

FORM
NOAV
Rev 6/92State 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

11/17/2011

200329114

*** NOTICE OF ALLEGED VIOLATION ***

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

Date Notice Issued:

11/18/2011

Well Name: HAWATHA STATE Well Number: 4-3 Facility Number: 414588
Location (Qtr, Sec, Twp, Rng, Meridian): NWSE 3 11N 101W 6 County: MOFFAT
API Number: 05 081 07313 00 Lease Number: 67/3795-S

COGCC Representative: FISCHER ALEX Phone Number: 303 894-2100 X5139

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

Date of Alleged Violation: 10/06/2011 Approximate Time of Violation:

Description of Alleged Violation:

On October 6, 2011, approximately 4000 cubic yards of E&P waste from Facility Number 414588, the Hawatha State 4-3 Bowback completion pit and flare pit was reported to have been disposed of, at an unapproved facility in Utah. The approved Form 27 Remediation Workplan (Document Number 2524431 and Remediation Number 5585), stated that impacted soils will be disposed of at a commercial disposal facility. Failure to close the pit consistent with the approved Form 27 is a violation of Rule 905.b. Failure to dispose of the E&P waste at an authorized site is a violation of Rule 907. According to Brad Hill, Oil and Gas Permit Manager for Utah Division of Oil, Gas and Mining; and Rob Herbert, Utah Division of Water Quality, the estimated 4000 cubic yards of material that were dumped at the unapproved facility had diesel range organics from about 22,600 to 23,800 mg/kg. The analytical results are from samples collected by the Utah Division of Oil, Gas and Mining. The material had not been spread out or incorporated into the ground. Additionally, Grynberg had an Administrative Order by Consent (AOC), Order No 1V-367 issued. The Remediation Work Plan (Document Number 2524431) is a result of the AOC.

Act, Order, Regulation, Permit Conditions Cited:

905 [includes: 905.b]; 907 [includes: 907.b.(1); 907.d.(2); 907.e.(1); 907.e.(2)]

Abatement or Corrective Action Required to be Performed by Operator:

Remove all material that was transported to the unauthorized facility in Utah and dispose of the material at commercial disposal facility by January 31, 2012. A Form 27 providing an account of the disposition of the E&P waste and waste manifests shall be submitted to the COGCC by February 10, 2012.

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

* 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: J. Fischer Title: OGCC Rep
Signature: [Signature] Date: 12.16.12
Company Comments:

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

WARNING

Violations may be subject to penalties as provided in the Colorado Oil and Gas Conservation Act. Each violation may be subject to the maximum penalty provided in the Colorado Oil and Gas Conservation Act. The Commission may, at its discretion, suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation. The Commission may also suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation. The Commission may also suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 521

The Commission may propose a penalty as provided in the Colorado Oil and Gas Conservation Act. The Commission may also suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation. The Commission may also suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation. The Commission may also suspend or reduce the penalty for a violation if the violator can demonstrate that the violation was caused by an act of God, or that the violator has taken all reasonable steps to prevent the violation.

Signature of COGCC Representative: [Signature] Date: 11/18/11
Resolution Approved by: [Signature] Date: 12/20/12Facility ID: 414588, 431060 = 610x0
REM: 5585 = 610x0
NOAV: 200329114 = 610x0