



COLORADO

Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/ecmc

WARNING LETTER # 404090167

02/14/2025

CONFLUENCE DJ LLC (# 10518)

BRITTANY ROTHE

brothe@confluencelp.com

1401 WYNKOOP STREET STE 120

DENVER, CO 80202

(API# 123-48436)

This Warning Letter is to inform you that CONFLUENCE DJ LLC (“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):

413 Form 7, Operators Monthly Report of Operations

Violation Date: 02/12/2025

Violation Discovery Date: 02/12/2025

Description of Alleged Violation: Operator is receiving this letter because, based on ECMC records, ECMC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Monthly Reports of Operations (“Form 7”), are missing, inaccurate, or incomplete for this Well.

Pursuant to Rule 413.a., Operator is required to submit Form 7 for all existing oil and gas wells that are not plugged and abandoned, within 45 days after the end of each month. Operator is required to report the well every month from the month it is spud until it has been reported for one month as abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.

Pursuant to Rule 413.b., Operator is required to report the volume of specific fluids injected into a Class II Underground Injection Control well on a Form 7, within 45 days after the end of each month. The specific Class II fluids on Form 7 are produced fluids and any gas or fluids used during enhanced recovery unit operations; including produced water and fluids recovered during drilling, casing cementing, pressure testing, completion, workover, and formation stimulation of all oil and gas wells including production, exploration, injection, service and monitoring wells. Injection of any other Class II fluids requires separate volume reporting on a Form 14, as described in Rule 808.b.



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If Operator failed to file Form 7, Monthly Reports of Operations, or has filed incomplete or inaccurate information for the Well, then Operator violated Rule 413.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the ECMC Representative indicated below, confirming that all required Form 7s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 413. in the future. Operator shall reference this Warning Letter document number in the subject of the email.

All wells in the attached list must be addressed. Wells should be reporting as SO, Surface Casing Only.

Corrective Action Deadline Date: 04/15/2025

434.c. Plugging Inactive Wells

Violation Date: 02/12/2025

Violation Discovery Date: 02/12/2025

Description of Alleged Violation: Operator is receiving this letter because, based on ECMC records, ECMC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Form 6, Well Abandonment Reports, are outstanding for the Well. Pursuant to Rule 434.c., (1) Operator is required to Plug and Abandon a Well within 6 months of a Well becoming Inactive, unless the Operator: A. Brings the Well back to production so that it is no longer an Inactive Well; B. Files a Form 5B, Inactive Well Notice and provides Single Well Financial Assurance via a Form 3A, Financial Assurance, if required by the Operator's Financial Assurance Plan's requirements related to Low Producing Wells; or C. Files a Form 6A, Out of Service Designation, to designate the Well as Out of Service pursuant to Rule 434.d.

Required Corrective Action: After successfully testing the Well for mechanical integrity pursuant to Rule 417.f., the Well must be returned to production by the Corrective Action date. If a Well will not be returned to production, operator may: 1. successfully test the Well for mechanical integrity pursuant to Rule 417.f., and file a Form 5B and provide Single Well Financial Assurance via a Form 3A by the Corrective Action date, or 2. plug the Well either per the schedule provided by an approved Form 6A or, absent a Form 6A, by the Corrective Action date.

All wells in the attached list must be addressed.

Corrective Action Deadline Date: 04/15/2025

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):

ECMC Representative: Meredith Greager

Title: Engineering QA Specialist

Phone Num: (720) 830-4175x

Email: meredith.greager@state.co.us

If you have any questions about this Warning Letter, please contact the ECMC Representative identified above.



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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,

Meredith Greager
Engineering QA Specialist

Attachments

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

<u>Document Number</u>	<u>Description</u>
404090248	WARNING LETTER DOCUMENTATION

Total Attach: 1 Files