



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER #2193226

February 11, 2016

Robert Bayless Producer LLC* Robert L
Attn: Ms. Carol Hagihara
621 17th Street 2300
Denver, CO 80293

Well: Foster State #1
API #: 05-081-07821
SWNE Section 16 T4N R91W

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 Robert Bayless Producer LLC (Bayless) 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
BAYLESS PRODUCER LLC* ROBERT L	6720	05-081-07821	Foster State #1	2015-06-05	2015-09-10	2015-12-09	609

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

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc

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



- 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 Bayless 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 Bayless for the above referenced location(s) will need to include documentation that Bayless made a good faith effort to collect a sample prior to well spud.

Corrective Action Deadline: March 11, 2016.

Failure to Comply with Warning Letter:

If Bayless 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 procedural questions about this Warning Letter, please contact Steven Mah, Enforcement Team NOAV Specialist, at 303-894-2100 x5172. If you have any technical questions about this Warning Letter, please contact Arthur Koepsell at 303-894-2100 x5148.

Sincerely,



Arthur Koepsell, P.G.
Environmental Protection Specialist
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(303)894-2100 ext. 5148