

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
01/21/2021
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: 10677
Name of Operator: WOLVERINE RESOURCES LLC
Address: 109 EAST 17TH STREET #430
City: CHEYENNE State: WY Zip: 82001
Contact Name and Telephone:
Name: SHANE REEVES
Phone: (720) 773-1740 Fax: ()
Email: shane@wolverineresources.com

Well Location, or Facility Information (if applicable):

API Number: 05-081-07401-00 Facility or Location ID: _____
Name: GREAT DIVIDE FEDERAL Number: 11-33
QtrQtr: NWNW Sec: 33 Twp: 10N Range: 93W Meridian: 6
County: MOFFAT

ALLEGED VIOLATION

Rule: 309
Rule Description: Operator's Monthly Report of Operations
Initial Discovery Date: 06/01/2020 Was this violation self-reported by the operator? No
Date of Violation: 01/01/2019 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 309.a., Wolverine Resources, LLC ("Operator") shall report all existing oil and gas wells that are not plugged and abandoned on the Operator's Monthly Report of Operations, Form 7, within 45 days after the end of each month. A well must be reported every month from the month that it is spud until it has been reported for one month as abandoned. Each formation that is completed in a well shall be reported every month from the time that it is completed until it has been abandoned and reported for one month as abandoned. The reported volumes shall include all fluids produced during flowback, initial testing, and completion of the well.

During a routine inspection on June 1, 2020 (document # 689804240), COGCC staff observed Operator was delinquent in production reporting. Staff provided a corrective action date of July 10, 2020, to submit Monthly Reports of Operations.

During follow up inspections on September 14, 2020 (document # 689804678) and September 22, 2020 (document # 689804734), COGCC staff observed production records have not been updated. As of January 21, 2021, COGCC records do not show any Monthly Reports of Operations.

Operator failed to submit timely production reports, violating Rule 309.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: _____

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

Operator shall submit Monthly Reports of Operations to comply with Rule 309.a.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash RequirementsInitial Discovery Date: 06/01/2020 Was this violation self-reported by the operator? NoDate of Violation: 06/01/2020 Approximate Time of Violation: _____Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 603.f., all locations, including wells and surface production facilities, shall be kept free by Wolverine Resources, LLC ("Operator") of the following: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material.

During a routine field inspection on June 1, 2020 (document # 689804240), COGCC staff observed the presence of annual weeds on location. Staff provided a corrective action date of June 23, 2020, for removal of the annual weeds.

During follow up inspections on September 14, 2020 (document # 689804678) and September 22, 2020 (document # 689804734), no changes in weeds were observed by COGCC staff.

Operator failed to control weeds, violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 02/18/2021**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator shall control all weeds on location and mark or properly abandon flowline risers.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical ConditionsInitial Discovery Date: 06/01/2020 Was this violation self-reported by the operator? NoDate of Violation: 06/01/2020 Approximate Time of Violation: _____Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.d., Wolverine Resources, LLC ("Operator") shall keep all valves, pipes and fittings securely fastened, inspected at regular intervals, and maintained in good mechanical condition.

During a routine field inspection on June 1, 2020 (document # 689804240), COGCC staff observed a hissing sound coming from the wellhead. Staff spoke with Shane Reeves on June 4, 2020, and were assured the pumper would address the leak.

During a follow up inspection on September 14, 2020 (document # 689804734), hissing was still occurring.

A FLIR camera inspection was performed on September 22, 2020 (document # 689804734), documenting leaking gas at the wellhead.

Operator failed to maintain the wellhead in good mechanical condition, as evidenced by the presence of leaking gas, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 02/18/2021**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator shall maintain all pipes, valves, and fittings to stop leak at wellhead and comply with Rule 605.d.

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: 01/21/2021

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Email: trent.lindley@state.co.us

Title: NOAV Specialist

Phone Num: (303) 894-2100x

CORRECTIVE ACTION COMPLETED

Rule: 309

Rule Description: Operator's Monthly Report of Operations

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: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

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: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

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>
402580650	NOAV ISSUED
402580651	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files