

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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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: 17180
Name of Operator: CITATION OIL & GAS CORP
Address: 14077 CUTTEN RD
City: HOUSTON State: TX Zip: 77269

Contact Name and Telephone:
Name: SHARON WARD
Phone: (281) 891-1556 Fax: ()
Email: sward@cogc.com

Well Location, or Facility Information (if applicable):

API Number: 05-017-06704-00 Facility or Location ID:
Name: UPRC-SIMPSON 12-19 Number: 1
QtrQtr: SWNW Sec: 19 Twp: 14S Range: 41W Meridian: 6
County: CHEYENNE

ALLEGED VIOLATION

Rule: 912.b
Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required

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 912.b., except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, Citation Oil & Gas Corp ("Operator") shall flare or vent gas from a well only after Operator has given notice to and obtained approval from COGCC on a Sundry Notice ("Form 4") stating the estimated volume and content of the gas.

On January 31, 2019, COGCC Staff inspected Operator's UPRC-Simpson 12-19 #1 (API No. 05-017-06704, "Well") location and observed a steady, forceful stream of natural gas venting from an open valve at the wellhead, and a 4 gas meter detected methane gas from the stream. COGCC Staff observed that no upset conditions or other 912.b. exceptional circumstances were occurring at the time of the venting, and that Operator had neither requested nor received approval from COGCC for venting/flaring at the Well location. (Field Inspection Report No. 682600615, including attached Video Document No. 682600616 and Photos Document No. 682600617).

On February 13, 2019, COGCC Staff conducted a follow up inspection of the Well location and observed that a threaded plug had been placed in the valve noted as open in the January 31 inspection, but that methane gas was still venting through the plug. (Field Inspection Report No. 682600622, including Video Document No. 682600630 and Photos Document No. 682600631).

As of February 14, 2019, Operator has not submitted any Form 4 request for approval to vent or flare at the Well location.

Operator vented gas from the Well, and failed to give notice to or seek approval from COGCC prior to such flaring/venting, violating

Rule 912.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/18/2019

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

Operator shall immediately cease venting and flaring at the Well location, and shall ensure it has obtained written COGCC approval via Form 4 prior to resuming venting or flaring.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure COGCC approval is obtained prior to any venting or flaring at its locations, as required by Rule 912.b.

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: 02/14/2019

COGCC Representative Signature:



COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) email

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>
401939864	NOAV COVER LETTER
401939865	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files