



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER # 401177514

01/04/2017

WELLINGTON OPERATING COMPANY (# 95233)

Bradley Pomeroy
pomoco@msn.com

6065 S QUEBEC ST STE 200
CENTENNIAL, CO 80111

W F MUDDY UT-D. COOK 26-1 (API# 069-05161)
SWSE, 7, 9N, 68W, LARIMER

This Warning Letter is to inform you that WELLINGTON OPERATING COMPANY ("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):

309 Operator's Monthly Production Report

Description of Alleged Violation: Pursuant to Rule 309, Operator is required to submit a Form 7, Monthly Reports of Operations, for all existing oil and gas wells that are not plugged and abandoned within 45 days after the end of each month. Rule 309 requires production reporting on a well-by-well basis. In December of 2016, COGCC Staff learned that the W F Muddy UT-D. Cook well, API 069-05161, (Well) was produced in 2014, 2015 and 2016 and that Operator failed to correctly report production via the Form 7. COGCC Staff also learned that Operator has been reporting production by dividing total battery production by the number of producing wells and allocating the result to each producing well on the Form 7. Operator's failure to report production for the Well and Operator's means of estimating individual well production, violates Rule 309.

Required Corrective Action: Operator shall correct all inaccurate reports filed for the subject well by February 3, 2017. In order to correct previously filed inaccurate reports, Operator will be permitted to use the battery allocation method previously employed. Commencing April 1, 2017, Operator shall cease using the battery allocation method and begin estimating individual well production by employing regular

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc

Commissioners: Andrew L. Spielman - Chairman, Ashley L. Ager, John H. Benton,
James W. Hawkins, Tommy Holton, Kent Jolley, W. Perry Pearce, Robert W. Randall, Dr. Larry Wolk
John W. Hickenlooper, Governor | Robert W. Randall, Executive Director, DNR | Matthew J. Lepore, Director





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barrel testing. Operator shall only be required to barrel test on a quarterly basis but the resulting estimated production ratios should then be used to allocate production to each producing well in the field on the Form 7, until the next quarterly test is conducted. For additional information, please contact COGCC East Engineering Supervisor, Diana Burn, at 303-894-2100 x5106.

Corrective Action Deadline Date: 02/03/2017

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: Diana Burn
Email: diana.burn@state.co.us

Title: East Region Engineering Supervisor
Phone Num: (303)894-2100x5106

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,

Steven Mah
NOAV Specialist
(303)894-2100x5172
steven.mah@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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401177569	WARNING LETTER CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files

