



COLORADO

Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/ecmc

WARNING LETTER # 404418472

11/03/2025

KP KAUFFMAN COMPANY INC (# 46290)

ROSS WATZMAN

rwatzman@kpk.com

1700 LINCOLN ST STE 4550

DENVER, CO 80203

UPRR 43 PAN AM B 4 (API# 123-09428)

NESE, 3, 1N, 68W, WELD

This Warning Letter is to inform you that KP KAUFFMAN COMPANY 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):

434.b Temporary Abandonment

Violation Date: 10/31/2025

Violation Discovery Date: 10/31/2025

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 this is a temporarily abandoned (“TA”) well past due for a Mechanical Integrity Test (“MIT”).

Pursuant to Rule 434.b., Operator is required to conduct an MIT and receive Director approval prior to temporary abandonment of a well. ECMC Rule 100 defines a well as temporarily abandoned if the well becomes incapable of production (for example, through the removal of necessary production equipment or a well that has all downhole completed intervals isolated with a plug set above the highest perforation). Any well incapable of production should have a well status of TA in filings with ECMC, including the Form 7, Monthly Reports of Operations. ECMC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT.

If the above referenced Well is TA but Operator has not conducted a successful MIT, as required by Rules 434.b. and 417, and/or Operator has not requested Director approval for TA status, then Operator is in violation of Rule 434.b.



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Required Corrective Action: If the Well is TA but Operator has not conducted a successful MIT, then Operator shall conduct a successful MIT on the Well or plug and abandon the Well.

Additionally, if the Well is TA but Operator has not submitted a request for Director approval for TA status, Operator shall submit a Form 4, Sundry Notice, requesting TA status or continued TA status for the Well and stating the method by which the Well is closed to atmosphere and plans for future operation.

Rule 417.e., requires notice to the Director on a Form 42, Field Operations Notice, at least ten (10) days prior to conducting an MIT and Rule 418 requires submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by ECMC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, the Operator is to make repairs and successfully test the well for mechanical integrity or plug and abandon the well by the Corrective Action date. Repairs require prior approval.

If the Well lacks mechanical integrity, Rule 417.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 417.f.

Rule 435, requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

Corrective Action Deadline Date: 02/04/2026

434.c. Plugging Inactive Wells

Violation Date: 10/31/2025

Violation Discovery Date: 10/31/2025

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: All wells in the attached list, except for API 123-09067, are required to have an MIT conducted before 2/1/2026. 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.

Corrective Action Deadline Date: 02/04/2026



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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: Greager, Meredith

Title: Engineering QA Specialist

Phone Num: (720) 830-4175x

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,

Greager, Meredith
Engineering QA Specialist

Attachments

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

Document Number Description

404421192	WARNING LETTER DOCUMENTATION
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Total Attach: 1 Files