

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
01/12/2021
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: <u>17180</u>	Contact Name and Telephone:
Name of Operator: <u>CITATION OIL & GAS CORP</u>	Name: <u>SHARON WARD</u>
Address: <u>14077 CUTTEN RD</u>	Phone: <u>(281) 891-1556</u> Fax: <u>()</u>
City: <u>HOUSTON</u> State: <u>TX</u> Zip: <u>77269</u>	Email: <u>sward@cogc.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-017-06508-00 Facility or Location ID: _____
Name: MOUNT PEARL UNIT Number: 13-25
QtrQtr: NWSW Sec: 25 Twp: 13S Range: 48W Meridian: 6
County: CHEYENNE

ALLEGED VIOLATION

Rule: 319.b
Rule Description: Temporary Abandonment

Initial Discovery Date: 09/01/2019 Was this violation self-reported by the operator? No
Date of Violation: 09/01/2019 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 319.b., Citation Oil & Gas, Corp. ("Operator") is required to conduct an mechanical integrity test ("MIT") and receive Director approval prior to temporary abandonment of a well. COGCC Rule 100 defines a well as temporarily abandoned ("TA") if the well becomes incapable of production (for example, through the removal of necessary production equipment or a well that has all downhole completed intervals isolated with a plug set above the highest perforation). Any well incapable of production should have a well status of TA in filings with COGCC, including the Form 7, Monthly Reports of Operations. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT.

COGCC staff conducted an audit of COGCC records for Operator and found the Mount Pearl Unit #13-25 well has been in TA status since September 2019, and past due for an MIT, violating Rule 319.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 02/11/2021

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

Operator shall conduct a successful MIT on the Well or plug and abandon the Well.

Rule: 326.c

Rule Description: MIT - Temporarily Abandoned Wells

Initial Discovery Date: 11/23/2020

Was this violation self-reported by the operator? No

Date of Violation: 10/01/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.c., Citation Oil & Gas, Corp. ("Operator") is required to conduct a mechanical integrity test ("MIT") on temporarily abandoned ("TA") wells within thirty (30) days of temporarily abandoning the well, and then at five (5) year intervals after an initial successful MIT.

COGCC staff conducted an audit of COGCC records for Operator and found the Mount Pearl Unit #13-25 well reported as TA since September 2019, and past due for an MIT, violating Rule 326.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/11/2021

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

Operator shall conduct a successful MIT on the Well or plug and abandon the Well.

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: 01/12/2021

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

Rule: 319.b

Rule Description: Temporary Abandonment

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

Rule: 326.c

Rule Description: MIT - Temporarily Abandoned Wells

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.

<u>Document Number</u>	<u>Description</u>
402573096	NOAV ISSUED
402573097	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files