

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
401080106
Date Issued:
08/25/2016
Date Resolved:
12/20/2017

NOTICE OF ALLEGED VIOLATION - RESOLVED

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: 94300	Contact Name and Telephone:
Name of Operator: WARD & SON* ALFRED	Name: Randy Ward
Address: P O BOX 737	Phone: (308) 284-8350 Fax: (308) 284-8351
City: OGALLALLA State: NE Zip: 69153	Email: randy@wardoil.com

Well Location, or Facility Information (if applicable):

API Number: 05-075-09361-00 Facility or Location ID: _____
Name: MICHAELS Number: 2
QtrQtr: SWSW Sec: 14 Twp: 11N Range: 53W Meridian: 6
County: LOGAN

ALLEGED VIOLATION

Rule: 309
Rule Description: Operator's Monthly Production 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 309, Alfred Ward & Son Operating Company (Ward) (Operator No. 94300) is required to submit Form 7 Monthly Reports of Operations for all existing oil and gas wells that are not plugged and abandoned. Ward is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment. Warning Letter #2193171 was issued to Operator on February 2, 2016, and required corrective action to resolve the delinquent Form 7 monthly reporting issue within 30 days of the issuance of that letter. Ward & Son failed to submit Form 7, Monthly Reports of Operations, for the Michaels #2 well (API 075-09361), from December 2015 to June 2016, violating Rule 309.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 03/03/2016

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

Ward & Son shall submit Form 7 reports for API 075-09361 for December 2015 to June 2016.

Rule: 326.b
Rule Description: Shut-in Wells

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 Rules 326.b.(1) and (2), Alfred Ward & Son Operating Company (Ward & Son) is required to perform a mechanical integrity test (MIT) on shut in (SI) wells within two (2) years of the initial shut in date and then at five (5) year intervals after an initial

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successful MIT. Based on Operator's Form 7 Monthly Reports of Operations stating the Michaels #2 well (API 075-09361) (Well) has been SI since May 2013. COGCC staff has reason to believe the Well is past due for performance of an MIT. Warning Letter #2193171 was issued to Ward & Son on February 2, 2016, and required corrective action to resolve the delinquent MIT by April 30, 2016. To date Operator has not conducted an MIT for the Well, violating Rules 326.b.(1) and (2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/30/2016

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

Ward & Sons shall immediately schedule and complete either MIT testing of the Well or plugging and abandonment of API 075-09361. Rule 316B requires notice to the Director on a Form 42 at least ten (10) days prior to conducting an MIT and submission of MIT results on a Form 21, within thirty (30) days after the test. A pressure chart shall accompany this Form 21 report. Rule 311 requires Ward & Son to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

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_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 08/25/2016

COGCC Representative Signature: _____

COGCC Representative: Andrew Stone

Title: Engineering Tech

Email: andrewg.stone@state.co.us

Phone Num: (303) 894-2100x5188

CORRECTIVE ACTION COMPLETED

Rule: 309

Rule Description: Operator's Monthly Production Report

Corrective Action Start Date: _____

Corrective Action Complete Date: 10/17/2016

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

On August 30 and 31, 2016 and October 17, 2016 the delinquent Form 7's were submitted.

Rule: 326.b

Rule Description: Shut-in Wells

Corrective Action Start Date: _____

Corrective Action Complete Date: 03/21/2017

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Plug and abandonment completed March 21, 2017 (Document #401296875).

FINAL RESOLUTION

Cause #: 1V

Order #: 626

Docket #: 161200402

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 03/20/2017

Final Resolution Comments:

Resolved via Order Number 1V-626, entered on March 20, 2017.

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>
401099055	NOAV COVER LETTER
401099056	NOAV CERTIFIED MAIL RECEIPT
401099387	NOAV ISSUED
401099389	NOAV IN PROCESS
401136468	NOAV CERTIFIED MAIL RETURN RECEIPT
401142232	NOAV OPERATOR ANSWER

Total Attach: 6 Files