

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
402537379
Date Issued:
11/20/2020
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: 10459
Name of Operator: EXTRACTION OIL & GAS INC
Address: 370 17TH STREET SUITE 5300
City: DENVER State: CO Zip: 80202
Contact Name and Telephone:
Name: MATT OWENS
Phone: (720) 557-8300 Fax: ()
Email: mowens@extractionog.com

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 319094
Name: Coyote Trails Number: _____
QtrQtr: SWSE Sec: 28 Twp: 1N Range: 68W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 34-60-121(1) CRS-b
Rule Description: Statutory Violation - Permit Violation
Initial Discovery Date: 11/07/2019 Was this violation self-reported by the operator? Yes
Date of Violation: 11/07/2019 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Extraction Oil & Gas, Inc. ("Operator") received COGCC approval to drill multiple wells at location ID# 319094 pursuant to Spacing Order No. 407-2536 and nine, approved Form 2, Applications for Permit to Drill ("APD") (Doc. Nos. 401667399, 401667400, 401667401, 401667402, 401667404, 401667405, 401667407, 401667409, and 401667415) . The APDs approved drilling the wells with specified top of productive zone ("TPZ") and bottom hole location ("BHL") footages compliant with the setbacks from the unit boundaries established by Spacing Order No. 407-2536.

On November 7, 2019, Operator notified COGCC Staff that the wells were completed and produced from TPZ and/or BHL footages closer to the unit boundary than was allowed by the setback established in Spacing Order No. 407-2536. COGCC Staff confirmed that the completed footages are different from those approved on the APDs and encroach on the setbacks established by Spacing Order No. 407-2536.

Operator failed to comply with the conditions of nine COGCC APDs and Commission Spacing Order No. 407-2536, violating § 34-60-121.(1)(a), C.R.S.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 12/20/2020

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

Operator will seek approval of an amended spacing unit, previously filed under Docket Number 200100007. Until the unit is amended, these violations are deemed continuing.

Operator shall seek approval to amend the existing Pooling Order by submitting a Hearing Application to COGCC.

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. An answer will, at a minimum, discuss the allegations contained in the NOAV, responding to each; identify corrective actions taken in response to the NOAV, if any; and identify facts known to the operator at the time that are relevant to the operator's response to the alleged violations. 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: 11/20/2020

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x

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 |
|-----------------|-----------------------------|
| 402537413 | NOAV ISSUED |
| 402537414 | NOAV CERTIFIED MAIL RECEIPT |

Total Attach: 2 Files