

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

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Date Issued:

02/17/2022

Date Resolved:

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, 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 525, 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: 17180

Name of Operator: CITATION OIL & GAS CORP

Address: 14077 CUTTEN RD

City: HOUSTON State: TX Zip: 77069

Contact Name and Telephone:

Name: SHARON WARD

Phone: (281) 891-1556 Fax: ()

Email: sward@cogc.com

Well Location, or Facility Information (if applicable):

API Number: 05-017-06705-00

Facility or Location ID:

Name: FRONTERA UNIT 33-12

Number: 5

QtrQtr: NWSE

Sec: 12

Twp: 15S

Range: 42W

Meridian: 6

County: CHEYENNE

ALLEGED VIOLATION

Rule: 319.b

Rule Description: Temporary Abandonment

Initial Discovery Date: 09/22/2021

Was this violation self-reported by the operator? No

Date of Violation: 12/31/2021

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 319.b., now Rule 434.b., Citation Oil & Gas Corp. ("Operator") is required to conduct a mechanical integrity test ("MIT") and receive Director approval prior to temporary abandonment of a well. COGCC Rule 100 defines a well as temporarily abandoned ("TA") if the well becomes incapable of production (for example, through the removal of necessary production equipment or a well that has all downhole completed intervals isolated with a plug set above the highest perforation). 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.

In September 2021, COGCC staff conducted an audit of COGCC records for the Frontera Unit 33-12 #5 well, and found that Operator's well has been reported as TA since June 1997.

COGCC staff issued a Warning Letter on September 22, 2021 (document no. 402819734) for the Frontera Unit 33-12 #5 well, requiring Operator to file a Form 4. Operator failed to respond. As of February 16, 2022, no Form 4 has been filed.

Operator failed to submit their Form 4, Sundry Notice, for continued TA status, violating Rule 319.b., now Rule 434.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/19/2022

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

Operator shall submit a Form 4 Sundry requesting annual TA status, indicating why the well is temporarily abandoned and describing future plans for utilization.

Rule: 326.c

Rule Description: MIT - Temporarily Abandoned Wells

Initial Discovery Date: 09/22/2021

Was this violation self-reported by the operator? No

Date of Violation: 03/23/2021

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.c., now Rule 417.c., CITATION OIL & GAS CORP ("Operator") is required to conduct a mechanical integrity test ("MIT") on temporarily abandoned ("TA") wells within thirty (30) days of temporarily abandoning the well, and then at five (5) year intervals after an initial successful MIT.

In September 2021, COGCC staff conducted an audit of COGCC records for the Frontera Unit 33-12 #5 well, and found that Operator's well has been reported as TA since June 1997, with the most recent MIT being conducted on March 23, 2016.

COGCC staff issued a Warning Letter on September 22, 2021 (document no. 402819734) for the Frontera Unit 33-12 #5 well, requiring Operator to conduct a successful MIT on the well or plug and abandon the well. Operator failed to respond. As of February 16, 2022, no MIT has been conducted on the well nor has the well been plugged and abandoned.

Operator failed to conduct an MIT on the Frontera Unit 33-12 #5 well within the five (5) year interval, violating Rule 326.c., now Rule 417.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/19/2022

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

Operator will conduct a successful MIT on the Frontera Unit 33-12 #5 well and submit results on a Form 21, within 30 days after the test. In its Rule 523.c.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure for timely compliance with Rule 417.b. going forward.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Answers are filed by email to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 02/17/2022

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100 x5143

CORRECTIVE ACTION COMPLETED

Rule: 319.b

Rule Description: Temporary Abandonment

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: 326.c

Rule Description: MIT - Temporarily Abandoned Wells

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>
402958998	NOAV CERTIFIED MAIL RECEIPT
402958999	NOAV ISSUED

Total Attach: 2 Files