

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
4/30/2015
200430636

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10536
Name of Operator: SMITH ENERGY LLC
Address: 12660 WCR 74 ATTN: GLENN SMITH
City: EATON State: CO Zip: 80615
Company Representative:

Date Notice Issued:
4/30/2015

Well Name: HILLMAN Well Number: 35-1 Facility Number: 252994
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNE 35 3N 48W 6 County: YUMA
API Number: 05 125 06871 00 Lease Number:

COGCC Representative: Bradshaw Leigh Phone Number: 303 894-2100

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED
Date of Alleged Violation: 4/30/2015 Approximate Time of Violation:
Description of Alleged Violation:
The well was shut in for 31 months without performing an MIT. COGCC Rule 326.b. The MIT was not completed within 24 months of Shut In status.

Act, Order, Regulation, Permit Conditions Cited:
The well is in violation of COGCC Rules 326.b: Operator failed to provide proof of passing MIT within 24 months of shutting in this well.

Abatement or Corrective Action Required to be Performed by Operator:*
On or before June 1, 2015, Operator must either 1) Provide proof of well integrity with passing MIT and submit sundry request for TA status or 2) Plug and abandon the well following Rule 311.
Completion of required corrective action(s) will not eliminate the imposition of a penalty for past noncompliance.

Abatement or Corrective Action to be Completed by (date): 4/30/2015
* 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: Chris Smith Title: Manager
Signature: [Signature] Date: 4/30/2015
Company Comments:

Performed successful MIT on 5/13/15, and put well back into production.
Received delivery of NOAV on 5/11/15 by certified mail. The 31 months of
Shut in status was under time of previous operator. A more detailed reply will

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

be sent in before 5/30/15.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Hard-copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

Signature of COGCC Representative: [Signature] Date: 4/29/15 Time: 1:39pm
Resolution Approved by: [Signature] Date: 6/5/2015 8:23AM

NOAV being closed without penalty; MIT (Doc # 400 839 875) passed by Corrective
Action Date and Sundry not appropriate for Producing well. RPK 6/5/2015



*** NOTICE OF ALLEGED VIOLATION ***

RECEIVED JUN 04 2015 COGCC

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COGCC Representative: Bradshaw Leigh Phone Number: 303 894-2100

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED Date of Alleged Violation: 4/30/2015 Approximate Time of Violation: Description of Alleged Violation: The well was shut in for 31 months without performing an MIT. COGCC Rule 326.b. The MIT was not completed within 24 months of Shut In status.

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TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address: Company Representative Name: Chris Smith Title: Manager Signature: [Signature] Date: 4/30/2015 Company Comments:

1. well passed MIT on May 13, 2015 2. well status returned to Production, therefore a Sundry Notice for Continued TA Status is not appropriate. 3. Complete Explanation of circumstances surrounding NOAV can be found in letter

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Sent into COGCC, Doc # 2618528

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Hard-copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

Signature of COGCC Representative: [Signature] Date: 4/29/15 Time: 1:39pm Resolution Approved by: [Signature] Date: 6/5/2015 8:23AM NOAV being closed without penalty; MIT (Doc# 400839875) passed by Corrective Action Date and Sundry not appropriate for Producing well. RPX 6/5/2015

Doc # 400 839 875
Laserfiche ✓

Click here to reset the form

FORM 21 Rev 3/13

State of Colorado
Oil and Gas Conservation Commission



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FOR OGCC USE ONLY

RECEIVED
MAY 20 2015
COGCC

MECHANICAL INTEGRITY TEST

Fill out Part II of this form if well tested is a permitted or pending injection well. Send original plus one copy.

1. Duration of the pressure test must be a minimum of 15 minutes.
2. A pressure chart must accompany this report if this test was not witnessed by a OGCC representative.
3. For production wells, test pressures must be at a minimum of 300 psig.
4. Injection well tests must be witnessed by an OGCC representative.
5. New injection wells must be tested to maximum requested injection pressure.
6. For injection wells, test pressures must be at least 300 psig or average injection pressure, whichever is greater.
7. A minimum 300 psi differential pressure must be maintained between the tubing and tubing/casing annulus pressure.
8. Do not use this form if submitting under provisions of Rule 326 a.(1) B, or C.
9. OGCC notification must be provided 10 days prior to the test via Form 42.
10. Packers or bridge plugs, etc., must be set within 100 feet of the perforated interval to be considered a valid test.

Complete the Attachment Checklist

OGCC Operator Number: 10536 Contact Name and Telephone: Chris Smith

Name of Operator: Smith Energy LLC Address: 2660 WCR 74 City: Eaton State: CO Zip: 80615

API Number: 05-15-06871 Field Name: Wildcat Field Number: 99999

Well Name: Hillman Number: 35-1

Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNE 35 3N 48W 6PM

	Oper	OGCC
Pressure Chart		
Cement Bond Log		
Tracer Survey		
Temperature Survey		
Other Report 1		
Other Report 2		

SHUT-IN PRODUCTION WELL INJECTION WELL

Facility No.: _____

Part I. Pressure Test

- 5-Year UIC Test Test to Maintain SI/TA Status Reset Packer
- Verification of Repairs Tubing/Packer Leak Casing Leak Other (Describe): _____

Describe Repairs: _____

NA - Not Applicable Wellbore Data at Time of Test

Injection/Producing Zone(s): Niobrara Perforated Interval: NA Open Hole Interval: NA

Casing Test NA Use when perforations or open hole is isolated by bridge plug or cement plug

Bridge Plug or Cement Plug Depth: 2760

Tubing Casing/Annulus Test NA

Tubing Size: 2 3/8 Tubing Depth: 2806 Top Packer Depth: 2812 Multiple Packers? Yes No

Test Date	Well Status During Test	Date of Last Approved MIT	Casing Pressure Before Test	Initial Tubing Pressure	Final Tubing Pressure
<u>5/13/15</u>		<u>3-8-05</u>	<u>400</u>	<u>400</u>	<u>400</u>
Starting Casing Test Pressure	Casing Pressure - 5 Min.	Casing Pressure - 10 Min.	Final Casing Pressure	Pressure Loss or Gain During Test	
<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>0</u>	

Test Witnessed by State Representative? Yes No

OGCC Field Representative (Print Name): Kyle Schure

Part II. Wellbore Channel Test

Complete only if well is or will be an injection well.

Indicate method used for cement integrity test, attach appropriate records, charts, or logs unless previously submitted.

- Tracer Survey Run Date: _____ CBL or Equivalent Run Date: _____ Temperature Survey Run Date: _____

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Chris Smith

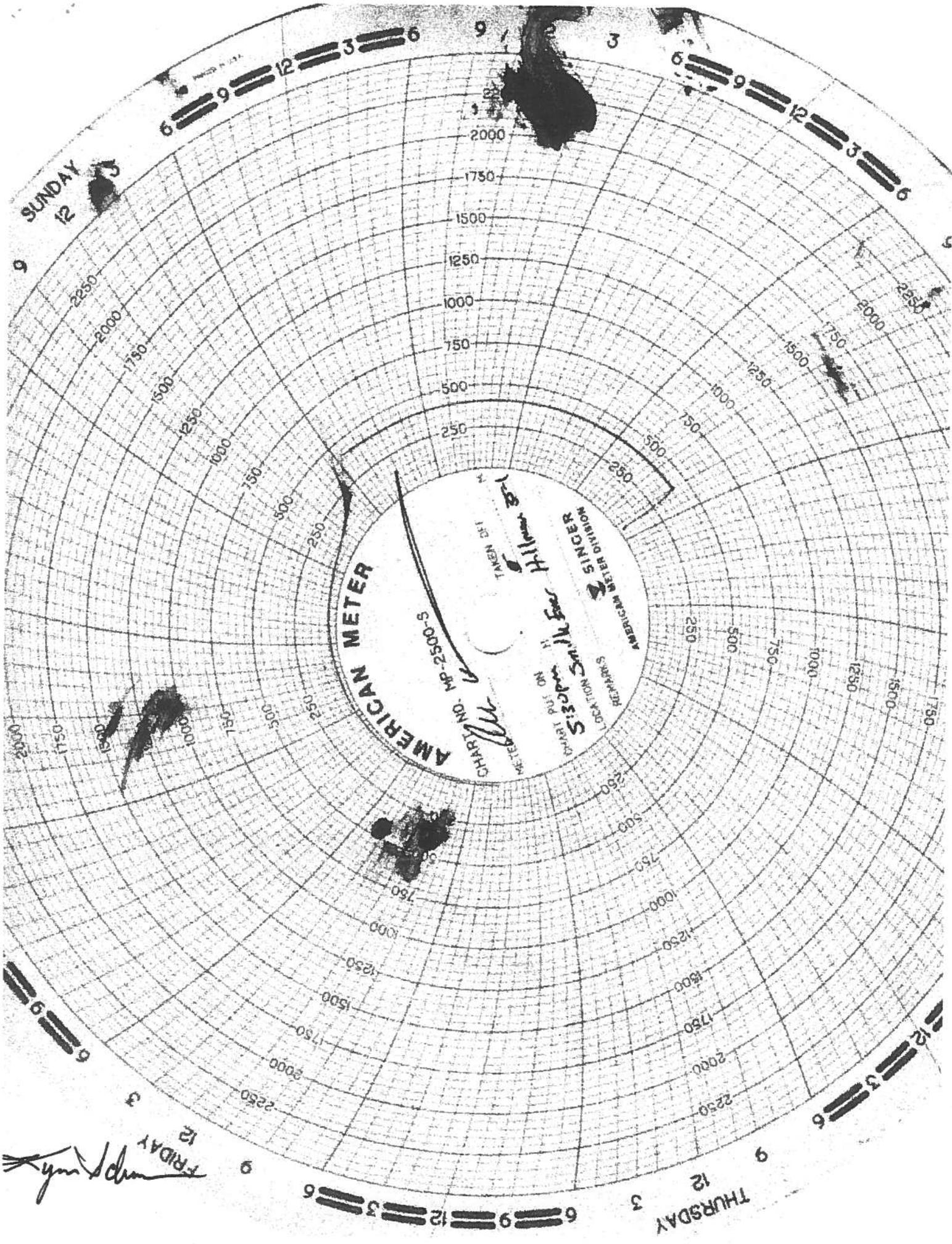
Signed: [Signature] Title: Manager

Date: 5/13/15

OGCC Approval: [Signature] Title: COGCC

Date: 5-13-15

Conditions of Approval, if any: _____



Handwritten signature: *John Schen*