



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER #2193041

November 6, 2015

David Lee
Nonsuch Natural Gas Inc.
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Naples, FL 34108

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CSOC 697-22 #1
API Number: 045-07928
Facility ID: 261024
Location ID: 324169
NENE 22, Section 6, 97W Range, Garfield County

CSOC 697-12 #1
API Number: 045-08120
Facility ID: 263296
Location ID: 324193
SWSW 12, Section 6, 97W Range, Garfield County

This Warning Letter is to inform you that the oil and gas facilities 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 correction action is required.

There is reasonable cause to believe that violations of the Oil and Gas Conservation Act, or of rules, regulations, or orders of the Commission, or of permits issued by the Commission, has occurred. The Operator’s compliance with this Warning Letter 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 Actions Deadline Date, December 1, 2015**. 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

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Commissioners: Thomas L. Compton - Chairman, Richard Alward, John H. Benton, DeAnn Craig,

James W. Hawkins, Tommy Holton, Andrew L. Spielman, Mike King, Dr. Larry Wolk

John W. Hickenlooper, Governor | Mike King, Executive Director, DNR | Matthew J. Lepore, Director



pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

The COGCC requires Nonsuch Natural Gas Inc. (Nonsuch) to implement corrective actions for the conditions identified below.

1. Through an October 8, 2015 inspection of API 045-07928 (Document #674300436), the COGCC identified a potential non-compliance issue for Nonsuch's failure to remove oil and/or condensate from the surface of pit that was not netted, violating Rule 902.c. During six prior inspections from 2013 through 2015, COGCC staff recorded observations of floating oil on the surface of this pit and the absence of netting:

Document Number	Date
674300372	8/3/2015
674701664	7/30/2015
674700351	9/24/2014
663903386	6/27/2014
663902119	9/4/2013
663801397	8/2/2013

All six of these prior inspections included corrective actions to remove the oil from the pit.

2. Through an October 8, 2015 inspection of API 045-08120 (Document #674300442), the COGCC identified a potential non-compliance issue for Nonsuch's failure to properly maintain the pit liner in accordance with manufacturers' specifications and good engineering practices, violating Rule 904.b.(2). COGCC staff recorded observations of a hole in this pit liner five to six inches in diameter near the top of the pit. This hole in the pit liner was previously observed during COGCC's August 3, 2015 inspection (Document #674300366) which required corrective action to replace or repair the liner by September 28, 2015.



How to Comply with this Warning Letter:

Nonsuch shall install and maintain netting over the pit at API 045-07928. Nonsuch shall repair or replace the pit liner at API 045-08120. To document the completion of these environmental corrective actions, Nonsuch shall electronically submit Form 4 Sundry Notices and attach all supporting documentation.

Corrective Actions Deadline Date: December 1, 2015

Failure to Comply with Warning Letter:

If Nonsuch fails to perform required corrective actions, 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. For any technical questions, please contact Stan Spencer at 970-625-2497.

Very truly yours,



Steven Mah, NOAV Specialist



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