

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
12/20/2014

Document Number:
675200991

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>432311</u>	<u>334978</u>	<u>CONKLIN, CURTIS</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>96850</u>
Name of Operator:	<u>WPX ENERGY ROCKY MOUNTAIN LLC</u>
Address:	<u>1001 17TH STREET - SUITE #1200</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Kellerby, Shaun		shaun.kellerby@state.co.us	NW Supervisor
WPX, Energy		COGCCInspectionReports@wpxenergy.com	All Inspections

Compliance Summary:

QtrQtr: NESE Sec: 28 Twp: 7S Range: 96W

Inspector Comment:

Flowback equipment located at Facility ID-334397 Follow up for inspection DOC#675200960 - Methanol barrels have been removed

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
278852	WELL	PR	11/25/2005	GW	045-10959	FEDERAL SG 43-28	PR	<input checked="" type="checkbox"/>
279865	WELL	AL	01/27/2011	LO	045-11086	FEDERAL SG 44-28	AL	<input type="checkbox"/>
432305	WELL	DG	09/11/2014	LO	045-21946	Federal SG 542-28	DG	<input checked="" type="checkbox"/>
432306	WELL	DG	10/08/2014	LO	045-21947	Federal SG 332-28	DG	<input checked="" type="checkbox"/>
432307	WELL	DG	10/13/2014	LO	045-21948	Federal SG 412-27	DG	<input checked="" type="checkbox"/>
432308	WELL	DG	11/08/2014	LO	045-21949	Federal SG 42-28	DG	<input checked="" type="checkbox"/>
432309	WELL	DG	12/12/2014	LO	045-21950	Federal SG 333-28	DG	<input checked="" type="checkbox"/>
432310	WELL	XX	03/29/2013	LO	045-21951	Federal SG 512-27	XX	<input checked="" type="checkbox"/>
432311	WELL	DG	10/29/2014	LO	045-21952	Federal SG 531-28	DG	<input checked="" type="checkbox"/>
432312	WELL	XX	03/29/2013	LO	045-21953	Federal SG 312-27	XX	<input checked="" type="checkbox"/>
432313	WELL	DG	09/30/2014	LO	045-21954	Federal SG 432-28	DG	<input checked="" type="checkbox"/>

432314	WELL	DG	10/23/2014	LO	045-21955	Federal SG 32-28	DG	X
432315	WELL	DG	12/12/2014	LO	045-21956	Federal SG 532-28	DG	X
432316	WELL	DG	12/12/2014	LO	045-21957	Federal SG 442-28	DG	X
432317	WELL	XX	03/29/2013	LO	045-21958	Federal SG 541-28	XX	X
432318	WELL	DG	10/17/2014	LO	045-21959	Federal SG 342-28	DG	X
432319	WELL	DG	12/12/2014	LO	045-21960	Federal SG 33-28	DG	X
432320	WELL	XX	03/29/2013	LO	045-21961	Federal SG 12-27	XX	X
433839	WELL	XX	02/24/2014	LO	045-22129	Federal SG 242-28	XX	X

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>18</u>	Production Pits: _____
Condensate Tanks: <u>4</u>	Water Tanks: <u>2</u>	Separators: <u>18</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY	Muddy at time of inspection		

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Plot map for wells during flowback operations		
TANK LABELS/PLACARDS	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: 970-285-9377

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Fencing debris on berm and slope. See attached photos.	Remove or reinstali to comply with COGCC rule 603.f.	01/23/2015

STORAGE OF SUPL	SATISFACTORY	1 Frac tank, 2 300 bbl Produced water tanks from recently completed work.		
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Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Emission Control Device	1	SATISFACTORY	Lit at time of inspection		
Horizontal Heated Separator	14	SATISFACTORY			
Plunger Lift	7	SATISFACTORY			
Bird Protectors	6	SATISFACTORY			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS	
CONDENSATE	3	300 BBLS	STEEL AST	,	
S/A/V: SATISFACTORY	Comment:				
Corrective Action:				Corrective Date:	

Paint

Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Corrective Action				Corrective Date	
Comment					

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	3	300 BBLS	STEEL AST	,	
S/A/V: SATISFACTORY	Comment:				
Corrective Action:				Corrective Date:	

Paint

Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action		Corrective Date	
Comment	Same as condensate.		

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 432311

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
Permit	yokleyb	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.	04/10/2014

<p>OGLA</p>	<p>kubeczkod</p>	<p>SITE SPECIFIC COAs:</p> <p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations (as shown on the Construction Layout Drawings attachment); including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.</p> <p>Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	<p>03/26/2013</p>
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S/A/V: _____ **Comment:** Form 42s are being received and are on file. Secondary containment is around large volume tanks. Berms appear in adequate maintenance. No drill cuttings on site. Flowback fluids are being sent to tanks on second location.

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Planning	<p>Share/consolidate corridors for pipeline ROWs to the maximum extent possible. Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW. Minimize the number, length, and footprint of oil and gas development roads . Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors. Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development. Maximize the use of directional drilling to minimize habitat loss/fragmentation. Maximize use of remote completion/frac operations to minimize traffic. Maximize use of remote telemetry for well monitoring to minimize traffic. Phase and concentrate development activities, so that large areas of undisturbed habitat for wildlife remain. Maintain undeveloped areas within development boundaries sufficient to allow wildlife to persist within development boundaries during all phases of construction, drilling, and production. Minimize the duration of development and avoid repeated or chronic disturbance of developed areas. Complete all anticipated drilling within a phased, concentrated, development area during a single, uninterrupted time period.</p>
Construction	<p>CONSTRUCTION BMP's * Close and reclaim roads not necessary for development, including removing all bridges and culverts and recontouring/reclaiming all stream crossings.</p>
Interim Reclamation	<p>PRODUCTION/RECLAMATION BMP's * Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeded and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. * Avoid dust suppression activities within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river where possible.</p>
Construction	<p>Close and reclaim roads not necessary for development, including removing all bridges and culverts and recontouring/reclaiming all stream crossings.</p>
Interim Reclamation	<p>Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife. WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeded and reclamation of disturbed areas. Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. Avoid dust suppression activities within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river where possible.</p>

<p>Planning</p>	<p>PLANNING BMP's</p> <ul style="list-style-type: none"> * Share/consolidate corridors for pipeline ROWs to the maximum extent possible. * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW. * Minimize the number, length, and footprint of oil and gas development roads * Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors * Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic * Phase and concentrate development activities, so that large areas of undisturbed habitat for wildlife remain. * Maintain undeveloped areas within development boundaries sufficient to allow wildlife to persist within development boundaries during all phases of construction, drilling, and production. * Minimize the duration of development and avoid repeated or chronic disturbance of developed areas. Complete all anticipated drilling within a phased, concentrated, development area during a single, uninterrupted time period.
<p>Drilling/Completion Operations</p>	<p>DRILLING/COMPLETIONS BMP's</p> <ul style="list-style-type: none"> * Conduct well completions with drilling operations to limit the number of rig moves and traffic.
<p>Site Specific</p>	<p>Although this location is located within 500 ft. of perennial, ephemeral, or intermittent surface water according to USGS mapped surface waters, the attached Sensitive Area Determination concludes that the location is not within a sensitive area due to the low potential for impacts to surface water in the case of a facility release. However, in order to satisfy COGCC guidance requiring that all locations within 500 ft. of mapped surface water incorporate BMPs to protect that surface water, Williams will employ the following BMPs at this location:</p> <ul style="list-style-type: none"> • Williams will ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. • Williams will implement best management practices to contain any unintentional release of fluids. • Either a lined drilling pit or closed loop system will be implemented.
<p>General Housekeeping</p>	<p>Although this location is located within 500 ft. of perennial, ephemeral, or intermittent surface water according to USGS mapped surface waters, the attached Sensitive Area Determination concludes that the location is not within a sensitive area due to the low potential for impacts to surface water in the case of a facility release. However, in order to satisfy COGCC guidance requiring that all locations within 500 ft. of mapped surface water incorporate BMPs to protect that surface water, Williams will employ the following BMPs at this location:</p> <ul style="list-style-type: none"> • Williams will ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. • Williams will implement best management practices to contain any unintentional release of fluids. • Either a lined drilling pit or closed loop system will be implemented.
<p>Drilling/Completion Operations</p>	<p>Conduct well completions with drilling operations to limit the number of rig moves and traffic.</p>

S/AV: _____ **Comment:** Wells have been completed and are scheduled to all go to production 12/22/14

CA: **Date:** _____

Stormwater:

Comment: _____

Staking: _____

On Site Inspection (305):

Surface Owner Contact Information:
 Name: _____ Address: _____
 Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:
 Landman Name: _____ Phone Number: _____
 Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____
 Request LGD Attendance: _____

LGD Contact Information:
 Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 278852 Type: WELL API Number: 045-10959 Status: PR Insp. Status: PR

Facility ID: 432305 Type: WELL API Number: 045-21946 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432306 Type: WELL API Number: 045-21947 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432307 Type: WELL API Number: 045-21948 Status: DG Insp. Status: DG

Workover

Comment: FLOWBACK: Form 42#400737970
 45 bbl/ hour water
 5 mil cu ft gas
 No sign of leaks or spills around lines or equipment.

Facility ID: 432308 Type: WELL API Number: 045-21949 Status: DG Insp. Status: DG

Workover

Comment: FLOWBACK: Form 42#400740598
 45 bbl/ hour water
 5 mil cu ft gas
 No sign of leaks or spills around lines or equipment.

Facility ID: 432309 Type: WELL API Number: 045-21950 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432310 Type: WELL API Number: 045-21951 Status: XX Insp. Status: XX

Facility ID: 432311 Type: WELL API Number: 045-21952 Status: DG Insp. Status: DG

Workover

Comment: FLOWBACK: Form 42# 4007529
 45 bbl/ hour water
 5 mil cu ft gas
 No sign of leaks or spills around lines or equipment. Well was flared at remote location previous night , but was not at time of inspection.

Facility ID: 432312 Type: WELL API Number: 045-21953 Status: XX Insp. Status: XX

Facility ID: 432313 Type: WELL API Number: 045-21954 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432314 Type: WELL API Number: 045-21955 Status: DG Insp. Status: DG

Workover

Comment: FLOWBACK: Form 42#400740583
 45 bbl/ hour water
 5 mil cu ft gas
 No sign of leaks or spills around lines or equipment.

Facility ID: 432315 Type: WELL API Number: 045-21956 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432316 Type: WELL API Number: 045-21957 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432317 Type: WELL API Number: 045-21958 Status: XX Insp. Status: XX

Facility ID: 432318 Type: WELL API Number: 045-21959 Status: DG Insp. Status: DG

Workover

Comment: FLOWBACK: Form 42#400740596
 45 bbl/ hour water
 5 mil cu ft gas
 No sign of leaks or spills around lines or equipment.

Facility ID: 432319 Type: WELL API Number: 045-21960 Status: DG Insp. Status: DG

Producing Well

Comment: PR w/ plunger lift

Facility ID: 432320 Type: WELL API Number: 045-21961 Status: XX Insp. Status: XX

Facility ID: 433839 Type: WELL API Number: 045-22129 Status: XX Insp. Status: XX

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____
 Comment: _____
 Corrective Action: _____ Date: _____
 Reportable: _____ GPS: Lat _____ Long _____
 Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well: _____ Lat _____ Long _____
 DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters: _____

Sample Location: _____

Emission Control Burner (ECB): _____
 Comment: _____
 Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

- 1003a. Debris removed? _____ CM _____
 CA _____ CA Date _____
 Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____
 Unused or unneeded equipment onsite? _____ CM _____
 CA _____ CA Date _____
 Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: CONKLIN, CURTIS

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Pass	Compaction	Fail			
Compaction	Fail					
Ditches	Pass					
Gravel	Pass					

S/A/V: _____ Corrective Date: _____

Comment: Action required date from previous inspection has not expired. Ref. inspection DOC# 675200960

CA: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
675200992	Federal SG 43-28	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3512242

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)