

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS ) CAUSE NO. 1V  
OF THE RULES AND REGULATIONS OF THE )  
COLORADO OIL AND GAS CONSERVATION ) DOCKET NO. 170700186  
COMMISSION BY **NOBLE ENERGY INC**, WELD ) TYPE: ENFORCEMENT  
COUNTY, COLORADO ) ORDER NO. 1V-639

**ADMINISTRATIVE ORDER BY CONSENT**

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the  
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

1. Noble Energy Inc. ("Noble") (Operator No. 100322) is the operator of record for the Lilli Unit 14-5 underground control injection ("UIC") well ("Well") (API# 05-123-13434) in Weld County, Colorado.
2. On July 27, 2016, Noble conducted a mechanical integrity test ("MIT") on the Well, witnessed by a COGCC inspector who noted it on Field Inspection Form 684901826.
3. Rule 316B requires an operator to submit results of any mechanical integrity test "on Form 21, Mechanical Integrity Test, within 30 days after the test."
4. Noble failed to submit a Form 21 for the July 27, 2016 MIT until February 24, 2017. (Doc No. 401218123)
5. Prior to the July 27, 2016 MIT, Noble conducted the last MIT on the Well on June 21, 2011. (Doc. No. 2001160)
6. Rule 326.a.(4)A requires that dedicated injection wells be tested "at a rate of not less than one test every five years[.]"
7. Based on the prior June 21, 2011 MIT on the Well, the next MIT was due no later than June 21, 2016. Noble therefore conducted the July 27, 2016 MIT 36 days late.
8. On February 9, 2017, COGCC Staff issued a Notice of Alleged Violation ("NOAV") (No. 401202313) to Noble for alleged violations at the Well. The NOAV cited violations of the following COGCC Rules of Practice and Procedure, 2 C.C.R. 404-1 ("Rule" or "Rules"):
  - a. Rule 316B - Mechanical Integrity Test; and
  - b. Rule 326.a. Mechanical Integrity Test – Injection Wells.

9. Following a factual investigation and legal review of the violations alleged in the NOAV, the Hearings Staff now asserts Noble has committed the following violations:

- a. One 182-day violation of Rule 316B because Noble did not submit a Form 21 within 30 days after completing the MIT on the Well on July 27, 2016; and
- b. One 36-day violation of Rule 326.a. because Noble failed to conduct an MIT within five years of its last MIT on the Well.

10. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings staff calculated a penalty of \$40,294 for this violation. The penalty calculation is based on the following:

Rule No.	Class	Impact	Daily Base Penalty	Start Date	End Date	Days of Violation	Penalty
316B	1	Minor	\$200	8/26/2016	2/24/2017	182	\$3,596
326.a.	2	Minor	\$2,500	6/21/2016	7/27/2016	36	\$36,500
						Total	\$40,096

- a. Rule 316B:
  - i. Class 1 Violation;
  - ii. Minor impact;
  - iii. Start Date: August 26, 2016 (date Form 21 due);
  - iv. End Date: February 24, 2017 (date Form 21 submitted);
  - v. 182 days of violation; and
  - vi. \$ 200 per day base penalty;
- b. Rule 326.a:
  - i. Class 2 Violation;
  - ii. Minor impact;
  - iii. Start Date: June 21, 2016 (date MIT due);
  - iv. End Date: July 27, 2016 (Date MIT performed);
  - v. 36 days of violation; and
  - vi. \$2,500 per day base penalty;
- c. Both Violations:
  - i. Duration matrix of Enforcement Guidance and Penalty Policy;
  - ii. No aggravating factors;
  - iii. No mitigating factors;
  - iv. No pattern of violation; and
  - v. No gross negligence or knowing and willful misconduct.

AGREEMENT

NOW, THEREFORE, based on the Findings and pursuant to Rule 522.e.(1) and the Commission's Enforcement and Penalty Policy, the Director and Noble request that the Commission approve the Order set forth below.

RECOMMENDED this 22 day of June, 2017.

OIL AND GAS CONSERVATION COMMISSION OF  
THE STATE OF COLORADO

By David A. Beckstrom  
David A. Beckstrom, Assistant Attorney General

AGREED TO AND ACCEPTED this 29<sup>th</sup> day of June, 2017.

NOBLE ENERGY INC.

By R M Paterson  
Signature of Authorized Company Representative

R M PATTERSON  
Print Signatory Name

VP DJ BASIN NOBLE ENERGY  
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Noble to resolve the NOAV, the COMMISSION ORDERS:

1. Noble is found in violation of Rule 316B and 326.a. as described above.
2. Noble is assessed a penalty of \$40,096.
3. Noble will pay \$40,096 within 30 days after this approved AOC is mailed by the Commission.
4. This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.

5. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

=====

ENTERED this 25<sup>th</sup> day of July, 2017 as of 24 day of July, 2017.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By James P. Rowe  
James P. Rowe, Acting Secretary

CERTIFICATE OF MAILING

On August 7<sup>th</sup>, 2017, a true and accurate copy of Commission Order 1V-639 was mailed by first-class mail return receipt requested to the following:

Noble Energy Inc.  
Attn. Scott Park  
1625 Broadway, Suite 2200  
Denver, CO 80202

Margaret Humecki  
Margaret Humecki