



*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10347
Name of Operator: CONTINENTAL RESOURCES INC
Address: PO BOX 1032 ATTN: BRAD AMAN
City: ENID State: OK Zip: 73703
Company Representative: HEATH MIRELES

Date Notice Issued:
11/17/2011

Well Name: Hahn Well Number: 1-4H Facility Number: 424862
Location (QtrQtr, Sec, Twp, Rng, Meridian): SESE 4 7N 62W 6 County: WELD
API Number: 05 123 34199 00 Lease Number:

COGCC Representative: AXELSON JOHN Phone Number: 303 637-7178

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

Date of Alleged Violation: 10/18/2011 Approximate Time of Violation: 12:00PM
Description of Alleged Violation:
COGCC received four (4) individual complaints from surrounding landowners regarding dumping of drilling fluids and associated cuttings on a property located in the NENE Sec 14, T-8-N, R-61-W located approximately 2.0-miles north from Hwy 14 on the west side of County Road 95. Property is owned by Eloy Carreon and Rosa Perez. COGCC staff John Axelson inspected location on 11/9/11 and 11/15/11. Observed both solids and liquids had been dumped on property. Solids were piled two to three feet high. No equipment was on location to manage the material. No stormwater controls were in place. Immediately adjacent the north side of the placement area is a topographic low where surface water accumulates. Property is in grass with no farming/agricultural activity. Adjacent landowner Mr. Crouse has date stamped photograph showing dumping on property as early as 10/18/11 verifying that the 10 day rule for incorporation into native soil has not been complied with. A small amount of material is being tracked onto CR95. Collected one representative sample of solid waste that appeared to be bentonitic fluids mixed with cuttings. Material exhibited hydrocarbon odor.

Act, Order, Regulation, Permit Conditions Cited:
Rule 324.A.a; Rule 907.a.(1); Rule 907.d.(3)B; Rule 1002.f.(2)F

Abatement or Corrective Action Required to be Performed by Operator:*
Immediately discontinue use of location for land application until all corrective actions are completed. Provide COGCC with a copy of the written authorization from the surface owner for the land application in accordance with Rule 907.d.(3)Biii. Provide verification from landowner that bentonitic fluids are being received at location specifically as a beneficial soil amendment. Provide record of all waste applied at site in accordance with Rule 907.b.(2) in a readily reviewable format. Information shall include date of transport, generator, transporter, waste pickup site, type and volume of waste, and final disposal site. Install stormwater controls as needed to prevent off-site migration or migration into the topographic low area. If material is being used as a beneficial soil amendment, spread material no more than 3-inches thick and incorporate into native soil. If material is not being used as a beneficial soil amendment, remove from location and properly dispose or treat in accordance with Rule 907 d (2). If material is incorporated into native soil collect a sufficient n
Abatement or Corrective Action to be Completed by (date): 12/31/2011
* 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: _____ 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 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 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

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523
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, 606B, 607
BASE FINE \$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: _____ Date: 11/17/2011 Time: 11:00AM
Resolution Approved by: _____ Date: _____

November 17, 2011
Continental Resources, Inc. #10347
Hahn 1-4H (API #123-34199
NOAV #200328837

Description of Alleged Violation:

COGCC received four (4) individual complaints from surrounding landowners regarding dumping of drilling fluids and associated cuttings on a property located in the NENE Sec 14, T-8-N, R-61-W located approximately 2.0-miles north from Hwy 14 on the west side of County Road 95. Property is owned by Eloy Carreon and Rosa Perez. COGCC staff John Axelson inspected location on 11/9/11 and 11/15/11. Observed both solids and liquids had been dumped on property. Solids were piled two to three feet high. No equipment was on location to manage the material. No stormwater controls were in place. Immediately adjacent the north side of the placement area is a topographic low where surface water accumulates. Property is in grass with no farming/agricultural activity. Adjacent landowner Mr. Crouse has date stamped photograph showing dumping on property as early as 10/18/11 verifying that the 10 day rule for incorporation into native soil has not been complied with. A small amount of material is being tracked onto CR95. Collected one representative sample of solid waste that appeared to be bentonitic fluids mixed with cuttings. Material exhibited hydrocarbon odor.

Act, Order, Regulation, Permit Conditions Cited:

Rule 324.A.a; Rule 907.a.(1); Rule 907.d.(3)B; Rule 1002.f.(2)F

Abatement or Corrective Action Required to be Performed by Operator:

Immediately discontinue use of location for land application until all corrective actions are completed. Provide COGCC with a copy of the written authorization from the surface owner for the land application in accordance with Rule 907.d.(3)Biii. Provide verification from landowner that bentonitic fluids are being received at location specifically as a beneficial soil amendment. Provide record of all waste applied at site in accordance with Rule 907.b.(2) in a readily reviewable format. Information shall include date of transport, generator, transporter, waste pickup site, type and volume of waste, and final disposal site. Install stormwater controls as needed to prevent off-site migration or migration into the topographic low area. If material is being used as a beneficial soil amendment, spread material no more than 3-inches thick and incorporate into native soil. If material is not being used as a beneficial soil amendment, remove from location and properly dispose or treat in accordance with Rule 907.d.(2). If material is incorporated into native soil, collect a sufficient number of representative soil samples after incorporation to verify compliance with Table 910-1. Submit Form 27 with workplan proposing sample locations and analyses. If analysis documents impacts greater than Table 910-1 standards, additional corrective actions will be required. Prevent any additional tracking of waste onto County Road 95 in accordance with Rule 1002.f.(2)F and cleanup residual waste on county road. All disturbed areas will require reclamation in accordance with Rule 1004. After corrective actions have been completed, any additional application of bentonitic drilling fluids at location shall be done in strict accordance with Rule 907.d(3)B.

Abatement or Corrective Action to be Completed by (date): **12/31/2011**