



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 402969078

03/03/2022

FUNDARE RESOURCES OPERATING COMPANY LLC (#10773)

J CODY TRUITT

ctrutt@fundareresources.com

90 MOONRISE COURT

ERIE, CO 80516

Lot 3, 30, 10N, 58W, WELD

This Warning Letter is to inform you that FUNDARE RESOURCES OPERATING COMPANY LLC (“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 525, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

34-60-121(1) C.R.S. Statutory violation

Violation Date: 02/22/2018

Violation Discovery Date: 01/25/2022

Description of Alleged Violation: The following warning letter is for following wells: Razor Fed 30L-3101 (API 123-40132), Razor Fed 30L-3102 (API 123-40139) and Razor Fed 30L-3134 (API 123-44492) and will be referred as to the Wells. On 1/25/2022, COGCC Staff conducted an audit of Operator’s records for the Wells on location ID 438806 and determined that Operator completed and produced an interval with the BHL footages closer to the unit boundary than allowed by the setback established in the Spacing Order No. 535-553.

Operator failed to comply with the conditions of Commission Spacing Order No. 535-553, violating § 34-60-121.(1)(a), C.R.S.

Required Corrective Action: Option 1 - Plug and Abandon the Well: Operator will submit a Form 6 NOI and SRA, reporting the abandonment of the entire well.

Option 2 - Abandonment of Illegal Interval: Operator will abandon the illegally completed interval through mechanical isolation and submit Form 5 or 5A as applicable to report work done.



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Option 3a - Amend DSU Setback(s) (significant encroachment): Operator will submit a hearing application to amend the unit setback(s). If well has already been pooled by a pooling order, Operator will submit a hearing application to amend the pooling order as needed. Any payment of proceeds must be caught up for encroached mineral owner(s).

Option 3b - Amend DSU Configuration (significant encroachment): Operator will submit a hearing application to amend/expand the DSU acreage configuration. If well has already been pooled by a pooling order, Operator will submit a hearing application to amend the pooling order as needed. Any payment of proceeds must be caught up for encroached mineral owner(s).

Option 4 - Request a Variance: Operator will submit a hearing application to request a variance from the Order or Rule from the Commission.

Option 5 - Exception Location (minimal encroachment, only one or two wells): Operator will submit a Sundry to request an exception location to spacing order per Rule 401.c, to include signed waiver(s) from encroached-upon mineral interest owner(s).

Corrective Action Deadline Date: 05/03/2022

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: Eden Espino-
Rodriguez
Email: eden.espino-rodriguez@state.co.us

Title: Permit/Completion Special
Phone Num: (303) 894-2100x5103

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 525, 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,



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Eden Espino-Rodriguez
Permit/Completion Special

Attachments

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

Document Number **Description**

<u>Document Number</u>	<u>Description</u>

Total Attach: 0 Files