

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

05/16/2011

200310359

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

OGCC Operator Number: 36200
 Name of Operator: GRYNBERG* JACK DBA GRYNBERG PETROLEUM CO
 Address: 3600 S. YOSEMITE ST - STE 900
 City: DENVER State: CO Zip: 80237-1830
 Company Representative: JESSICA WOOD

Date Notice Issued:

05/16/2011

Well Name: **HIAWATHA DEEP** Well Number: **4-36** Facility Number: 294535
 Location (QtrQtr, Sec, Twp, Rng, Meridian): **SWSW 36 12N 101W 6** County: **MOFFAT**
 API Number: **05 081 07427 00** Lease Number: 7868-3

COGCC Representative: **KRABACHER JAY**

Phone Number: 970 625-2497 X4

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

Date of Alleged Violation: **11/07/2009**

Approximate Time of Violation:

Description of Alleged Violation:

Operator spudded the Hiawatha Deep 4-36 well on Dec. 7, 2008. COGCC's rules require submittal of drilling and completion forms within 30 days of work completed. COGCC has not received any documentation of current downhole conditions in this well. Operator also has not submitted any documentation of producing interval(s) status, testing, or stimulation. If Operator has altered the approved (permitted) wellbore configuration, documentation of such work also has not been received.

Act, Order, Regulation, Permit Conditions Cited:

Rule 308A. -- Failure to submit Form 5, Drilling Completion Report within 30 days of setting of casing. Failure to submit two copies of all logs run; any drill-stem tests, core analyses, directional surveys; as-built GPS location data. Note: a complete Form 5 must also have a CBL and casing-cementing tickets. Rule 308B -- Failure to submit Form 5A within 30 days.

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

Submit the following: (1) Complete Form 5, including the supplementary information including "as-built" GPS data (lat., long., PDOP, date, operator), formation log tops, and a CBL or cement-tickets for the production casing cement. (2) Upload all available digital LAS-formatted logs, also hard copies if available. (3) Form(s) 5A to document all completions. (4) Form 4 if any significant wellbore alteration not permitted (nor on Form 4 doc #1705757) has been done.

Abatement or Corrective Action to be Completed by (date): **06/15/2011**

* 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 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 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 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.