

State of Colorado  
Energy & Carbon Management Commission

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Document Number:  
403616992  
Date Issued:  
12/06/2023  
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: <u>52530</u>                       | Contact Name and Telephone:                  |
| Name of Operator: <u>MAGPIE OPERATING INC</u>            | Name: <u>JAMES M WARNER</u>                  |
| Address: <u>2707 SOUTH COUNTY RD 11</u>                  | Phone: <u>(970) 669-6308</u> Fax: <u>( )</u> |
| City: <u>LOVELAND</u> State: <u>CO</u> Zip: <u>80537</u> | Email: <u>jwarner105@gmail.com</u>           |

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

API Number: 05-069-06308-00 Facility or Location ID: \_\_\_\_\_  
Name: CHAPMAN RES-WARBERG Number: H-1  
QtrQtr: SENE Sec: 32 Twp: 5N Range: 68W Meridian: 6  
County: LARIMER

### ALLEGED VIOLATION

Rule: 207.

Rule Description: Reports

Initial Discovery Date: 12/13/2022 Was this violation self-reported by the operator? No

Date of Violation: 12/01/2022 Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 207, any report required under the Commission's Rules or requested by the Director or the Commission will be timely filed, accurate, complete, and comply with the requirements set forth in the Commission's Rules or any requirement set by the Director or the Commission.

Magpie Operating, Inc. ("Operator") submitted a Form 6A, Out of Service Designation for Operator's Chapman Res-Warberg H-1 ("Well") well on October 21, 2022 (document no. 403205063), indicating the Well ceased production or utilization on March 1, 2018.

Operator submitted Form 7s, Monthly Reports of Operations for the Well, indicating the Well was producing in the months of October and November of 2022 and January and February of 2023.

Operator submitted a Form 6A with inaccurate information, indicating the Well ceased production or utilization, when the Well continued to be produced, violating Rule 207.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 12/06/2023

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

Pursuant to Rule 434.d., and Operator's Form 6A (document no. 403205063), Operator will cease future production and utilization of

the Well.

Rule: 417

Rule Description: Mechanical Integrity Testing

Initial Discovery Date: 12/13/2022

Was this violation self-reported by the operator? No

Date of Violation: 12/01/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 417.b.(4), not less than 48 hours prior to returning an inactive, Shut-In ("SI") Well to production, Magpie Operating, Inc. ("Operator") will submit a Form 42, Notice of Return to Service, to allow for an inspection.

ECMC staff conducted an audit of Operator's records and determined Operator returned the inactive, SI Chapman Res-Warberg H-1 ("Well") well to production in October of 2022 after records showed the Well had been SI since April of 2018.

Operator failed to submit a Form 42, Notice of Return to Service for an inactive, SI Well that was returned to production in October of 2022, violating Rule 417.b.(4).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/06/2023

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

Pursuant to Rule 434.d., and Operator's Form 6A (document no. 403205063), Operator will cease future production and utilization of the Well.

### 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\\_ecmc\\_enforcement@state.co.us](mailto:dnr_ecmc_enforcement@state.co.us).

### NOAV ISSUED

NOAV Issue Date: 12/06/2023

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: [trent.lindley@state.co.us](mailto:trent.lindley@state.co.us)

Phone Num: (303) 894-2100x5143

### CORRECTIVE ACTION COMPLETED

Rule: 207.

Rule Description: Reports

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: 417

Rule Description: Mechanical Integrity Testing

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>          |
|------------------------|-----------------------------|
| 403616994              | NOAV CERTIFIED MAIL RECEIPT |
| 403616999              | NOAV ISSUED                 |

Total Attach: 2 Files