

State of Colorado  
Oil and Gas Conservation Commission

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Document Number:  
402641823  
Date Issued:  
03/29/2021  
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: 52530

Name of Operator: MAGPIE OPERATING INC

Address: 2707 SOUTH COUNTY RD 11

City: LOVELAND State: CO Zip: 80537

Contact Name and Telephone:

Name: JAMES M WARNER

Phone: (970) 669-6308 Fax: ( )

Email: jwarner105@gmail.com

### Well Location, or Facility Information (if applicable):

API Number: 05-121-06207-00

Facility or Location ID:

Name: LITTLE BEAVER UNIT

Number: 45

QtrQtr: NENE Sec: 6

Twp: 2S

Range: 56W

Meridian: 6

County: WASHINGTON

### ALLEGED VIOLATION

Rule: 308B

Rule Description: Completed Interval Report

Initial Discovery Date: 03/12/2019

Was this violation self-reported by the operator? No

Date of Violation: 05/30/1996

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 308B.a, Magpie Operating, Inc. ("Operator") is required to submit a Completed Interval Report ("Form 5A"), within 30 days after a formation is completed (successful or not); temporarily or permanently abandoned; recompleted, reperforated, or restimulated; or commingled. Operator shall include on the Form 5A details of fracturing, acidizing, or other similar treatment, including the volumes of all fluids involved.

According to a Form 6 intent (document # 400929360) submitted on November 2, 2015, Operator abandoned the D SAND from 5,200 feet to 5,222 feet using cement, on April 30, 1996. The Conditions of Approval ("COA") on the Form 6 intent, required Operator to submit a Form 5A prior to approval of the Form 6, Subsequent Report of Abandonment for the abandonment of the D Sand Perfs at 5,200 feet and 5,222 feet.

During an inspection on March 12, 2019, (document # 688304088) COGCC Staff required Operator to submit a Form 5A by April 1, 2019.

Operator submitted a Form 5A (document no. 402634210) on March 31, 2021.

Operator did not submit a Form 5A within 30 days, after recompletion or reperforation of a formation, violating Rule 308B.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/28/2021

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

Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall respond to the COGCC, confirming that all required Form 5As are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 308B. in the future.

Rule: 309

Rule Description: Operator's Monthly Report of Operations

Initial Discovery Date: 03/23/2021

Was this violation self-reported by the operator? No

Date of Violation: 02/15/2016

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 309.a, Magpie Operating, Inc. ("Operator") is required to submit Form 7 for all existing oil and gas wells that are not plugged and abandoned, within 45 days after the end of each month. Operator is required to report the well every month from the month it is spud until it has been reported for one month as abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.

Operator submitted a Mechanical Integrity Test ("Form 21") (document # 1522118) on October 9, 2014, indicating the well status as Temporarily Abandoned ("TA").

According to a Form 6, intent (document no. 400929360) submitted on November 2, 2015, the Conditions of Approval ("COA") required Operator to report the D SAND that was abandoned on April 30, 1996, as AB status.

Operator submitted a Form 21 (document # 40206856) on May 20, 2019, indicating a test to maintain TA status for the well.

Operator submitted a Form 5A (document no. 402634210) on March 23, 2021 indicating the well was TA'd for production facility remediation and mechanical upgrades when the D SAND formation was abandoned on April 3, 1996.

Operator filed inaccurate Form 7, Monthly Reports of Operations, reporting the well as Shut In ("SI") for December 2015 through May 2019 and as TA status for June 2019 through December 2020, violating Rule 309.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/28/2021

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

Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall respond to the COGCC confirming that all required Form 7s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 309 in the future.

Rule: 319.b.(1)

Rule Description: Temporary Abandonment - Notice Required

Initial Discovery Date: 03/23/2021

Was this violation self-reported by the operator? No

Date of Violation: 04/03/1996

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 319.b(1) Magpie Operating, Inc. ("Operator") may temporarily abandoned a well after passing a successful mechanical integrity test per Rule 326 upon approval of the Director, for a period not to exceed six months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. All temporarily abandoned wells shall be closed to the atmosphere with a swedge and valve or packer, or other approved method. The well sign shall remain in place. If an operator requests temporary abandonment status in excess of six months the operator shall state the reason for requesting such extension and state plans for future operation. A Sundry Notice, Form 4, or other form approved by the Director, shall be submitted annually stating the method the well is closed to the atmosphere and plans for future operation. Subsequent mechanical integrity tests will be required at the frequency specified in Rule 326.

Operator submitted a Mechanical Integrity Test ("Form 21") (document # 1522118) on October 9, 2014, indicating the well status as Temporarily Abandoned ("TA").

Operator submitted a Form 21 (document # 40206856) on May 20, 2019, indicating a test to maintain TA status for the well.

Operator submitted a Form 5A (document no. 402634210) on March 23, 2021 indicating the well was TA'd for production facility

remediation and mechanical upgrades when the D SAND formation was abandoned on April 3, 1996.

Operator failed to file Temporary Abandonment Sundry Notice Form 4, violating Rule 319.b(1)

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/28/2021

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

Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall respond to the COGCC confirming that all required Form 4s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 319.b(1) in the future.

## 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](mailto:dnr_cogccenforcement@state.co.us).

## NOAV ISSUED

NOAV Issue Date: 03/29/2021

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: [trent.lindley@state.co.us](mailto:trent.lindley@state.co.us)

Phone Num: (303) 894-2100x5143

## CORRECTIVE ACTION COMPLETED

Rule: 308B

Rule Description: Completed Interval Report

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: 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: 319.b.(1)

Rule Description: Temporary Abandonment - Notice Required

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>
402641836	NOAV ISSUED
402641839	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files