

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
401212624
Date Issued:
02/17/2017
Date Resolved:

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

| | |
|--|---|
| OGCC Operator Number: 8960 | Contact Name and Telephone: |
| Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC | Name: Brian Dodek |
| Address: 410 17TH STREET SUITE #1400 | Phone: (720) 225-6653 Fax: (720) 279-2331 |
| City: DENVER State: CO Zip: 80202 | Email: bdodek@bonanzacrk.com |

Well Location, or Facility Information (if applicable):

| | |
|-----------------------------|--------------------------------|
| API Number: 05-123-36599-00 | Facility or Location ID: |
| Name: State Antelope | Number: 44-41-12HNB |
| QtrQtr: SWSE Sec: 12 | Twp: 5N Range: 62W Meridian: 6 |
| County: WELD | |

ALLEGED VIOLATION

| | |
|---|--|
| Rule: 308A | |
| Rule Description: Drilling Completion Report | |
| Initial Discovery Date: | Was this violation self-reported by the operator? No |
| Date of Violation: | Approximate Time of Violation: |
| Was this a discrete violation of obvious duration? No | |
| Description of Alleged Violation: | |
| <p>Pursuant to Rule 308A., as in effect at the time of drilling of this well, Operator was required to submit a Form 5, Drilling Completion Report, within thirty (30) days of the setting of production casing for State Antelope 44-41-12HNB (API 123-36599). The production casing for the -00 wellbore was set on April 12, 2013 and the production casing for the -01 wellbore was set on April 20, 2013. Operator submitted a preliminary Form 5, Drilling Completion Report for the -00 wellbore on March 18, 2013 (Document #400391664), but the required "as built" GPS coordinates and cement summary for the whipstock were not submitted. Document #400391664 was incomplete and could not be approved. Operator failed to submit a Form 5, Drilling Completion Report, for the -01 wellbore and, on November 11, 2013, COGCC staff requested that Operator submit the Final Form 5, Drilling Completion Report, for the -01 wellbore. The Final Form 5, Drilling Completion Report, (Document #400863878) was not submitted until July 8, 2015. Additional COGCC staff requests to Operator for missing information were not addressed until February 29, 2016 when a Form 4, Sundry Notice, was submitted with the required cement job summary for the whipstock, a requirement for the Form 5 for the -00 wellbore. Operator failed to timely submit complete Form 5, Drilling Completion Reports, for the -00 wellbore and -01 wellbore, violating Rule 308A.</p> | |
| Abatement or Corrective Action Required to be Performed by Operator: | Corrective Action Due Date: 03/20/2017 |
| Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation. | |
| Operator shall submit a Form 4, Sundry Notice, to detail internal procedures that will ensure that complete, accurate, and timely Form 5 reporting will be submitted in the future. | |

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 judgement 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.

NOAV ISSUED

NOAV Issue Date: 02/17/2017

COGCC Representative Signature: _____

COGCC Representative: Barbara Westerdale

Title: Permit/Completion Supervi

Email: barbara.westerdale@state.co.us

Phone Num: (303) 894-2100x5159

CORRECTIVE ACTION COMPLETED

Rule: 308A

Rule Description: Drilling Completion Report

Corrective Action Start Date: _____

Corrective Action Complete Date: 02/29/2016

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Operator submitted a complete Form 5 on February 29, 2016.

FINAL RESOLUTION

Cause #: 1V

Order #: 627

Docket #: 170500187

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 05/01/2017

Final Resolution Comments:

Resolved via Order Number 1V-627, entered on May 1, 2017.

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

| <u>Document Number</u> | <u>Description</u> |
|------------------------|------------------------------------|
| 401213288 | NOAV COVER LETTER |
| 401213289 | NOAV CERTIFIED MAIL RECEIPT |
| 401213477 | NOAV ISSUED |
| 401213483 | NOAV IN PROCESS |
| 401216848 | NOAV CERTIFIED MAIL RETURN RECEIPT |

Total Attach: 5 Files