

State of Colorado
Energy & Carbon Management Commission

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Date Issued:
11/25/2025

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

ECMC Operator Number: <u>17180</u>	Contact Name and Telephone:
Name of Operator: <u>CITATION OIL & GAS CORP</u>	Name: <u>STEFFY GONCALVES</u>
Address: <u>14077 CUTTEN RD</u>	Phone: <u>(281) 981-1213</u> Fax: <u>()</u>
City: <u>HOUSTON</u> State: <u>TX</u> Zip: <u>77069</u>	Email: <u>env-codnr@cogc.com</u>

Well Location, or Facility Information (if applicable):

API Number: <u>05-017-06679-00</u>	Facility or Location ID: _____
Name: <u>ARAPAHOE UNIT</u>	Number: <u>150 (41-28)</u>
QtrQtr: <u>NENE</u> Sec: <u>28</u>	Twp: <u>14S</u> Range: <u>42W</u> Meridian: <u>6</u>
County: <u>CHEYENNE</u>	

ALLEGED VIOLATION

Rule: 207.

Rule Description: Reports

Initial Discovery Date: 02/12/2025 Was this violation self-reported by the operator? No

Date of Violation: 04/12/2024 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.

On February 12, 2025, Citation Oil & Gas Corp ("Operator") disclosed to ECMC Staff that the Arapahoe Unit 150 (41-28) well (API No. 05-017-06679, "Well") did not have Bradenhead access. During a Bradenhead Test being performed for the 2025 operating year (document no. 404299577), Operator discovered that the valve that had been used for the Bradenhead Testing on the Well was not connected to the Bradenhead and the Bradenhead was filled with cement.

Operator had previously used the valve that was not connected to the Bradenhead to report Bradenhead Testing results for the 2022 (document nos. 403013111, 403182227), 2023 (document no. 403646306), and 2024 (document no. 403797744), operating years.

Operator failed to file accurate and complete reports by reporting Bradenhead Testing results from a valve not connected to the Bradenhead, violating Rule 207.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 11/25/2025

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

No corrective actions required at this time as Operator has equipped Bradenhead access to the Well and performed an accurate Bradenhead test.

Rule: 419

Rule Description: Bradenhead Monitoring, Testing, and Reporting

Initial Discovery Date: 02/12/2025

Was this violation self-reported by the operator? No

Date of Violation: 01/01/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 419.c., Citation Oil & Gas Corp ("Operator") is required to perform an annual Bradenhead Test on all Wells, other than coalbed methane Wells, and submit the data to the Director on a Form 17.

On February 12, 2025, Operator disclosed to ECMC Staff that the Arapahoe Unit 150 (41-28) well (API No. 05-017-06679, "Well") did not have Bradenhead access. During a Bradenhead Test being performed for the 2025 operating year (document no. 404299577), Operator discovered that the valve that had been used for the Bradenhead Testing on the Well was not connected to the Bradenhead and the Bradenhead was filled with cement.

Because the Bradenhead was filled with cement, no annual Bradenhead Test was actually performed on the Well.

Operator failed to perform annual Bradenhead Testing on the Well for the 2021, 2022, 2023, 2024, and 2025 operating years as required, violating Rule 419.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/25/2025

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

Operator will conduct an audit of their Bradenhead Testing procedures and submit a plan that demonstrates how Operator will ensure Bradenhead Testing is performed correctly and Bradenhead Test reporting is timely, complete, and accurate.

Rule: 419

Rule Description: Bradenhead Monitoring, Testing, and Reporting

Initial Discovery Date: 02/12/2025

Was this violation self-reported by the operator? No

Date of Violation: 01/01/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 419.a., Citation Oil & Gas Corp ("Operator") will equip Bradenhead access on all Wells to the Annulus between the production and surface casing as well as any intermediate casing with appropriate fittings to allow safe and convenient determination of pressure and Fluid flow.

On February 12, 2025, Operator disclosed to ECMC Staff that the Arapahoe Unit 150 (41-28) well (API No. 05-017-06679, "Well") did not have Bradenhead access. During a Bradenhead Test being performed for the 2025 operating year (document no. 404299577), Operator discovered that the valve that had been used for the Bradenhead Testing on the Well was not connected to the Bradenhead and the Bradenhead was filled with cement.

Operator has equipped Bradenhead access to the well and performed an accurate Bradenhead test on July 29, 2025. Document no. 404299577.

Operator failed to equip Bradenhead access on the well as required, violating Rule 419.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/25/2025

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

No corrective actions required at this time as Operator has equipped Bradenhead access to the Well and performed an accurate Bradenhead test.

Rule: 420

Rule Description: Form 17, Bradenhead Test Report

Initial Discovery Date: 02/04/2024

Was this violation self-reported by the operator? No

Date of Violation: 02/29/2024

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 420., Citation Oil & Gas Corp ("Operator") will submit results of Bradenhead tests to the Director within 10 days of completing the test either by filing a Form 17, Bradenhead Test Report or by another method approved by the Director or Commission.

On February 4, 2025, ECMC Staff conducted an audit of Operator's Bradenhead Testing reports. During that audit, Staff observed that Operator submitted results of Bradenhead Tests conducted on the Arapahoe Unit 150 (41-28) (API No. 05-017-06679) more than 10 days after completion of the test for the 2024 (document no. 403797744) operating year.

Operator failed to submit the results of a Bradenhead Test within 10 days of completing the test, violating Rule 420.

Abatement or Corrective Action Required to be Performed by Operator: _____

Corrective Action Due Date: 12/25/2025

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

Operator will conduct an audit of their Bradenhead Testing procedures and submit a plan that demonstrates how Operator will ensure Bradenhead Testing is performed correctly and Bradenhead Test reporting is timely, complete, and accurate.

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: 11/25/2025

ECMC Representative Signature: 

ECMC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (720) 765-0031

ATTACHMENT LIST

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

<u>Document Number</u>	<u>Description</u>
404451198	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 1 Files