



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER # 401151707

11/30/2016

BLUE CHIP OIL INC (# 8840)

Tim Hager

bluechipoil@msn.com

155 E BOARDWALK DR STE 400

FORT COLLINS, CO 80525

NWNW, 20, 1S, 67W, ADAMS

This Warning Letter is to inform you that BLUE CHIP OIL INC (“Operator”) may be in violation of the rules and regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”) and corrective action is required.

The COGCC has reasonable cause to believe that the Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. The Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

906.b Spill Reporting

Description of Alleged Violation: Pursuant to Rule 906.b., Blue Chip Oil Inc (Operator) is required to notify the designated local government agent not more than 24 hours after discovery of a reportable spill/release and submit a Form 19, Supplemental Spill/Release Report, not more than 10 calendar days after discovery of a reportable spill/release. On August 3, 2016, Operator discovered a reportable release at NWNW Sec 20, T1S, R67W in Adams County, Colorado (Spill/Release #447264). The release was timely reported to COGCC staff and a Form 19, Initial Spill/Release Report, (Document #401088702) was submitted on August 3, 2016. However, the designated local government agent was never contacted and the Form 19, Supplemental Spill/Release Report, (Document #401104993) was not submitted until October 5, 2016, violating Rule 906.b.

Required Corrective Action: Operator has already reviewed the requirements of this rule with COGCC staff and no further corrective action is required at this time. Operator is not required to respond to this letter or submit evidence of completed Corrective Actions.

Corrective Action Deadline Date: 11/30/2016





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How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the COGCC staff identified below by the Corrective Action Deadline Date(s):

COGCC Enforcement: Steven Mah
Email: Steven.Mah@state.co.us

Title: NOAV Specialist
Phone Num: (303) 894-2100 x5159

COGCC Representative: Chris Canfield
Email: chris.canfield@state.co.us

Title: Environmental Protection
Phone Num: (303)894-2100x5183

If you have any procedural questions about this Warning Letter, please contact Steven Mah.
If you have any technical questions about this Warning Letter, please contact the COGCC Representative identified above.

Failure to Comply with Warning Letter:

If the Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above the COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

Sincerely,

Chris Canfield
Environmental Protection
(303)894-2100x5183
chris.canfield@state.co.us

Attachments

View Attachments in Imaged Documents on COGCC website <http://ogccweblink.state.co.us/> Search by Document Number.

<u>Document Number</u>	<u>Description</u>
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401158159	WARNING LETTER CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files

