

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

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE) DOCKET NO. 170500011
COLORADO OIL AND GAS CONSERVATION) TYPE: ENFORCEMENT
COMMISSION BY NOBLE ENERGY, INC., WELD) ORDER NO. 1V-629
COUNTY, COLORADO)

ADMINISTRATIVE ORDER BY CONSENT

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

FINDINGS

Doll Well

1. Noble Energy, Inc. ("Noble") (Operator No. 100322) is the operator of the Doll 23-1 Well (API 05-123-11886) ("Doll Well") in Weld County, Colorado.
2. On May 2, 2014, Noble set a bridge plug and temporarily abandoned the Doll Well (Doc. No. 400884429).
3. Noble failed to timely file an approvable Form 5A, Completed Interval Report ("Form 5A") or a Form 4, Sundry Notice: Request for Temporary Abandonment Status ("Form 4") for the temporary abandonment of the Doll Well.
4. On September 23, 2016, Commission Staff issued Notice of Alleged Violation ("NOAV") No. 401103177 to Noble for violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules"):
 - a. Rule 308B (COGCC Form 5A, Completed Interval Report), and
 - b. Rule 319.b. (Abandonment/Temporary Abandonment).
5. Prior to the Corrective Action Due Date identified in the NOAV, on October 13, 2016, Noble filed an approvable Form 5A (Doc. No. 400884429) and Form 4 (Doc. No. 400967583) for the Doll Well, satisfying the corrective action requirements of NOAV No. 401103177 for the violations of Rule 308B and Rule 319.b.

Easton Well

6. Noble is the operator of the Easton 2 Well (API 05-123-11709) ("Easton Well") in Weld County, Colorado.
7. On October 26, 2015, Noble set a bridge plug and temporarily abandoned the Easton Well (Doc. No. 401136082).
8. Noble failed to timely file a Form 5A for the Easton Well.

9. Noble also failed to accurately report the status of the Niobrara/Codell as Temporarily Abandoned on its Form 7, Operator's Monthly Report of Operations ("Form 7") for the Easton Well.

10. Noble also failed to timely file a Form 4 for the Easton Well.

11. On March 3, 2017, Commission Staff issued NOAV No. 401224666 to Noble for violations of the following Rules:

- a. Rule 308B (COGCC Form 5A. Completed Interval Report),
- b. Rule 309 (Operator's Monthly Report of Operations), and
- c. Rule 319.b. (Abandonment/Temporary Abandonment).

12. Prior to the Corrective Action Due Date identified in the NOAV, on October 27, 2016, Noble filed a Form 5A (Doc. No. 401136082) for the Easton Well, satisfying the corrective action requirements for NOAV No. 401224666 for the violation of Rule 308B.

13. On January 24, 2017, Noble filed a Form 4 (Doc. No. 401193071) for the Easton Well, satisfying the corrective action requirements for NOAV No. 401224666 for the violation of Rule 319.b.

14. Prior to the Corrective Action Due Date identified in the NOAV, on March 20, 2017, Noble submitted corrective Form 7s for the Easton Well, satisfying the corrective action requirements for NOAV No. 401224666 for the violation of Rule 309.

Additional Wells

15. Noble disclosed an additional 134 temporarily abandoned wells that required the submission of additional or corrected Form 4s and Form 5As. Noble subsequently submitted the required Form 4s and Form 5As for the 134 additional wells, which were approved prior to the execution of this AOC.

PENALTY CALCULATION

16. Following factual investigation and legal review of the violations alleged in the two NOAVs and the additional 134 temporarily abandoned wells disclosed by Noble, Hearing Staff now asserts Noble has committed the following violations:

- a. One 234-day violation of Rule 308B for failing to timely submit a Form 5A reporting the completed formations of the Easton Well as temporarily abandoned;
- b. One 378-day violation of Rule 309 for failing to properly report the completed formations of the Easton Well as TA; and

- c. One 323-day violation of Rule 319.b. for failing to timely submit a Sundry requesting approval to temporarily abandoning the Easton Well.

Rule No.	Days of Violation	Start Date	End Date	Class	Impact	Daily Base Penalty	Total Penalty
308B	234	3/7/2016	10/27/2016	2	Minor	\$2,500	\$54,200
309	378	3/7/2016	3/20/2017	1	Minor	\$200	\$4,161
319.b.	323	3/7/2016	1/24/2017	1	Minor	\$200	\$4,019
SUBTOTAL							\$62,380
Discount (25%)							-\$15,595
TOTAL PENALTY							\$46,785

17. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings Staff calculated a total penalty of \$46,785 for these violations. The penalty calculation is based on the following:

a. Rule 308B:

- i. Calculated days of violation limited by one-year statute of limitations (§34-60-115, C.R.S.) starting one year prior to service of NOAV No. 401224666 and ending on October 27, 2016, when Noble submitted the delinquent Form 5A;
- ii. Class 2, minor impact;
- iii. Daily base penalty of \$2,500;

b. Rule 309:

- i. Calculated days of violation limited by one-year statute of limitations (§34-60-115, C.R.S.) starting one year prior to service of NOAV No. 401224666 and ending on March 20, 2017, when Noble submitted corrective Form 7s;
- ii. Class 1, minor impact;
- iii. Daily base penalty of \$200;

c. Rule 319.b.:

- i. Calculated days of violation limited by one-year statute of limitations (§34-60-115, C.R.S.) starting one year prior to service of NOAV No. 401224666 and ending on January 24, 2017, when Noble submitted the delinquent Sundry Notice requesting approval to TA the Easton Well;
- ii. Class 1, minor impact;

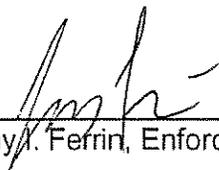
- iii. Daily base penalty of \$200;
- d. Application of the Duration Matrix from the COGCC Enforcement Guidance and Penalty Policy January 2015 (corrected 4/8/2015);
- e. Application of a 25% discount for settlement inducement; and
- f. No aggravating factors, mitigating factors, pattern of violation, 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 24 day of April, 2017.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By 
Jeremy A. Ferrini, Enforcement Officer

AGREED TO AND ACCEPTED this 24 day of April, 2017.

NOBLE ENERGY, INC.

By 
Signature of Authorized Company Representative

CHARLES J. RIMER SR VP USO
Print Signatory Name and Title

ORDER

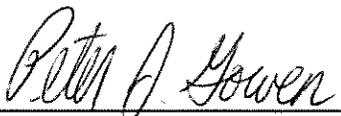
HAVING CONSIDERED the Agreement between the Director and Noble to resolve the NOAVs, the COMMISSION ORDERS:

1. Noble is found in violation of Rules 308B, 309, and 319.b., as described above.
2. Noble is assessed a total penalty of \$46,785.
3. Noble will pay \$46,785, by certified check, within 30 days after this approved AOC is mailed by the Commission.
4. Failure to pay the penalty by the above deadline is an independent violation that may be subject to additional penalties. The deadline for payment of the penalty specified in this Order may only be extended for good cause, as determined at the Director's sole discretion.
5. This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.
6. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above Order.

=====

ENTERED this 1ST day of May, 2017 as of the 1ST day of May, 2017.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Peter J. Gowen, Acting Secretary

CERTIFICATE OF MAILING

On May 4th, 2017, a true and accurate copy of Order 1V-629 was mailed by certified mail, return receipt requested to the following address:

Noble Energy, Inc.
Attn: Denee A. DiLuigi, Esq.
1625 Broadway, Ste 2200
Denver, CO 80202



Margaret Humecki