



DEPARTMENT OF NATURAL RESOURCES
John W. Hickenlooper, Governor
707 Wapiti Ct. Suite 204
Rifle, CO 81650
Phone: (970) 625-2497
FAX: (970) 625-5682
www.colorado.gov/cogcc

September 9, 2011

Mr. Jeff Glossa
Petroleum Development Corporation
1775 Sherman Street, Suite 3000
Denver, Colorado 80203

RE: Puckett #34A-7D
API Number: 05-045-14360
SWSE 7, T7S, R96W, 6th PM
Garfield County, Colorado

Dear Mr. Glossa:

Colorado Oil and Gas Conservation Commission (COGCC) Staff issued a Notice of Alleged Violation (NOAV) for the above-referenced well on August 9, 2011. Petroleum Development Corporation complied with all abatement and corrective action requirements and submitted a written response in a timely manner. The attached NOAV has been resolved, and no further enforcement action will be taken by COGCC regarding this NOAV.

Sincerely,

David D. Andrews, P.E., P.G.
Engineering Supervisor

Enclosure

FORM
NOAV
Rev 6/99

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

7/19/2011

200317259

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 69175
Name of Operator: PETROLEUM DEVELOPMENT CORPORATION
Address: 1775 SHERMAN STREET - STE 3000
City: DENVER State: CO Zip: 80203
Company Representative: TOM LOPEZ

Date Notice Issued:

8/9/2011

Well Name: Puckett Well Number: 34A-7D Facility Number: 291420
Location (QtrQtr, Sec, Twp, Rng, Meridian) SWSE 7 7S 96W 6 County: GARFIELD
API Number: 05 045 14360 00 Lease Number

COGCC Representative: ANDREWS DAVID Phone Number: 970 625-2497 EXT 1

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

Date of Alleged Violation: 7/5/2011 Approximate Time of Violation:
Description of Alleged Violation:
Petroleum Development Corporation (PDC) emailed a surface casing cement job summary to COGCC's Garfield County Field Inspector on 7/5/2011, the same day as the cement job. However, COGCC policy dictates that the summary should have been emailed to COGCC's Engineering Supervisor. The submittal was also incomplete on 7/5/2011. COGCC's Engineering Supervisor did not have all necessary information to evaluate the cement job until 7/19/2011, in part because of these delays. By that time, the surface casing shoe had already been drilled out, and the production casing had been set and cemented. On 7/19/2011, COGCC's engineering supervisor informed PDC staff that, based on calculation, there was a likely void in the cement coverage behind the surface casing between the top of lead cement and the bottom of the top out cement.

Act, Order, Regulation, Permit Conditions Cited:
Failed to comply with a permit condition: Condition of Approval No. 1 on Form 2 (Document No. 400107675), which required compliance with the Northwest Notification Policy, submittal of subsequent reports of cement jobs to COGCC Engineering Supervisor. Failed to comply with Rule 317.h., continuous column of cement from surface casing total depth up to ground level.

Abatement or Corrective Action Required to be Performed by Operator:
Submit PDC's calculations showing the estimated depth to the top of lead cement and the estimated depth of the base of top-out cement. Provide a written demonstration indicating why fluid migration (gas or water) would not occur in the annular void, based on drilling records, any offset shallow open-hole logs, and/or nearby water well data. If the potential for fluid migration exists, and this demonstration cannot be made, then submit plans to remediate the well. Submit a written explanation indicating why PDC did not recognize a failure to provide sufficient surface casing cement coverage in a timely manner. The written explanation should also identify changes to PDC's procedures to prevent recurrence of this alleged violation.
Abatement or Corrective Action to be Completed by (date): 9/9/2011
* 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: JEFF GLOSSA Title: SENIOR ENGINEERING TECH
Signature: [Signature] Date: 9/8/2011
Company Comments:
SEE ATTACHED SUMMARY LOGCC DOCUMENT # 2055241

*** 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 of 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 for each violation. The proposed penalty amount will be limited to \$10,000.00 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. 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 to 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, has demonstrated a history of compliance with Commission rules, regulations, and orders. The

Table with 2 columns: Penalty Amount and Rules. Rows include: \$250.00 PER DAY PER VIOLATION (RULES 210, 307, 311, 312, 313, 314A, 318, 403, 405, 803, 804); \$500.00 PER DAY PER VIOLATION (RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401); \$750.00 PER DAY PER VIOLATION (RULES 605, 606A, 606B, 607); \$1,000.00 PER DAY PER VIOLATION (RULES 209, 301, 303, 305, 306, 316B, 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: [Signature] Date: 8/9/2011 Time: 8:00AM
Resolution Approved by: [Signature] Date: 9/9/2011
OPERATOR SUBMITTED WRITTEN RESPONSE ON 9/8/2011. SEE DOC. NO. 2055241.

7011 0470 0000 1917 9438

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Sent To

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City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Kate Lay</u> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>PETROLEUM DEVELOPMENT CORP ATTN: TOM LOPEZ 1775 SHERMAN STREET SUITE 3000 DENVER, CO 80203</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p>7011 0470 0000 1917 9438</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>