

State of Colorado  
Oil and Gas Conservation Commission

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Document Number:  
401149430  
Date Issued:  
11/16/2016  
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: 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: 05-075-09424-00 Facility or Location ID:  
Name: Dune Ridge State Number: 32-3  
QtrQtr: NESE Sec: 32 Twp: 7N Range: 52W Meridian: 6  
County: LOGAN

ALLEGED VIOLATION

Rule: 308A  
Rule Description: Drilling Completion 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 308A, High Plains Energy LLC (Operator) is required to submit a Form 5, Final Drilling Completion Report, within 60 days after rig release after drilling. Operator drilled the Dune Ridge State #32-3 well, API 075-09424, (Well) in March 2014 and submitted a Form 5, Final Drilling Completion Report, for the Well on April 24, 2014 (Document #400595037). Document #400595037 failed to report the as built GPS location (location measurement taken after conductor pipe was set), the Total Depth, the Plug Back Total Depth, and the casing cement summary. The date of achieving Total Depth is also apparently in error as it is stated to be later than date of the casing set. Operator failed to submit a complete and accurate Form 5, Final Drilling Completion Report, for the Well, violating Rule 308A.  
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 revised Form 5, Final Drilling Completion Report, that corrects the issues identified above.

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. A COGCC inspection of the Dune Ridge State #32-3 well, API 075-09424, (Well) on July 14, 2015, observed the Well to be producing, indicating the well had a completed interval. To date no Form 5A has been submitted to COGCC to report the Well's completed interval, 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 one or more Form 5A, Completed Interval Reports, to disclose the completed interval or intervals for the Well.

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 Dune Ridge State #32-3 well, API 075-09424, (Well) on March 22, 2014. Operator failed to submit any Form 7, Monthly Reports of Operations, to date, 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 March 2014 through September 2016.

### 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](mailto: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: 308A

Rule Description: Drilling Completion 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: 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

### 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>
401150957	NOAV COVER LETTER
401150958	NOAV CERTIFIED MAIL RECEIPT
401150960	NOAV ISSUED

Total Attach: 3 Files