

## WARNING LETTER

November 17, 2014

Attn: Mr. Neil Stenbuck (nstenbuck@cirqueresources.com)

Cirque Resources LP  
475 17<sup>th</sup> Street #1600  
Denver CO 80204

Well: Railay #28-3-1 CH  
API #: 05-123-39863  
NENW Section 28 T12N R66W

**This Warning Letter is to inform you that the oil and gas facility or the oil and gas operations listed above may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.**

### **Rule(s) Citation:**

A review of COGCC records indicates that Cirque Resources LP (Cirque) has not met the groundwater sampling requirements under COGCC Rule 609. The Applications for Permit to Drill (APD(s)) for the well(s) in the table below were submitted after May 1, 2013 and are subject to COGCC Rule 609 sampling requirements.

Operator	Operator #	API #	Well Name	Form 2 Submit Date	Spud Date	Sample Due Date	Rule
Cirque Resources LP	10470	123-39863	Railay #28-3-1 CH	06/17/2014	08/15/2014	11/13/2014	609

In order to comply with Rule 609 Cirque was required to either:

- Collect a groundwater samples prior to spudding the oil/gas well and submit the analytical data no later than 90 days after the samples were collected, or



- Submit a Sundry Notice requesting an exception(s) to Rule 609 prior to the well being spud.

At this time, COGCC records do not indicate that samples have been submitted or a Sundry Notice filed within the time specified by Rule 609. Failure to provide the required information is a violation of COGCC Rules and will result in enforcement action if not addressed.

**How to Comply with this Warning Letter:**

The COGCC requires Cirque to implement the following corrective action(s):

- Submit analytical data from groundwater samples collected prior to spud, or
- Submit a Sundry Notice requesting exceptions to Rule 609.

Any Sundry Notice submitted on behalf of Cirque for the above referenced locations will need to include documentation that Cirque made a good faith effort to collect a sample prior to well spud.

**Corrective Action Deadline:**

The data must be provided to the COGCC no later than 12/01/2014.

**Failure to Comply with Warning Letter:**

If Cirque fails to perform the required corrective actions or cannot provide documentation of a good faith effort to comply with Rule 609 prior to spud, the COGCC will issue a Notice of Alleged Violation and seek penalties 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.)

If you have any questions about this Warning Letter, please contact the COGCC representative below.

Sincerely,

A handwritten signature in blue ink that reads "Arthur Koepsell".

Arthur Koepsell, P.G.  
Environmental Protection Specialist  
arthur.koepsell@state.co.us

Sent Via Email