



WARNING LETTER # 401765138

09/17/2018

THUNDER RIVER PRODUCTION LLC (# 10468)

JOHN STEVENS

john.stevens@thunder-river.com

4545 POST OAK PLACE DR #240

HOUSTON, TX 77027

FUGUA 18-07 (API# 057-06487)

SWNE, 18, 6N, 78W, JACKSON

This Warning Letter is to inform you that THUNDER RIVER PRODUCTION 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.

COGCC has reasonable cause to believe that 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. 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):

706 Soil Protection & Plugging and Abandonment

Violation Date: 10/25/2017

Violation Discovery Date: 10/25/2017

Description of Alleged Violation: Pursuant to 706.a., prior to commencing the drilling of a well, an operator shall provide financial assurance to the Commission to ensure the protection of the soil, the proper plugging and abandonment of the well, and the reclamation of the site in accordance with the 300 Series of drilling regulations, the 900 Series of E&P waste management, the 1000 Series of reclamation regulations, and the 1100 Series of flowline regulations.

a. The financial assurance required by this section shall be in the amount of ten thousand dollars (\$10,000) per well for wells less than three thousand (\$3,000) feet in total measured depth and twenty thousand dollars (\$20,000) per well for wells greater than or equal to three thousand (3,000) feet in total measured depth.

Form 10 document #401399980 received 10/25/2017 list Thunder River Production LLC as new operator of the Fugua 18-07 well API#057-06487 effective 7/01/2013.





Field Inspection document #680102171 conducted 8/24/2017 indicates that the well was not drilled, however, location was constructed and failed final reclamation.

Required Corrective Action: Operator shall either:

1) Submit financial assurance for Soil Protection and Plugging and Abandonment for the amount of \$10,000 for the Fugua 18-07 well API#057-06487 in an acceptable form of:

- (a) a surety bond via a fully executed Form 3, Performance Bond, or
- (b) a cash bond via a cashier's check payable to COGCC with a completed Form 3, or
- (c) a Certificate of Deposit created as public fund account with an eligible public depository bank.

The Operator should contact the undersigned COGCC representative to discuss submission of financial assurance. Please find the Form 3 Performance Bond, Cash Financial Assurance Instructions, and Certificate of Deposit Instructions, Form 10 document #401399980, and Field Inspection document #680102171 attached.

Corrective Action Deadline Date: 10/17/2018

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 Representative: Martha Ramos

Title: Financial Assurance Super
 Phone Num: (303)894-2100x5123

Email: martha.ramos@state.co.us

If you have any technical questions about this Warning Letter, please contact the COGCC Representative identified above.

Failure to Comply with Warning Letter:

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above 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.

Disclaimers:

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the COGCC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.





All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

Sincerely,

Martha Ramos
 Financial Assurance Super

Attachments

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

Document Number Description

401765467	WARNING LETTER DOCUMENTATION
401765478	WARNING LETTER DOCUMENTATION
401765480	WARNING LETTER DOCUMENTATION
401765485	WARNING LETTER CERTIFIED MAIL RECEIPT
401765621	WARNING LETTER DOCUMENTATION
401765622	WARNING LETTER DOCUMENTATION
401765651	WARNING LETTER ISSUED

Total Attach: 7 Files

