

State of Colorado
Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



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Date Issued:
01/04/2024

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>10725</u>	Contact Name and Telephone:
Name of Operator: <u>VALKYRIE OPERATING LLC</u>	Name: <u>STEPHEN LUCADO</u>
Address: <u>1600 STOUT STREET SUITE 1000</u>	Phone: <u>(720) 580-8080</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>slucado@valkyrie-resources.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-103-07488-00 Facility or Location ID: _____
Name: UNITED STATES B Number: 1
QtrQtr: NENW Sec: 25 Twp: 2N Range: 102W Meridian: 6
County: RIO BLANCO

ALLEGED VIOLATION

Rule: 419
Rule Description: Bradenhead Monitoring, Testing, and Reporting
Initial Discovery Date: 12/26/2023 Was this violation self-reported by the operator? No
Date of Violation: 12/26/2023 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 419.c., your entity was required to perform an annual Bradenhead Test on certain wells and submit the data on a Form 17, Bradenhead Test Report, within 10 days after the test.

As of today's date, COGCC Records indicate that your entity has not filed a Form 17 for the required wells, for the year of 2022, reporting that a Bradenhead Test was conducted, violating Rule 419.c.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/31/2024

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

Operator shall review its records to verify if any Forms or Notices related to Bradenhead testing were late or are still outstanding for these Wells. Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports.

Where Operator has failed to perform a Bradenhead Test in 2022, a test shall be performed by the Corrective Action Date listed. Pursuant to Rule 420, Operator is required to submit the results of BH tests to COGCC within 10 days of completion. Operator shall submit such results by filing a Bradenhead Test Report, Form 17, which shall include a wellbore diagram if not previously submitted or if the wellbore configuration has changed, and the results of any gas and liquid analysis, if sampled.

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.

NOAV ISSUED

NOAV Issue Date: <u>01/04/2024</u>
COGCC Representative Signature: 
COGCC Representative: <u>Trent Lindley</u> Title: <u>NOAV Specialist</u>
Email: <u>trent.lindley@state.co.us</u> Phone Num: <u>(303) 894-2100x5143</u>

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>
403645621	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 1 Files