

State of Colorado
Oil and Gas Conservation Commission

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08/27/2019
Date Resolved:

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: 10633
Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC
Address: 1801 CALIFORNIA STREET #2500
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:
Name: DAVID STEWART
Phone: (303) 774-3909 Fax: ()
Email: david.stewart@crestonepr.com

Well Location, or Facility Information (if applicable):

API Number: 05-123-34587-00 Facility or Location ID:
Name: MELBON RANCH Number: 2-4-17
QtrQtr: NWSW Sec: 17 Twp: 2N Range: 65W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 34-60-121(1) CRS-b
Rule Description: Statutory Violation - Permit Violation
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:

COGCC granted approval for Operator to plug the subject Well, subject to COGCC Conditions of Approval ("COA") in Operator's Notice of Intent to Abandon ("Form 6-N"). Pursuant to Form 6-N COA, Operator was required to follow certain procedures to mitigate potential risk from bradenhead pressure and/or fluid migration.

Form 6-N No. 401763555

Requirement: If there is any pressure/fluid on the surface casing during the pre-plugging bradenhead test ("BHT"), Operator must wait 8 hrs after pumping plug at 2000 feet and check for fluid migration or shut-in pressure on the well. Contact COGCC Engineer for revised plugging orders if well is not static at this time prior to continuing with plugging operations.

Pre-plugging BHT Form 17 No. 401784635
Surface casing pressure 19 psi

Form 6-S No. 401876290
Violation: Failed to wait required interval between plugs; Failed to do required pressure / fluid migration check

Other documentation supporting violation allegation:
Document No. 2304635
Document type: Operations summary

How it supports: Page 5, 10/17/2018: 60psi BH in morning prior to pumping, pumped stub plug 200' at 8am, pumped shoe plug at 9am.

Despite additional risk due to extant pressure day of pumping, Operator still failed to wait and perform required check.

Operator failed to follow the specified pressure/fluid migration mitigation procedures, violating the Form 6-N permit COA and § 34-60-121.(1)(a), C.R.S.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 09/26/2019

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

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include a compliance plan detailing an internal procedure to ensure future compliance with all terms of approved Form 6-Ns, including compliance with any approved amendments to the procedures or details in the Form 6-N.

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: 08/27/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

CORRECTIVE ACTION COMPLETED

Rule: 34-60-121(1)
CRS-b

Rule Description: Statutory Violation - Permit Violation

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

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

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: _____ Order #: _____ Docket #: _____

Enforcement Action: _____

Final Resolution Date: _____

Final Resolution Comments:

ATTACHMENT LIST

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

Document Number	Description
402156655	NOAV COVER LETTER
402156656	NOAV CERTIFIED MAIL RECEIPT
402156734	NOAV ISSUED

Total Attach: 3 Files