



*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10282
Name of Operator: EPHPHATHA LLC
Address: 1314 B CENTER DR #449 ATTN: CORY SULLINS
City: MEDFORD State: OR Zip: 97501
Company Representative: CORY SULLINS

Date Notice Issued:

9/16/13

Well Name: DRY CREEK UT HD 31 Well Number: 1A (PILOT H) Facility Number: 232760
Location (QtrQtr, Sec, Twp, Rng, Meridian): NENE 31 6N 88W 6 County: ROUTT
API Number: 05 107 06175 00 Lease Number: 48264

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

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

Date of Alleged Violation: 05/16/2013 Approximate Time of Violation:
Description of Alleged Violation:
The following were observed during an inspection on May 16, 2013: Evidence of pad material washout approximately 4 feet south of the well head and extending approximately 15 feet; oil staining near well head; berm around tank only on north, west, and partial east sides of tank; leaking fitting on elbow going into tank near base; no signage on tank; no emergency contact information; thief hatch open on tank; excess materials littering pad.

Act, Order, Regulation, Permit Conditions Cited:
210.b(1) and (2); 210.d(1) and (2); 210.e; 603.j; 1002.f(2); 604.a(4) and (9); 604.d; 324A.a; 906.a; 906.c; 906.d; 907.a(1).

Abatement or Corrective Action Required to be Performed by Operator:*
Correct signage and labeling by 9/30/13; Remove excess equipment by 9/30/13; provide a work plan prepared by a competent environmental professional and/or environmental consultant and submitted to the COGCC for review and approval prior to commencing site characterization activities. Plan should be addendum to Form 27 Site Investigation Remediation Plan, Document ID: 1949163, outlining a comprehensive site investigation and characterization of the alleged releases of exploration and production waste. Provide plan by 9/30/13; fix fittings/elbows on flow line to tank by 9/30/13. Submit procedure to TA well by 9/30/13, TA well by 7/10/13, submit procedure to PA well by 10/16/13, PA well within 6-months of receipt of this NOAV.
Abatement or Corrective Action to be Completed by (date): 09/30/2013
* 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.
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
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: 9/16/13 Time: 14:10
Resolution Approved by: _____ Date: _____