FORM
NOAV
Rev 6/99

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
12/13/2013
200392590

*** 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: 12/13/2013

Well Name: **FORBES** Well Number: **1-14** Facility Number:
Location (QtrQtr, Sec, Twp, Rng, Meridian): **SESE 14 1N 54W 6** County: WASHINGTON
API Number: **05 121 06758** Lease Number:

COGCC Representative: NOTO JOHN Phone Number: 303 400-6136

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

Date of Alleged Violation: 11/20/2013 Approximate Time of Violation:

Description of Alleged Violation:

COGCC performed an inspection on 11/20/2013 (doc #670600111) and observed that the former unlined earthen skim pit was closed without submittal of a Form 27, Investigation and Remediation Workplan, and without prior approval from COGCC as required by Rule 905.b. The skim pit was replaced with a 200 bbl partially buried fiberglass tank. The operator did not provide COGCC with any documentation for the skim pit closures or the disposition of E&P waste generated from the pit closure. The produced water pit at the location is still in use. Based on aerial photos the skim pit was closure was in progress during the Summer of 2011 and was completed prior to June 1013.

Act, Order, Regulation, Permit Conditions Cited:

Rule 324A.a, Rule 603.f, Rule 902, Rule 905.b, 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 pits and for treatment or disposal of E&P waste. If oily waste was removed from the skim pit prior to closure and samples collected, remit sample location diagram, analytical results, laboratory report and waste disposal documentation with a Form 27. If oily waste was not removed prior to closure, remove contaminated soil, and collect confirmation samples to verify compliance with Table 910-1. All waste removed shall be treated or disposed in accordance with Rule 907.e.
Remove the three unused 500 Barrel steel tanks stored on site that are out of compliance with Rule 603.f.
NOAV # 200376557 was previously issued to Western Operating for improper closure of pits at the Peck A-1 (API #121-06775) in February 2013. Western Operating shall immediately notify COGCC in writing of any other pits that they have improperly closed without

Abatement or Corrective Action to be Completed by (date): 3/1/2013

*** 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 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: [signature] Date: 12/13/2013 Time:

Resolution Approved by: _____ Date: _____

note: See enclosed/attached for full text