



COLORADO
Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 402293613

01/24/2020

GRIZZLY OPERATING LLC (# 10531)

SCOTT GHAN

sghan@grizzlyenergyllc.com

5847 SAN FELIPE #3000

HOUSTON, TX 77057

JOLLEY 41A-20-691 (API# 045-13674)

NWNE, 20, 6S, 91W, GARFIELD

This Warning Letter is to inform you that GRIZZLY OPERATING 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):

207 Tests and Surveys

Violation Date: 01/02/2020

Violation Discovery Date: 01/02/2020

Description of Alleged Violation: Pursuant to Rule 207.a, COGCC required measurement of the rate of gas venting from sixty five of Operator’s bradenheads on September 25, 2019. Operator has not provided any measured rates as of January 24, 2020.

Required Corrective Action: Operator is to measure the rate of gas venting from all wells that build bradenhead pressure greater than 150 psig and submit the results on Form 17. Remedial requirements and additional subsequent monitoring will be determined by the COGCC based on the results of the measurements.

Corrective Action Deadline Date: 05/31/2020

522.f Failure to Comply with Commission Order

Violation Date: 01/02/2020

Violation Discovery Date: 01/02/2020

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records,



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COGCC has reason to believe all of Operator's well present one or more compliance issues.

Pursuant to Commission Order Number 191-22 the operator shall test all wells for pressure and flow on an annual basis.

Required Corrective Action: COGCC Order Number 191-22 requires that bradenhead pressures in the Bradenhead Test Area be maintained at a pressure less than 150 psig. Operator is to cease venting from all wells that do not build bradenhead pressure greater than 150 psig and monitor the bradenhead pressure at a frequency sufficient to identify significant bradenhead pressure changes if the Operator has reason to believe that the bradenhead pressure has the potential to exceed 150 psig.

Corrective Action Deadline Date: 02/29/2020

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: Craig Burger
Email: craig.burger@state.co.us

Title: Western Region Engineerin
Phone Num: (303) 894-2100x5687

If you have any 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,

Craig Burger
Western Region Engineerin

Attachments

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



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Document Number **Description**

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