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STATE OF COLORADO OIL & GAS CONSERVATION COMMISSION

1120 Lincoln Street, Suite 801
Denver, CO 80203
303-894-2100 fax: 303-894-2109



02144583

*** NOTICE OF ALLEGED VIOLATION ***

Operator Name & Mailing Address / Company Representative:

Evergreen Operating Corporation
1401 17th St Suite 1200
Denver, CO 80202
Attn: Stephanie Basey

Date Notice Issued:

06/15/98

Well/Site/Facility: (see attached list)	Legal Description (1/4 1/4, Section, Township, Range, P.M.): (see attached list)	County: Las Animas
Lease Number: (see attached list)	(see attached list)	
COGCC Representative: Robin Reade	Phone Number: 303-894-2100 x112	Date of Alleged Violation: June 3, 1998
		Approx Time of Violation:

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

Describe Alleged Violation: **REPORTING:** Spill/Release Reports (Form 19) were not submitted to the COGCC within the required 10 days after the occurrence of spills/releases exceeding 5 bbls, resulting in a violation of Rule 906.b.(1). Verbal reports required for spills/releases exceeding 20 bbls were not made, resulting in a violation of Rule 906.b.(2). Verbal reports required for spills/releases of any size that impact or threaten to impact any waters of the state were not made, resulting in a violation of Rule 906.b.(3). **GENERAL:** Spill/releases were not controlled and contained immediately upon discovery, and impacts were not investigated and cleaned up as soon as practicable, resulting in a violation of Rule 906.a.

Act, Order, Regulation, Permit Conditions Cite Rule 906.a., 906.b.(1), 906.b.(2), 906.b.(3)

Abatement or Corrective Action to be Completed by:

July 15, 1998

Abatement or Corrective Action Required to be Performed by Operator*: Evergreen is required to cease all discharges resulting in spills/releases. Spills/releases to unpermitted pits are required to be discontinued. Evergreen is required to file a Form 27, Site Investigation and Remediation Workplan for each spill/release, for prior to commencing remediation.

* 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

Print Company Representative Name & Title: Stephanie Basey, Field Production Engineer	Signature: <i>Stephanie Basey</i>	Date: 7/17/98
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Company Comments:

All spills/releases for all wells on the attached list have ceased. With the exception of two wells, there will be no remediation necessary as all spill soaked into the ground. Form 27's have been filed for the Bud and Joyce wells.

*** 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 5 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 \$1000.00 per day per violation. Such proposed penalty amount will be limited to

Spill/Release Reports (Form 19) Received 6/3/98
from Evergreen Op. Corp

WELL NAME	API #	LOCATION	SPILL DATE
Annette 21-21	071-6248	NENW 21 33S 65W	Unknown
Martinez 43-20	071-6359	NESE 20 33S 65W	05/04/98
Manway 13-32	071-6371	NWS 32 32S 65W	Unknown
Fat Tire 33-19	071-6429	NWSE 19 33S 65W	2/4 to 2/8/98
Joyce 23-30	071-6437	SENW 30 33S 65W	3/15/98 to present
Keri 33-18	071-6469	NWSE 18 32S 65W	03/27/98
Viola 13-33	071-6473	NWS 33 32S 65W	5/3/98 to present
Wolf Canyon 41-	071-6497	NENE 32 32S 65W	5/3/98 to present
Purgatoire 43-30	071-6512	NESE 30 33S 65W	05/13/98
Bud 34-6	071-6315	SWSE 6 33S 65W	2/26/98 to present
Ponderosa 22-6	071-6233	SENW 6 33S 65W	5/5/98 to present