

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:

09/12/2019

Date Resolved:

01/06/2022

NOTICE OF ALLEGED VIOLATION - RESOLVED

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: 10071

Name of Operator: HIGHPOINT OPERATING CORPORATION

Address: 555 17TH ST STE 3700

City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: MATT BARBER

Phone: (303) 312-8188 Fax: ()

Email: mbarber@hpres.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 449306

Name: CVR

Number: 5-63-32_33 NWSW

QtrQtr: NWSW

Sec: 32

Twp: 5N

Range: 63W

Meridian: 6

County: WELD

ALLEGED VIOLATION

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

Rule: 308B

Rule Description: Completed Interval 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 308B., 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. Pursuant to the 100 series rules, date of first production marks the date of completion.

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 30 day reporting window by producing a newly completed formation at the Well ("Interval"), and that Operator

- A) Submitted a Form 5A for the Interval, but required information was missing or inaccurate such that it could not be processed; and/or
- B) Did not submit a Form 5A for the Interval by the end of the 30 day reporting window.

Operator failed to submit a Form 5A containing all required information within 30 days after completing the Interval, violating Rule 308B.

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 5As for all wells at the Pad have been submitted and that each Form 5A 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 308B.

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: 34-60-121(1) CRS-b

Rule Description: Statutory Violation - Permit Violation

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:

Operator received COGCC approval to drill well(s) ("Well") at the subject location ("Pad") (Document No. 401070023, "APD"). The APD approved drilling the Well with objective formations: Codell.

After drilling the Well, Operator reported completing the Well in Codell, Niobrara, and Fort Hays formations. (Completed Interval Report No. 401384428, "Form 5A").

Operator failed to comply with the conditions of a COGCC permit, violating §34-60-121.(1), C.R.S.

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

By the corrective action due date, Operator shall submit an eForm 4 Sundry request to amend the APD to include the previously unpermitted formations in the permit.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure compliance with its COGCC permits as approved, including obtaining timely approval of Sundry for permit modification as appropriate.

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: 09/12/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

CORRECTIVE ACTION COMPLETED

Rule: 308A

Rule Description: Drilling Completion Report

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-770.

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? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-770.

Rule: 34-60-121(1)
CRS-b

Rule Description: Statutory Violation - Permit Violation

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-770.

FINAL RESOLUTION

Cause #: 1v Order #: 770 Docket #: 210100009

Enforcement Action: Administrative Order of Consent Final Resolution Date: 01/06/2022

Final Resolution Comments:

Closed pursuant to Order 1v-770.

ATTACHMENT LIST

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

Document Number	Description
402174667	NOAV APPROVED
402174849	NOAV COVER LETTER
402174851	NOAV CERTIFIED MAIL RECEIPT
402174929	NOAV ISSUED
402175123	NOAV IN PROCESS

Total Attach: 5 Files