



August 18, 2017

*By Email*

dnr\_cogccenforcement@state.co.us

Secretary of the Commission  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street  
Suite 801  
Denver, Colorado 80203

Re: *Notice of Alleged Violation No. 401348910, 401348980 and 401348983—Answer to NOAVs*

Ladies and Gentlemen:

I am writing on behalf of Kerr-McGee Oil & Gas Onshore LP (“*Kerr-McGee*”) in response to the Colorado Oil & Gas Conservation Commission (COGCC or Commission) Notice of Alleged Violations referenced above (the “*NOAVs*”), which were received by Kerr-McGee via email on July 21, 2017.

The subject NOAVs assert that Kerr-McGee failed to meet requirements set forth in Rule 603 specific to existing equipment specifications at three oil and gas facilities located in a defined floodplain, or meet the corrective action dates established in field inspection reports for those locations. See Document #674004768, Document #674004796 and Document #684902800.

After COGCC inspected the three facilities in December 2016 and January 2017, COGCC established corrective action deadlines for compliance with Rule 603.h. Kerr-McGee verbally discussed progress being made at each of the three locations with COGCC Inspection staff during the corrective action periods. In response to delays caused by equipment and resource availability, the COGCC Inspection staff advised Kerr-McGee to file the FIRR Forms for each location and indicate that certain work was still ongoing. Kerr-McGee diligently worked to comply with the corrective actions within the time periods specified in the field inspection reports and maintained communication with COGCC Inspection staff to apprise them of progress made on each location.

Kerr-McGee respectfully asks the COGCC to consider Kerr-McGee’s prompt action to comply with field inspection corrective actions, continued communication with COGCC Inspectors and Staff and the submittal of a comprehensive floodplain compliance plan as this matter moves to the next phase of the enforcement action. Kerr-McGee is currently working to ensure field-wide compliance with Rule 603.h. and has dedicated the required number of resources to accomplish this in a timely manner. We have committed construction crews currently upgrading the necessary anchoring and berming, removing facilities and plugging associated wells located within the floodplain area. Kerr-McGee continues to work collaboratively with the COGCC to move the compliance plan forward while maintaining consistent communication throughout the project.

The NOAV states that penalties for violations will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1) C.R.S. Kerr-McGee asks that this violation be resolved without

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penalties based on the factors discussed in this letter, and Kerr-McGee's demonstrated history of compliance with Commission rules, orders and permits.

Please contact Kristina Geno at 720-929-6824 if you have any questions regarding this information. Representatives of Kerr-McGee are available to meet with the Commission to discuss resolution of this matter.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP



Kristina Geno

Regulatory Affairs Analyst