

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
05/01/2012
200348796

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 100185
Name of Operator: ENCANA OIL & GAS (USA) INC
Address: 370 17TH ST STE 1700 ATTN: DIANE BILESZNER
City: DENVER State: CO Zip: 80202-5632
Company Representative:

Date Notice Issued:
05/01/2012

Well Name: ROSS 'G' UNIT Well Number: 1 Facility Number: 206621
Location (QtrQtr, Sec, Twp, Rng, Meridian): SENE 24 2N 69W 6 County: BOULDER
API Number: 05 013 06116 00 Lease Number: 10453

COGCC Representative: ASH MARGARET Phone Number: 303 894-2100

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

Date of Alleged Violation: 04/26/2012 Approximate Time of Violation:
Description of Alleged Violation:
On 4/27/2012 a field inspection (COGCC Document #664000526) was conducted to investigate a complaint (COGCC Document #200348658) in which complainant called (4-26-2012) reported odors coming from tank battery on same location. During inspection odors were noticed from edge of the Location (#321305). Condensate was observed on the top of fluid in produced water tank, which was venting to the atmosphere. Condensate film was also indicated on outer portions of condensate tank and stairway to the tank. During inspection wells began producing to condensate tank which then vented gas and mist of condensate out of thief hatch. Inspection also indicated a small leak from fitting at wellhead. Air Pollution Control Division (APQD) Staff onsite during inspection indicate that the Emission Control Burner was not adequately sized for operations in violation of (APQD) regulations.

Act, Order, Regulation, Permit Conditions Cited:
324A.c., 805a, 906a, 907a (1), 912a

Abatement or Corrective Action Required to be Performed by Operator:*
1.Remove condensate from produced water tank. May 4, 2012
2.Provide documentation as to ongoing procedure to prevent accumulation of condensate on produced water tank. May 4, 2012
3.Remove hydrocarbons from outside surfaces of equipment. May 4, 2012
4.Repair or replace equipment necessary at this Location to prevent future releases from produced condensate tank. May 4, 2012
5.Review all tank battery operations in eastern Colorado to identify tanks and other equipment that need repair or replacement to ensure that volatile organic compounds are not being released to the atmosphere in violation of APQD regulations. May 15, 2012
6.Provide report that documents causes of the upset conditions identified at this facility and results of field wide operational review. Include documentation of procedures taken to ensure upset conditions are prevented and list of any equipment that required repair or r
Abatement or Corrective Action to be Completed by (date): 05/04/2012
* 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: _____ 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 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, 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 805, 806A, 808B, 807
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: [Signature] Date: 5-1-2012 Time: 7:44am
Resolution Approved by: _____ Date: _____

NOAV 200348796, 05-013-06116

Ross "G" Unit

EnCana Oil & Gas USA, # 100185

Corrective Actions

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2. Provide documentation as to ongoing procedure to prevent accumulation of condensate on produced water tank. May 4, 2012
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5. Review all tank battery operations in eastern Colorado to identify tanks and other equipment that need repair or replacement to ensure that volatile organic compounds are not being released to the atmosphere in violation of APQD regulations. May 15, 2012
6. Provide report that documents causes of the upset conditions identified at this facility and results of field wide operational review. Include documentation of procedures taken to ensure upset conditions are prevented and list of any equipment that required repair or replacement. May 21, 2012.