



COLORADO

Oil & Gas Conservation  
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801  
Denver, CO 80203

## WARNING LETTER # 401183850

01/12/2017

KOCH EXPLORATION COMPANY, LLC (# 49100)

Doug Howard

howard4d@kochind.com

950 17TH STREET #1900

DENVER, CO 80202

WRD FEDERAL 2-23 (API# 103-10998)

NWSE, 23, 2N, 97W, RIO BLANCO

**This Warning Letter is to inform you that KOCH EXPLORATION COMPANY, LLC ("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):**

#### **308A Drilling Completion Report**

Description of Alleged Violation: Pursuant to Rule 317.e.(1), Koch Exploration Company, LLC (Operator) is required to secure prior written approval on a Form 4, Sundry Notice, from the Director before commencing casing repair operations. Pursuant to Rule 317.e.(3), Operator is required to submit a Form 5, Drilling Completion Report, within 30 days after completion of a casing repair operation, as required by Rule 308A.b.(3).

On November 28, 2016, Operator submitted a Form 4, Sundry Notice, to COGCC (Document #401153372) as a report of work done to repair the WRD Federal #2-23 well, API 103-10998, conducted November 10-15, 2016. The Form 4, Sundry Notice, states, "During routine maintenance of the WRD Federal 2-23, Koch Exploration Company, LLC (KEC) discovered a casing leak in the 5 1/2" string. The leak was isolated between 3700' and 4200'. On 11/10/16 KEC pumped 58 sks (11.9 BBLs) of 15.8#, 1.15 yield cement from 4200' - 3700'. Pressure tested cement plug to 2500 psi, held. SWI overnight with pressure. 11/11/16 Tagged TOC @3820'. Drilled out cement from 3820' to 4210'. Tested casing to 500#. Tested good. 11/14- 11/15/16 cleaned out wellbore, RIH w/ NC, SN & 186 jts 2 3/8" tubing,

P 303.894.2100 F 303.894.2109 [www.colorado.gov/cogcc](http://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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landed @ 5790.4'."

A Form 5, Drilling Completion Report, has not been submitted for this work to date.

Operator completed a casing repair operation without securing prior written approval and failed to submit a Form 5, Drilling Completion Report, within 30 days of completing the work, violating Rule 317.e.(1) and Rule 317.e.(3).

**Required Corrective Action:** Operator shall submit a Form 5, Drilling Completion, and shall submit a written explanation of Operator's plan to prevent recurrence of this alleged violation.

**Corrective Action Deadline Date:** 02/13/2017

### **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](mailto:Steven.Mah@state.co.us)

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

COGCC Representative: Craig Burger  
Email: [craig.burger@state.co.us](mailto:craig.burger@state.co.us)

Title: Northwest Engineer  
Phone Num: (970)625-2497x2

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](http://www.colorado.gov/cogcc).

Sincerely,

*Steven Mah for Craig Burger*

Craig Burger  
Northwest Engineer  
(970)625-2497x2  
[craig.burger@state.co.us](mailto:craig.burger@state.co.us)

### **Attachments**

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





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<b><u>Document Number</u></b>	<b><u>Description</u></b>
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401183854	WARNING LETTER CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files

