 352
City: MIDLAND State: TX Zip: 79702
Contact Name and Telephone:
Name: JIMMY SLAYDEN
Phone: (432) 683-3171 Fax: ()
Email: jslayden@xogoperating.com

Well Location, or Facility Information (if applicable):

API Number: 05-077-08397-00 Facility or Location ID:
Name: CHAFFIN Number: 1
QtrQtr: SENW Sec: 18 Twp: 9S Range: 103W Meridian: 6
County: MESA

ALLEGED VIOLATION

Rule: 319.b.(1)
Rule Description: Temporary Abandonment - Notice Required
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.(1), a well may be temporarily abandoned (TA), after passing a successful mechanical integrity test per Rule 326, upon approval of the Director, for a period not to exceed six months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. TA wells also require submission to COGCC of an annual Form 4 - Sundry Notice, requesting continued TA status. Multiple COGCC records indicate that the well is TAed. Although the Operator has filed multiple, annual Form 4s requesting continued TAed status, the last was filed February 7, 2011 (Doc. No. 2612544). Operator failed to file any additional, annual Form 4s requesting continued TAed status after that date. Warning Letter #2193207 was issued to Operator on February 4, 2016, and required corrective action to resolve the delinquent Sundry Notice, Form 4, request for continued TA status issue within 30 days of the issuance of that letter. Operator failed to respond to the warning letter and file subsequent annual Form 4s requesting continued TAed status, violating Rule 319.b.(1).

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.

Immediately submit a Sundry Notice, Form 4, as required by Rule 319.b.(1), to request continued temporarily abandoned status stating the reason for temporary abandonment and stating plans for future operation.

Rule: 326.c.(2)
Rule Description: MIT - Temporarily Abandoned Wells - Performance of Subsequent Tests
Initial Discovery Date: Was this violation self-reported by the operator? No
Date of Violation: Approximate Time of Violation:

Rule: 319.b.(1)
 Rule Description: Temporary Abandonment - Notice Required
 Corrective Action Start Date: _____ Corrective Action Complete Date: _____
 Has corrective action for this violation been performed as required? Yes
 Description of Actual Corrective Action Performed by Operator

 Rule: 326.c.(2)
 Rule Description: MIT - Temporarily Abandoned Wells - Performance of Subsequent Tests
 Corrective Action Start Date: _____ Corrective Action Complete Date: _____
 Has corrective action for this violation been performed as required? Yes
 Description of Actual Corrective Action Performed by Operator

 Rule: 326.f
 Rule Description: All Wells Shall Maintain Mechanical Integrity
 Corrective Action Start Date: _____ Corrective Action Complete Date: _____
 Has corrective action for this violation been performed as required? Yes
 Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: 1V Order #: 601 Docket #: 161000381
 Enforcement Action: Administrative Order of Consent Final Resolution Date: 10/24/2016
 Final Resolution Comments:

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>
401078779	NOAV CERTIFIED MAIL RECEIPT
401078780	NOAV COVER LETTER
401078917	NOAV ISSUED
401079395	NOAV IN PROCESS
401085572	NOAV OPERATOR ANSWER

Total Attach: 5 Files