



DEPARTMENT OF NATURAL RESOURCES

Bill Ritter, Jr., Governor
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August 1, 2008

Certified Mail Return Receipt Requested
7006 2150 001 0267 3158

Michael Paules, EH&S Manager
Williams Production RMT Company
1515 Arapahoe St, Ste 1000
Denver, CO 80202

Re: Notice of Alleged Violation #200191139
Crystal Creek A-2 MV 1-23, 05-045-06476
NWNW 23, Township 6 South, Range 65 West
Garfield County

Dear Mr. Paules:

The Colorado Oil and Gas Conservation Commission (COGCC) would like to thank Williams Production RMT Company (Williams) for its cooperation into the investigation and mitigation of environmental impacts that have occurred on and around the Prather Ranch. The effort taken to coordinate activities with the other interested parties has been of great assistance to COGCC. However, during a recent project meeting it was noted that Williams has not fulfilled the Corrective Action requirements listed in Notice of Alleged Violation (NOAV) #200191139.

The completion of the Corrective Actions is necessary to complete the investigation and for Williams to be in compliance with COGCC rules and regulations. The Corrective Action Requirements are.

Provide written description of:

1. Any pits constructed or used on the well pad, including size, volume, whether or not the pit was lined.

A review of COGCC documents indicates that at least two pits have been built, constructed and or operated at this site over the last eleven years. Pit one was a 15' x 15' x 6' reserve/production pit (COGCC facility identification #111607). Pit two is a large facility clearly identifiable in aerial photographs.

DEPARTMENT OF NATURAL RESOURCES: Harris Sherman, Executive Director

COGCC COMMISSION: Richard Alward - Thomas L. Compton - Mark Culright - Michael Dowling - Joshua B. Epel - Kimberlee Gerhardt - Trései Houpt - Jim Martin - Harris Sherman
COGCC STAFF: David Neslin, Acting Director - Debbie Baldwin, Environmental Manager - Patricia C. Beaver, Hearings Manager - David K. Dillon, Engineering Manager

For the large, apparently active pit Williams must also submit any and all information related to permitting, construction details including engineering specifications and lining materials and a discussion of security measures that are employed to ensure that illegal dumping of oil field wastes and or other materials does/has not occurred at this facility.

2. All fluids (water, drilling, completion, and frac fluids, flowback, etc.) placed in the pit(s), including volumes, dates, etc. Include haul tickets for all fluids brought from offsite to the pit(s) that identify the source of the fluids (including fresh and produced water).
3. Whether condensate was observed in the pit(s) during flowback, completion, or at any other time.
4. Tanks or other containers that were used at this site to manage fluids and any spills/releases that occurred.

COGCC data indicates that at least one buried tank and two above ground tanks have been used at this facility.

Submit

1. Form 27 Site Investigation and Remediation Plan (received-COGCC #4278).
2. Analytical data collected to date.

Additionally, the COGCC requests that Williams provide an update on efforts taken to mitigate impacts to Mr. Prather's springs, such as fencing of impacted surface water to restrict access by livestock and wildlife, and actions taken to provide Mr. Prather with a supply of water for drinking, household use and for livestock watering.

This data shall be submitted to the COGCC by August 11, 2008. Please note that the corrective action due date was July 7, 2008. The COGCC requires that two hard copies of the data be submitted to parties listed below.

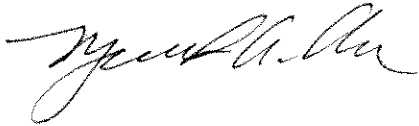
Colorado Oil and Gas Conservation Commission
Attn: Chris Canfield
707 Wapiti Court
Suite 204
Rifle, CO 81650

Colorado Oil and Gas Conservation Commission
Attn: Debbie Baldwin
1120 Lincoln, Ste 801
Denver, CO 80203

Electronic data submittals are also required. Please email the electronic data to Chris Canfield (Chris.Canfield@state.co.us), Debbie Baldwin (Debbie.Baldwin@state.co.us), and Margaret Ash (Margaret.ash@state.co.us)

Williams' assistance on this project is greatly appreciated and the COGCC looks forward to a continued cooperative effort to resolve the impacts to the Prather Ranch.

Respectfully,

A handwritten signature in black ink, appearing to read 'Margaret Ash', written in a cursive style.

Margaret Ash
Environmental Protection Supervisor

cc: Chris Canfield, COGCC, Environmental Protection Specialist
Debbie Baldwin, COGCC, Environmental Manager
Michael J. Gardner, Williams Production RMT
Roy Savage, Landowner
Ned Prather, Landowner