



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 403332941

03/02/2023

FUNDARE RESOURCES OPERATING COMPANY LLC (# 10773)

J CODY TRUITT

ctrutt@fundareresources.com

5251 DTC PKWY STE 950

GREENWOOD VILLAGE, CO 80111

Sydney Smith (ssmith@fundareresources.com)

4, 2, 9N, 59W, 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):

912.b. Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Violation Date: 12/23/2022

Violation Discovery Date: 12/23/2022

Description of Alleged Violation: On June 27, 2022, Operator submitted an Initial Form 19 Spill/Release Report (Doc No. 403090816, Spill ID 482443) for discovery of an: "Approximately 1.5 bbls of produced water and oil were released from the gauge at the wellhead. The leak was caused by a gauge that broke due to pressure." discovered on June 26, 2022.

On July 7, 2022, Operator submitted a Supplemental Form 19 Spill/Release Report (Doc No. 403098474) indicating: "The contaminated soil has been cleaned up and soil samples are being collected."

On October 22, 2022, COGCC performed a site inspection (no Field Inspection Report submitted). During the inspection COGCC observed an ongoing leak, stained soils and recently replaced gauge at the Wildhorse 02-0214AH wellhead.

On December 7, 2022, COGCC returned to the location to perform a second inspection (FIR Doc No. 7027001899). During the inspection COGCC observed an ongoing leak and fresh fill applied in the same



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area where stained soils were previously observed at the Wildhorse 02-0214AH wellhead.

On February 14, 2023, Operator submitted Supplemental Form 19 Spill/Release Report (Doc No. 403262168) requesting closure of the reported spill. In the attached report Operator indicated: "On June 27, 2022. Coordinates reported on the initial Form 19 indicated the release was at the wellhead. Upon investigation MarCom confirmed no release occurred at the wellhead, and the location of the release is located at the Separator and Meter. The Operator acknowledges the error and will update the next Form with corrected coordinates."

Based on this information Operator is out of compliance with:

Rule 912.a.(2) Operator did not investigate impacts to soil, Groundwater, and surface water as soon as the impacts were discovered.

Rule 912.b.(1) Multiple reportable spills are present at this location and only one Form 19 Initial Spill/Release Report has been submitted to date.

Rule 912.b.(6) Operator did not submit a Form 19 Supplemental Report for the associated spill within 90 days of the spill date requesting closure.

Required Corrective Action: Supplemental Form 19 Spill/Release Report (Doc No. 403262168) cannot be approved as submitted and will be denied. Operator is instructed to submit a replacement form that addresses the original spill reported and observed by COGCC at the Wildhorse 02-0214AH wellhead.

Operator shall report the spill near the flare under a separate Form 19 Initial Spill/Release Report and transition it to an Initial Form 27 Site Investigation and Remediation Workplan.

As per Field Inspection Report (Doc No. 7027001899) and Rule 912.a.(3) Operator is instructed to submit an Initial Form 27 Site Investigation and Remediation Workplan to investigate and remediate all spills (reported and unreported) at this location and address all issues found in Field Inspection (Doc No. 7027001899). Work shall be proposed to be completed within 45 days of receipt of the warning letter.

The above reports are due as soon as possible but no later than 10 days after receipt of the warning letter.

Corrective Action Deadline Date: 03/12/2023

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: Laurel Anderson

Title: Environmental Protection

Phone Num: (970) 404-9911x

Email: laurel.anderson@state.co.us

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.



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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,

Laurel Anderson
Environmental Protection

Attachments

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

Document Number **Description**

403333026	WARNING LETTER DOCUMENTATION
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Total Attach: 1 Files