



WARNING LETTER # 401595641

04/03/2018

GADECO LLC (# 10673)
 John Morgan
 jmorgan@sierra-hamilton.com

3600 SOUTH YOSEMITE STREET SUITE 900
 DENVER, CO 80237

Grynberg Stateline Federal 24-12-65-4-NH (API# 123-44404)
 NWNW, 24, 12N, 65W, WELD

This Warning Letter is to inform you that GADECO 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):

609 Statewide Groundwater Baseline Sampling and Monitoring

Violation Date: 10/29/2017

Violation Discovery Date: 03/29/2018

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the above referenced Well presents one or more compliance issues. Operator should review its records to verify if any groundwater baseline sampling and monitoring is outstanding for this Well.

Pursuant to Rule 609., Operator is required to conduct groundwater baseline sampling and monitoring for any Oil and Gas Wells, Multi-Well sites, and Dedicated Injection Wells for which a Form 2, Application for Permit to Drill, (“APD”), is submitted on or after May 1, 2013.

Operator shall conduct initial baseline sampling within 12 months prior to setting conductor pipe in a Well or the first Well on a Multi-Well Site, or commencement of drilling a Dedicated Injection Well.





Operator shall provide copies of all final laboratory analytical results to COGCC and to the well owner or landowner within 3 months of collecting the samples. If a sample cannot be obtained, Operator may request an exception from the requirements of Rule 609 by filing a Sundry Notice (“Form 4”) for the COGCC’s review and approval prior to spudding the well.

If at least three months have elapsed since the Well was spud and Operator did neither receive approval for an exception from the requirements of Rule 609 nor submit pre-drilling sample results for this Well, Operator is in violation of Rule 609.

COGCC records indicate that the Grynberg Stateline Federal #24-12-65-4-NH (API 123-44404) was spud on 10/29/2017; to date neither samples nor an exception request as required under Rule 609 has been submitted to the COGCC.

Required Corrective Action: By the corrective action due date, Operator shall provide analytical data from pre-drilling samples to COGCC as required by Rule 609, or, if samples were not obtained, submit a Form 4 requesting exceptions to the 609 requirements. Any Form 4 seeking relief must include details of Operator’s good faith efforts to obtain groundwater samples.

Corrective Action Deadline Date: 04/27/2018

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: Kira Gillette
 Email: kira.gillette@state.co.us

Title: NOAV Specialist
 Phone Num: (303) 894-2100 x5165

COGCC Representative: Arthur Koepsell
 Email: arthur.koepsell@state.co.us

Title: Environmental Data Analyt
 Phone Num: (303)894-2100x5148

If you have any procedural questions about this Warning Letter, please contact Kira Gillette.
 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.





COLORADO
Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

Sincerely,

Arthur Koepsell
Environmental Data Analyst
(303)894-2100x5148
arthur.koepsell@state.co.us

Attachments

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

Document Number Description

401595702	WARNING LETTER CERTIFIED MAIL RECEIPT
401595763	WARNING LETTER ISSUED

Total Attach: 2 Files

