



FOR OGCC USE ONLY 08/31/2012 200361841

received 08/19/2012 NOAV 200361841

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10084 Name of Operator: PIONEER NATURAL RESOURCES USA INC Address: 1401 17TH ST STE 1200 ATTN: DAVE HOLLAND City: DENVER State: CO Zip: 80202 Company Representative: DAVE HOLLAND

Date Notice Issued: 08/31/2012

Well Name: OSBORN Well Number: 42-25 Facility Number: 283269 Location (QtrQtr, Sec, Twp, Rng, Meridian): SENE 25 31S 66W 6 County: LAS ANIMAS API Number: 05 071 08716 00 Lease Number:

COGCC Representative: GINTAUTAS PETER Phone Number: 719 848-3091

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

Date of Alleged Violation: 08/28/2012 Approximate Time of Violation: Description of Alleged Violation: Best management practices to minimize erosion and transport of sediment off location are not implemented properly. Interim reclamation failure around and in a stormwater diversion ditch contributes to the lack of controls of sediment migration. Temporary erosion controls such as straw wattles or hay bales or sediment fences are not used to minimize sediment transport and erosion from stormwater.

Act, Order, Regulation, Permit Conditions Cited: 1002.f.(2).C., 1002.f.(2).D., 1003.e.(2).

Abatement or Corrective Action Required to be Performed by Operator: Install and maintain temporary BMPs to minimize stormwater transport of sediment offsite until interim reclamation of constructed diversion trench is complete. Provide notice of installation of temporary BMPs when completed. Provide summary of plans and schedule to achieve interim reclamation of the disturbed area including the diversion ditch.

Abatement or Corrective Action to be Completed by (date): 09/24/2012 * 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: David N. Holland Title: Environmental and Regulatory Manager Signature: [Signature] Date: 9/19/12 Company Comments:

Wattles have been placed for interim sediment control on 9/10. Pioneer plans to close the pit on location and will submit a Form 27 as soon as soil samples are received (sampled 9/19). Upon approval to close the pit, Pioneer will add rip rap to culvert and sediment traps, backfill pit, add berm on fill slope, add 2 swales, shape toe of cut, and seed/mulch.

*** 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 Alleged Violation 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 maximum 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 cumulative 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 cumulative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved noncompliance as jurisdiction upon the part of the violator; involved intentional false reporting or concealment; 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 Commission has final authority over the penalty amount assessed.

BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 207, 311, 312, 313, 314A, 315, 403, 405, 503, 504 BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 303, 305, 310, 316A, 321, 322, 323, 329, 330, 331, 332, 401 BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 302, 303A, 503B, 507 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 523.2(6), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion. Signature of COGCC Representative: _____ Date: _____ Time: _____ Resolution Approved by: _____ Date: _____