



COLORADO

Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/ecmc

WARNING LETTER # 403956095

11/21/2024

PDC ENERGY INC (# 69175)
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DENVER, CO 80202

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SWSE, 11, 1S, 68W, ADAMS

This Warning Letter is to inform you that PDC ENERGY INC (“Operator”) may be in violation of the rules and regulations of the Colorado Energy and Carbon Management Commission (“ECMC”) and corrective action is required.

ECMC 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 ECMC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

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

34-60-121(1) CRS-b Statutory Violation - Permit Violation

Violation Date: 10/13/2021

Violation Discovery Date: 08/23/2024

Description of Alleged Violation: Operator drilled and completed the following wells into the Fort Hays and/or Carlile formations. Order 407-1904 spaced only the Niobrara and Codell formations. The completed formations are different from those on the approved permit and are not spaced by the Order:

Well Name	API Number	Order Number
Ivey LC #26-368HC	05-001-09909	407-1904
Ivey LC #26-365HC	05-001-09901	407-1904
Ivey LC #26-362HC	05-001-09899	407-1904

Required Corrective Action: Wellbore(s) will be Shut-In until one of the following options is successfully completed:

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



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

Option 3 - Amend DSU: Operator will submit a hearing application to add the Fort Hays formation to the DSU within 60 days. If the Wells have already been pooled by a pooling order, Operator will submit a hearing application to amend the pooling order as needed. Upon approval of the hearing application and amendment of the Order, Operator will submit a Form 4, Sundry Notice to add the formations to the permits for the Wells.

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

Corrective Action Deadline Date: 01/20/2025

34-60-121(1) CRS-b Statutory Violation - Permit Violation

Violation Date: 08/05/2021

Violation Discovery Date: 09/03/2024

Description of Alleged Violation: Operator drilled and completed the following well into the Fort Hays and Carlile formations. Order 407-1902 spaced only the Niobrara and Codell formations. The completed formations are different from those on the approved permit and are not spaced by the Order:

Well Name	API Number	Order Number
Ivey LC #02-033HC	05-001-09900	407-1902

Required Corrective Action: Wellbore(s) will be Shut-In until one of the following options is successfully completed:

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 unpermitted formation through mechanical isolation and submit Form 5 or 5A as applicable to report work done, OR:

Option 3 - Amend DSU: Operator will submit a hearing application to add the Fort Hays formation to the DSU within 60 days. If the Wells have already been pooled by a pooling order, Operator will submit a hearing application to amend the pooling order as needed. Upon approval of the hearing application and amendment of the Order, Operator will submit a Form 4, Sundry Notice to add the formations to the permits for the Wells.

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

Corrective Action Deadline Date: 01/20/2025

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 ECMC staff identified below by the Corrective Action Deadline Date(s):



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ECMC Representative: Jake Cinnamon
Email: jake.cinnamon@state.co.us

Title: Permit Specialist
Phone Num: (720) 910-4317x

If you have any questions about this Warning Letter, please contact the ECMC 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 ECMC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC 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 ECMC 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/ecmc.

Sincerely,

Jake Cinnamon
Permit Specialist

Attachments

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

Document Number Description

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Total Attach: 0 Files