



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

OGCC Operator Number: 95620  
Name of Operator: WESTERN OPERATING COMPANY  
Address: 518 17TH ST STE 200 ATTN: MR STEVEN D JAMES  
City: DENVER State: CO Zip: 80202  
Company Representative: STEVEN JAMES

Date Notice Issued:  
3/13/2013

Well Name: PECK Well Number: A-1 Facility Number: 234646  
Location (QtrQtr, Sec, Twp, Rng, Meridian): NENE 15 1N 54W 6 County: WASHINGTON  
API Number: 05 121 06775 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: 2/7/2013 Approximate Time of Violation: 9:00AM  
Description of Alleged Violation:  
COGCC performed inspection on 2/7/13 (Document #667500131) and observed that the former unlined, earthen skim pit was closed without submittal of Form 27 and COGCC prior approval as required by Rule 905.b. Skim pit was replaced with 80 bbl partially buried fiberglass tank. Disposition of oily waste from skim pit closure unknown. One produced water pit still in use on location, second produced water pit was in the process of being closed. Also, recent release of oil at well head (less than 5-bbls) had not been cleaned up.

Act, Order, Regulation, Permit Conditions Cited:  
Rule 324A.a.; Rule 905.b.; Rule 906.a.; Rule 907.a.; Rule 907.e.; Rule 909; Rule 910

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

Submit a Form 27 to document closure of former skim pit and unused produced water pit. If oily waste was removed from skim pit prior to closure and samples collected, remit sample location diagram, analytical results, laboratory report and waste disposal documentation with Form 27. If oily waste was not removed prior to closure, remove impacted material and collect confirmation samples to verify compliance with Table 910-1. Any oily waste removed shall be treated or disposed in accordance with Rule 907.e. Include confirmation samples from unused water pit with Form 27 submittal. Cleanup spill at wellhead.

Abatement or Corrective Action to be Completed by (date): 4/30/2013  
\* 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.  
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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: 3/13/2013 Time: 3:40PM  
Resolution Approved by: Date: