

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



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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: 10460
Name of Operator: HIGH PLAINS ENERGY LLC
Address: 4545 S MONACO STREET #116
City: DENVER State: CO Zip: 80237

Contact Name and Telephone:
Name: Randy Wheat
Phone: (720) 480-7776 Fax: ()
Email: randy@highplainsenergyllc.com

Well Location, or Facility Information (if applicable):

API Number: 05-017-07729-00 Facility or Location ID:
Name: KERN STATE 36-16-46 Number: 1H
QtrQtr: NENE Sec: 36 Twp: 16S Range: 46W Meridian: 6
County: CHEYENNE

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., High Plains Energy LLC (Operator) is required to submit a Form 5A, Completed Interval Report, within 30 days after a formation is completed and within 30 days after a formation is temporarily or permanently abandoned. Operator reported water produced from the Kern State 36-16-46 #1H well, API 017-07729, (Well) in May 2013 through July 2013, indicating the well had a completed interval. Operator conducted a Mechanical Integrity Test on July 3, 2014 and the Form 21 Testing Results (Document #2561222) submitted to COGCC indicated the well was Temporarily Abandoned (TA) at the time of the test. To date no Form 5A's have been submitted to COGCC to report the well had a completed interval in 2013 or was temporarily abandoned prior to the testing in 2014, violating Rule 308B.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 12/16/2016

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

Operator shall submit Form 5A, Completed Interval Reports, to disclose the completed interval in 2013 and temporary abandonment of the Well prior to the testing in 2014.

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, High Plains Energy LLC (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 every month from the time the well is spud until one month after abandonment. Operator spud the Kern State 36-16-46 #1H well, API 017-07729, (Well) on March 6, 2013. Operator failed to submit Form 7, Monthly Reports of Operations, for the Well from January 2015 through August 2016, violating Rule 309. Operator also failed to accurately report sidetrack information on Form 7's when it reported a "00" code for the API sidetrack in March 2014 through September 2014, violating Rule 309.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/16/2016

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

Operator shall submit Form 7 reports for the Well for January 2015 through August 2016 and submit revised forms with the correct API sidetrack information for March 2014 through September 2014.

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), for wells temporarily abandoned (TA), High Plains Energy LLC (Operator) is required to submit a Form 4, Sundry Notice, to the Director to request TA status and state plans for future operation. Additional Form 4, Sundry Notices, are required to be submitted annually stating the method by which the well is closed to atmosphere and plans for future operation. Operator conducted a Mechanical Integrity Test on the Kern State 36-16-46 #1H well, API 017-07729, (Well) on July 3, 2014 and the Form 21 Testing Results (Document #2561222) submitted to COGCC indicated the well was Temporarily Abandoned (TA) at the time of the test. Operator should have submitted a Form 4, Sundry Notice, requesting continued TA status. To date, Operator has not submitted a Form 4, Sundry Notice, requesting continued TA status, violating Rule 319.b.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/16/2016

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

Operator shall submit a Form 4, Sundry Notice, requesting extended TA status for the Well and stating the method by which the well is closed to atmosphere and plans for future operation.

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: 11/16/2016

COGCC Representative Signature:

COGCC Representative: Steven Mah

Title: NOAV Specialist

Email: steven.mah@state.co.us

Phone Num: (303) 894-2100x5172

CORRECTIVE ACTION COMPLETED

Rule: 308B

Rule Description: Completed Interval Report

Corrective Action Start Date:

Corrective Action Complete Date:

Has corrective action for this violation been performed as required?

Description of Actual Corrective Action Performed by Operator

Rule: 309

Rule Description: Operator's Monthly Production Report

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

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? _____

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: _____

Order #: _____

Docket #: _____

Enforcement Action: _____

Final Resolution Date: _____

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>
401150929	NOAV COVER LETTER
401150930	NOAV CERTIFIED MAIL RECEIPT
401150938	NOAV ISSUED

Total Attach: 3 Files