

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  
6/8/2010  
200257772

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

OGCC Operator Number: 16800  
Name of Operator: DELTA PETROLEUM CORPORATION  
Address: 370 17TH ST STE 4300 ATTN: RANDALL K ARNOLD  
City: DENVER State: CO Zip: 80202  
Company Representative: WILLIAM MONROE

Date Notice Issued:  
6/25/2010

Well Name: 4A WATER PIPELINE Well Number: Facility Number: 417866  
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWSW 23 9S 93W 6 County: MESA  
API Number: 05 Lease Number:

COGCC Representative: MILNE JAMES Phone Number: 303 894-2100

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

Date of Alleged Violation: 6/7/2010 Approximate Time of Violation:  
Description of Alleged Violation:  
On 6/8/2010 Delta Petroleum notified the COGCC of a pipeline leak which was discovered 6/7/2010. Delta's Form 19 with location specifics was received by COGCC on 6/17/2010 and reported the leak may have been caused by a pressure spike which occurred on 4/26/2010 although the leak was not observed at that time. The pipeline was reportedly utilized on 5/10/2010, 6/2/2010 and 6/3/2010, with the leak not being observed due to its location. Produced water ran ~220' down the side of Bogue Gulch into the Losa ditch which terminates in a small pond. Pipeline use was discontinued after discovery of leak. The Losa ditch carries water intermittently and was dry at the time of the release. Field inspection indicates that the release did not reach as far as the terminal pond before dissipating. The operator notified CDPHE and the NRC of the spill on 6/8/2010.

Act, Order, Regulation, Permit Conditions Cited:  
324.A.a, 324.A.b, 907.a.(1), 907.a.(2)

Abatement or Corrective Action Required to be Performed by Operator:\*  
1. Consult with and mitigate impacts to surface owners and surface lessees including those located along the Losa Ditch. 2. Develop of a Site Investigation & Remediation Work Plan (Form 27) for COGCC review ASAP and prior to conclusion of remedial activities. The Form 27 should outline the spill investigation initiated and planned. 3. Continue with the mitigation activities already initiated, including sampling of Losa Ditch and terminal pond, excavation of impacted material in Losa Ditch, installing pipeline liner, and pipeline monitoring plan. 4. Submit a final Form 27 documenting all remedial activities when remedial activities have concluded. 5. Describe measures taken to prevent problem from reoccurring.  
Abatement or Corrective Action to be Completed by (date): 7/9/2010  
\* 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, 208, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 326, 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, 308, 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: Alex J. Fischer Date: 6/25/10 Time:  
Resolution Approved by: Alex J. Fischer Date: 6/25/10  
This NOAV is closed as operator is no longer in business and the spill has been remediated. See REM 5117, Form 27 Doc# 2607657, and Form 19 2607359.