

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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401212624

Date Issued:

02/17/2017

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: 8960

Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC

Address: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: Brian Dodek

Phone: (720) 225-6653 Fax: (720) 279-2331

Email: bdodek@bonanzacrk.com

Well Location, or Facility Information (if applicable):

API Number: 05-123-36599-00

Facility or Location ID:

Name: State Antelope

Number: 44-41-12HNB

QtrQtr: SWSE Sec: 12

Twp: 5N Range: 62W

Meridian: 6

County: WELD

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., as in effect at the time of drilling of this well, Operator was required to submit a Form 5, Drilling Completion Report, within thirty (30) days of the setting of production casing for State Antelope 44-41-12HNB (API 123-36599). The production casing for the -00 wellbore was set on April 12, 2013 and the production casing for the -01 wellbore was set on April 20, 2013. Operator submitted a preliminary Form 5, Drilling Completion Report for the -00 wellbore on March 18, 2013 (Document #400391664), but the required "as built" GPS coordinates and cement summary for the whipstock were not submitted. Document #400391664 was incomplete and could not be approved. Operator failed to submit a Form 5, Drilling Completion Report, for the -01 wellbore and, on November 11, 2013, COGCC staff requested that Operator submit the Final Form 5, Drilling Completion Report, for the -01 wellbore. The Final Form 5, Drilling Completion Report, (Document #400863878) was not submitted until July 8, 2015. Additional COGCC staff requests to Operator for missing information were not addressed until February 29, 2016 when a Form 4, Sundry Notice, was submitted with the required cement job summary for the whipstock, a requirement for the Form 5 for the -00 wellbore. Operator failed to timely submit complete Form 5, Drilling Completion Reports, for the -00 wellbore and -01 wellbore, violating Rule 308A.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 03/20/2017

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

Operator shall submit a Form 4, Sundry Notice, to detail internal procedures that will ensure that complete, accurate, and timely Form 5 reporting will be submitted in the future.

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_cogccenforecment@state.co.us.

NOAV ISSUED

NOAV Issue Date: 02/17/2017

COGCC Representative Signature: Barbara Westerdale

COGCC Representative: Barbara Westerdale Title: Permit/Completion Supervi

Email: barbara.westerdale@state.co.us Phone Num: (303) 894-2100x5159

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>
401213288	NOAV COVER LETTER
401213289	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files