

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109



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Date Issued:  
09/12/2019  
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>10071</u>	Contact Name and Telephone:
Name of Operator: <u>HIGHPOINT OPERATING CORPORATION</u>	Name: <u>MATT BARBER</u>
Address: <u>555 17TH ST STE 3700</u>	Phone: <u>(303) 312-8188</u> Fax: <u>( )</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>mbarber@hpres.com</u>

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

API Number: 05- - -00 Facility or Location ID: 439471  
Name: Coffelt Number: 5-61-35\_36 NWNW  
QtrQtr: NWNW Sec: 35 Twp: 5N Range: 61W Meridian: 6  
County: WELD

#### ALLEGED VIOLATION

Rule: 205A  
Rule Description: Hydraulic Fracturing Chemical Disclosure  
Initial Discovery Date: \_\_\_\_\_ Was this violation self-reported by the operator? No  
Date of Violation: \_\_\_\_\_ Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? No  
Description of Alleged Violation:  

Pursuant to Rule 205A., for all new drilling operations, Operator is required to complete the chemical disclosure registry form and post the form on the chemical disclosure registry within 60 days following the conclusion of a hydraulic fracturing treatment and in no case later than 120 days after commencement of such hydraulic fracturing treatment.

On June 6, 2019, COGCC Staff conducted an audit ("Audit") of Operator's records for the well(s) ("Well") at the subject location ("Pad"), and determined that at least one Well at the Pad was hydraulically stimulated and Operator did not submit the required disclosures until greater than 60 days after concluding the treatment or greater than 120 days after commencing the treatment, or that the hydraulic fracturing treatment dates Operator reported in to the registry were incorrect or did not match the dates Operator reported on the associated Form 5A.

Operator failed to submit accurate disclosures to FracFocus within 60 days of concluding, or 120 days of commencing, a hydraulic fracturing treatment, violating Rule 205A.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 10/11/2019  
**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall demonstrate to COGCC that all disclosures required under Rule 205A. have been submitted for all wells at the Pad, and shall include documentation of implementation of an internal procedure to ensure timely compliance with Rule 205A.

By the due date, Operator shall submit such Answer by email to the following:

- dnr\_cogccenforcement@state.co.us
- sabrina.trask@state.co.us
- diana.burn@state.co.us

Rule: 308A

Rule Description: Drilling Completion Report

Initial Discovery Date: \_\_\_\_\_

Was this violation self-reported by the operator? No

Date of Violation: \_\_\_\_\_

Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 308A.b., Operator is required to submit a Final Drilling Completion Report ("Form 5") within 60 days of rig release after drilling, sidetracking, or deepening a well to total depth (or within 60 days of such rig release after the last well drilled in continuous, sequential drilling of multiple wells on a pad). The Final Form 5 shall include the information indicated in Rule 308A.b.(2).

On June 6, 2019, COGCC Staff conducted an audit ("Audit") of Operator's records for the well(s) ("Well") at the subject location ("Pad"), and determined that Operator triggered the 60 day reporting window by releasing the rig, and that Operator

A) Submitted a Form 5 for the Well, but required information was missing or inaccurate such that it could not be processed; and/or

B) Did not submit a Form 5 for the Well by the end of the 60 day reporting window.

Operator failed to submit a Final Form 5 containing all required information within 60 days after drilling the Well, violating Rule 308A.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/11/2019

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

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall demonstrate to COGCC that all Form 5s for all wells at the Pad have been submitted and that each Form 5 either is already approved, or is complete and accurate and is ready for final COGCC review.

Operator shall also include documentation of implementation of an internal procedure for timely compliance with Rule 308A.

By the due date, Operator shall submit such Answer by email to the following:

- dnr\_cogccenforcement@state.co.us
- sabrina.trask@state.co.us
- diana.burn@state.co.us

## 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: <u>09/12/2019</u>	
COGCC Representative Signature: _____	
COGCC Representative: <u>Kira Gillette</u>	Title: <u>NOAV Specialist</u>
Email: <u>kira.gillette@state.co.us</u>	Phone Num: <u>(303) EMAIL</u>

## CORRECTIVE ACTION COMPLETED

Rule: <u>205A</u>	
Rule Description: <u>Hydraulic Fracturing Chemical Disclosure</u>	
Corrective Action Start Date: _____	Corrective Action Complete Date: _____
Has corrective action for this violation been performed as required? <u>Yes</u>	
Description of Actual Corrective Action Performed by Operator	
<u>Closed pursuant to Order 1v-770.</u>	

Rule: <u>308A</u>	
Rule Description: <u>Drilling Completion Report</u>	
Corrective Action Start Date: _____	Corrective Action Complete Date: _____
Has corrective action for this violation been performed as required? <u>Yes</u>	
Description of Actual Corrective Action Performed by Operator	
<u>Closed pursuant to Order 1v-770.</u>	

## FINAL RESOLUTION

Cause #: <u>1v</u>	Order #: <u>770</u>	Docket #: <u>210100009</u>
Enforcement Action: <u>Administrative Order of Consent</u>	Final Resolution Date: <u>01/06/2022</u>	
Final Resolution Comments:		
<u>Closed pursuant to Order 1v-770.</u>		

## 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>
402174832	NOAV COVER LETTER
402174834	NOAV CERTIFIED MAIL RECEIPT
402174930	NOAV ISSUED
402175118	NOAV IN PROCESS

Total Attach: 4 Files