

State of Colorado
Oil and Gas Conservation Commission

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



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Date Issued:
01/25/2021
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: 10654

Name of Operator: LASSO OIL & GAS LLC

Address: 3021 RIDGE RD #156

City: ROCKWALL State: TX Zip: 75032

Contact Name and Telephone:

Name: KRIS FREEMAN

Phone: (254) 717-0435 Fax: ()

Email: kfreeman@31operating.com

Well Location, or Facility Information (if applicable):

API Number: 05-103-05344-00

Facility or Location ID:

Name: M V SMITH

Number: 31

QtrQtr: NENE

Sec: 9

Twp: 1N

Range: 102W

Meridian: 6

County: RIO BLANCO

ALLEGED VIOLATION

Rule: 309

Rule Description: Operator's Monthly Report of Operations

Initial Discovery Date: 01/25/2021

Was this violation self-reported by the operator? No

Date of Violation: 08/15/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 309.a, Lasso Oil & Gas, LLC ("Operator") is required to submit Form 7 for all existing oil and gas wells that are not plugged and abandoned, within 45 days after the end of each month. Operator is required to report the well every month from the month it is spud until it has been reported for one month as abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.

Based on COGCC records, Operator failed to file Form 7, Monthly Reports of Operations, from June 2020 through November 2020, violating Rule 309.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/24/2021

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Confirm that all required Form 7s are submitted, accurate, and up-to-date.

Rule: 326.b

Rule Description: Shut-in Wells

Initial Discovery Date: 01/25/2021

Was this violation self-reported by the operator? No

Date of Violation: 08/01/2020

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.b., Lasso Oil & Gas, LLC ("Operator") is required to conduct a Mechanical Integrity Test ("MIT") on Shut-in ("SI") wells within two years of the initial shut-in date and then at five (5) year intervals after an initial successful MIT.

According to COGCC records, Operator's well has been Shut-In since August 2018 and became past due for an MIT in August 2020, violating Rule 326.b. No Form 42 reporting intent to conduct the test, Field Inspection Report, or Form 21 suggest that the test was performed.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/24/2021

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator shall conduct an MIT on the Well or plug and abandon the Well.

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. An answer will, at a minimum, discuss the allegations contained in the NOAV, responding to each; identify corrective actions taken in response to the NOAV, if any; and identify facts known to the operator at the time that are relevant to the operator's response to the alleged violations. 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: 01/25/2021

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

Rule: 309

Rule Description: Operator's Monthly Report of Operations

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

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

Description of Actual Corrective Action Performed by Operator

Rule: 326.b

Rule Description: Shut-in Wells

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

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

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: _____

Order #: _____

Docket #: _____

Enforcement Action: _____

Final Resolution Date: _____

Final Resolution Comments:

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>
402581968	NOAV ISSUED
402581969	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files