

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax (303) 894-2109



FOR OGCC USE ONLY  
06/19/2008  
200191139

\*\*\* NOTICE OF ALLEGED VIOLATION \*\*\*

OGCC Operator Number: 96850

Name of Operator: WILLIAMS PRODUCTION RMT COMPANY

Address: 1515 ARAPAHOE ST STE 1000 ATTN: MIKE PAULES

City: DENVER State: CO Zip: 80202

Company Representative: MIKE PAULES

Date Notice Issued:

06/19/2008

Well Name: CRYSTAL CREEK A-2 Well Number: MV 1-23 Facility Number: 210718

Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNW 23 6S 97W 6 County: GARFIELD

API Number: 05 045 06476 00 Lease Number: 12703

COGCC Representative: BALDWIN DEBBIE

Phone Number: 303 894-2100

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 05/30/2008

Approximate Time of Violation:

Description of Alleged Violation:

Unauthorized discharge of E&P waste has occurred from oil and gas operations in the vicinity of Mr. Prather's spring, cabin, and pond and has impacted ground and surface water.

On 5/30/08 Mr. Ned Prather visited his cabin located in SW 14, 6S, 97W, Garfield County. He drank water from his spring (DWR #233234), felt a burning sensation in his throat, became ill, and was taken to the hospital. On 6/3/08 Mr. Prather filed a complaint (200190483) with the COGCC. On 6/4/08 Chris Canfield met Mr. Prather and collected water samples from his spring box, the faucet in his cabin from which he drank, and his stock pond, which is fed by the same spring. Mr. Canfield also collected water samples 3 springs providing water for 3 other cabins in the immediate area and fluids in the pit associated with Nonsuch Natural Gas's CSOC 697-14 #1 Well (05-045-07948). Volatile organic compounds (VOC) including benzene were detected in water samples from Mr. Prather's spring, pond, and faucet, including benzene which exceeded the WQCC standard of 5 µg/l.

Act, Order, Regulation, Permit Conditions Cited:

209, 324A.a, 324A.b, 902.a, 906.a, 906.b(3), 907.a.(1), 907.a.(2)

Abatement or Corrective Action Required to be Performed by Operator:

Provide written descriptions of: 1. any pits constructed or used on the wellpad, including size, volume, whether or not the pit was lined; 2. all fluids (water, drilling, completion, and frac fluids, flowback, etc.) placed in the pit, including volumes, dates, etc. Include haul tickets for all fluids brought from offsite to the pit(s); 3. whether condensate was observed in the pit during flowback or completion; and 4. tanks or other containers that were used at this site to manage fluids and any spills/releases that occurred. Submit: 1. Site Investigation & Remediation Work Plan (Form 27) for COGCC review, and 2. all analytical data collected to date. In addition consult with and mitigate impacts to Mr. Prather's springs, including 1. fencing impacted surface water to restrict access by livestock and wildlife, and 2. providing him with a supply of water for drinking and other household use and for watering livestock.

Abatement or Corrective Action to be Completed by (date): 07/07/2008

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

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name:

Title:

Signature:

Date:

Company Comments:

\*\*\* THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED \*\*\*

WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or five days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 per violation. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported; promptly, effectively and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed. The Commission or other agencies with respect to the violation: could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation. The Commission has final authority over the penalty amount assessed.

BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 803, 804  
BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401  
BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 605, 606A, 806B, 807

BASE FINE \$1,000.00 PER DAY PER VIOLATION: RULES 209, 301, 303, 305, 306, 310B, 317, 317A, 318, 319, 320, 323, 324, 325, 326, 327, 333, 404, 602, 603, 604, 703, 704, 705,  
706, 707, 708, 709, 711, 802, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103

In accordance with Rule 523.a.(4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative:

*Debbie Baldwin*

Date: 6/19/08

Time: 4:50 PM

Resolution Approved by:

Date: