



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 402661964

04/19/2021

BLUE CHIP OIL INC (# 8840)

TIM HAGER

bluechipoil@msn.com

155 E BOARDWALK DR STE 400

FORT COLLINS, CO 80525

GAIL 1 (API# 001-09479)

SENW, 18, 1S, 65W, ADAMS

This Warning Letter is to inform you that BLUE CHIP OIL INC (“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):

314 Bradenhead Test Report

Violation Date: 12/31/2020

Violation Discovery Date: 03/01/2021

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table present one or more compliance issues. Operator should review its records to verify if any Forms or Notices related to Bradenhead (“BH”) testing were late or are still outstanding for these Wells.

Pursuant to Rule 314., Operator is required to submit the results of BH tests to COGCC within 10 days of completion. Operator shall submit such results by filing a Bradenhead Test Report (“Form 17”), and shall include a wellbore diagram if not previously submitted or if the wellbore configuration has changed, and the results of any gas and liquid analysis if sampled.

If Operator performed a BH test and failed to submit Form 17 within 10 days of the test date, Operator violated Rule 316C.g.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct



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any incomplete or inaccurate reports. Operator shall send an email to the COGCC Representative indicated below, detailing an internal procedure for timely compliance with Rule 314. Operator shall reference this Warning Letter document number in the subject of the email.

Corrective Action Deadline Date: 05/19/2021

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

Attachments

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

Document Number Description

402661984	WARNING LETTER DOCUMENTATION
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Total Attach: 1 Files