



COLORADO
Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 402360295

04/02/2020

PONCHO PRODUCTION COMPANY (# 71450)

CARL DEAN

carl@ranchoil.com

5299 DTC BLVD #1300

GREENWOOD VILLAGE, CO 80111

PERKINS-THORNBURG 1 (API# 001-07698)

SWSW, 24, 3S, 63W, ADAMS

This Warning Letter is to inform you that PONCHO PRODUCTION COMPANY (“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.b Bradenhead monitoring

Violation Date: 01/01/2020

Violation Discovery Date: 03/02/2020

Description of Alleged Violation: Pursuant to Rule 207.b. the Director may designate specific fields or portions of fields as bradenhead test areas. By Order 1-232, the Director established a bradenhead monitoring area for wells drilled in the Denver Julesburg Basin in the following counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Jefferson, Larimer and Weld. Order 1-232 imposed certain testing and reporting requirements. Operator is receiving this warning letter because based on COGCC records, COGCC has reason to believe that the well(s) indicated above or in the attached table present one or more compliance issues.

Required Corrective Action: Operator shall review its records to verify if any bradenhead test Form 17 is missing, inaccurate, or incomplete for the referenced well(s). If the bradenhead test mandated by Order 1-232 was performed in 2019, operator shall submit the required documentation by the corrective action deadline. If the bradenhead test has not been performed in 2019, operator shall perform required missing bradenhead test and submit the required documentation by the corrective action deadline.

Operator shall send an email to the COGCC representative indicated below by April 17, 2020, confirming



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that the required Form 17(s) is submitted, accurate, and up-to-date. Additionally, the email should detail an internal procedure that outlines a timely compliance with Rule 207.b and Order No. 1-232 in the future.

Operator shall reference this warning letter document number in the subject of the email.

Note: This test or missing form is being accepted in lieu of the required 2019 bradenhead test, the operator must perform an additional bradenhead test by December 31, 2020 for the 2020 bradenhead test. By issuing this Warning Letter regarding the submission of delinquent reporting Staff does not intend to provide the Operator the opportunity to resolve an alleged violation(s), where bradenhead testing has not been performed, without the imposition of a penalty, pursuant to Rule 522.c.(1).

Corrective Action Deadline Date: 04/17/2020

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: Ted Dinku
Email: ted.dinku@state.co.us

Title: Engineering Tech
Phone Num: (303) 894-2100x5144

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,

Ted Dinku
Engineering Tech



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Attachments

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

<u>Document Number</u>	<u>Description</u>
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402360297	WARNING LETTER DOCUMENTATION
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Total Attach: 1 Files