



June 26, 2013

TO: Thomas L. Spring LLC COGCC Operator # 81480
7400 E. Orchard Road
Suite 2000
Greenwood Village, CO 80111

RE: Attachment Letter for Notice of Alleged Violation #200382243
Gregery #1-21X API # 05-061-06628 COGCC Facility ID # 213266 Location ID # 384777
NW ¼ SE ¼ Section 21 Township 18 South Range 46 West Kiowa County Colorado
Kiowa County, Colorado

Dear Mr. Spring,

The Colorado Oil and Gas Conservation Commission (COGCC) is issuing a Notice of Alleged Violation # 200382243 to Thomas L. Spring LLC based on conditions found during the field inspection (COGCC Document # 66860085) of the above referenced location on May 28, 2013.

This inspection was performed in response to a complaint (Document# 2003800384) filed by the surface owner. The complainant alleged that the location had not been properly reclaimed after the well was plugged and that the lack of reclamation has caused soil to be transported (eroded) from the location due to wind and water.

During the COGCC field inspection it was observed that there is evidence of erosion and lack of vegetation on and around the location, see attached photographs 1-4, 5-8, 9, 10 & 11. COGCC records show this well was spud September 11, 1996 and completed on October 11, 1996 (COGCC Document #692155). The well was shut in until it was plugged and abandoned on November 26, 2008 (Document # 1897182). COGCC Rule 1003. b. requires all disturbed areas affected by drilling, except areas reasonably needed for production operations, shall be reclaimed as early and as nearly practicable to their original condition and shall be maintained to control dust and minimize erosion. Rule 1003. e. (2) requires the replacement of all segregated soils and re-contour as near practicable to achieve erosion control and long term stability. The Gregery #1-21X well never produced; therefore it would need a minimum amount of area for operations. The extent the observed soil erosion and absence of vegetation indicates that the interim reclamation did not occur.

COGCC Rule 1004. a. requires all access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be

performed to the same standards as established for interim reclamation under Rule 1003. This reclamation work is to be completed within twelve (12) months after plugging the well. Under 1003 this also includes ongoing maintenance of the site until the final reclamation threshold is met as stated in Rule 1004. c.

Failure to stabilize the soils has led to a loss of top soil and has allowed wind erosion to take place across the pad and surrounding area. Wind erosion is evidenced by the ventifacts (Wind Erosion features) shown in photographs 1 & 11. Abrasion by sand and other fine soil particles carried by the wind has prevented the establishment of vegetation on the location. The lack of soil stabilization in combination with erosion of the organic bearing top soil on the pad constitutes an adverse environmental impact under Rule 324A. a.

Abatement or Corrective action and Corrective Action Dates:

Within ten (10) days of receipt of this Notice of Alleged Violation submit to COGCC a compliance plan for the performance and completion of the following:

Within thirty days contract a qualified third party reclamation specialist to assess location and adjacent impacted land. Submit findings of specialist to include conclusions and recommendations for adequate reclamation of location and repair of impacted land adjacent to location to COGCC for review. With reclamation report submit Form 27 with plan to properly reclaim location for approval. Upon approval of Form 27 perform reclamation to reclaim location to final land use. Reclamation plan shall be implemented within 10 days of receiving notice to proceed from OGCC. Reclamation shall be completed within 6 months of implementing reclamation plan.

The Colorado Oil and Gas Conservation Commission look forward to working with Thomas L. Spring LLC to bring this site into compliance. If you have any questions or comments please contact me at (719) 647-9715 or at mike.leonard@state.co.us

Sincerely,



Mike Leonard
Southern Colorado Field Inspection Supervisor
Colorado Oil and Gas Conservation Commission

Cc: Craig Quint, COGCC SE Field Inspector
Peter Gowen, COGCC Enforcement Officer

Attachments:

1. Notice of Alleged Violation #200382243
2. Photographs 05/28/2013 Field Inspection