

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:  
01/06/2016  
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: <u>10459</u>	Contact Name and Telephone:
Name of Operator: <u>EXTRACTION OIL &amp; GAS LLC</u>	Name: <u>Matt Owens</u>
Address: <u>370 17TH STREET SUITE 5300</u>	Phone: <u>(720) 301-1463</u> Fax: <u>( )</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>mowens@extractionog.com</u>

Additional Operator Contacts	Email
Jim Precup	james.precup@state.co.us
Jeffrey Rickard	jeffrey.rickard@state.co.us
Mike Leonard	mike.leonard@state.co.us
John Noto	john.noto@state.co.us
Margaret Ash	margaret.ash@state.co.us
Megan Adamczyk	megan.adamczyk@state.co.us
Peter Gowan	peter.gowen@state.co.us

**Well Location, or Facility Information (if applicable):**

API Number: 05- - -00 Facility or Location ID: 443649  
 Name: Johnson Trust Number: 13-I Pad  
 QtrQtr: NWSW Sec: 13 Twp: 2N Range: 68W Meridian: 6  
 County: WELD

**ALLEGED VIOLATION**

Rule: 34-60-121(1)  
CRS-b  
 Rule Description: Statutory Violation - Permit Violation  
 Initial Discovery Date: \_\_\_\_\_ Was this violation self-reported by the operator? No  
 Date of Violation: 12/19/2015 Approximate Time of Violation: \_\_\_\_\_  
 Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

On October 21, 2015, COGCC approved Extraction Oil & Gas LLC's (Extraction) Form 2 (Document #400689178) and Form 2A (Document #400689054) submissions permitting ground disturbance activity for Johnson Trust (Location #443649) with Conditions of Approval (COAs) requiring: 1) sound walls be used to surround the generators during drilling operations to shield sensitive areas, and 2) sound walls and/or hay bales to be used to surround the well site during drilling operations to shield sensitive areas. On December 19, 2015, Extraction commenced drilling surface casing for the Johnson Trust #9 well. On December 21, 2015, in response to ten (10) complaints received December 19, 2015 through December 21, 2015 (Document #'s 200438411, 200438392, 200438389, 200438388, 200438386, 200438384, 200438383, 200438412, 200438413, and 200438417) COGCC staff conducted an inspection of Johnson Trust #9 (Document #674102841) and observed that no sound walls and/or hay bales were installed around the generators or the rest of the location prior to conducting drilling operations from December 19, 2015 through December 20, 2015.

On December 23, 2015, COGCC staff conducted a follow up inspection of Johnson Trust #9 (Document #674102858) which confirmed that no drilling was being conducted and sound walls were in the process of being installed. On December 26, 2015, Extraction resumed drilling operations with work on the Johnson Trust #8 well. On December 28, 2015, in response to an additional noise complaint (Document# 200438608), COGCC staff conducted another follow up inspection of Johnson #9 (Document #674102860) and observed that the sound walls were not completed. Extraction discontinued drilling at the Johnson Trust location on December 29, 2015 as confirmed by COGCC staff. Extraction conducted drilling at the Johnson Trust location from December 19, 2015 through December 20, 2015 and December 26, 2015 through December 29, 2015 without installing sound walls and/or hay bales to shield sensitive areas, violating COGCC COAs and 34-60-121(1), C.R.S.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 12/30/2015

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

Extraction shall complete installation of sound walls per the requirements of the COGCC COAs prior to resuming drilling operations.

### 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](mailto:dnr_cogccenforcement@state.co.us).

### NOAV ISSUED

NOAV Issue Date: 01/06/2016

COGCC Representative Signature: \_\_\_\_\_

COGCC Representative: Dave Kulmann Title: Deputy Director - Field O

Email: dave.kulmann@state.co.us Phone Num: (303) 894-2100x5189

### CORRECTIVE ACTION COMPLETED

Rule: 34-60-121(1)  
CRS-b

Rule Description: Statutory Violation - Permit Violation

Corrective Action Start Date: \_\_\_\_\_ Corrective Action Complete Date: \_\_\_\_\_

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

Description of Actual Corrective Action Performed by Operator

Extraction discontinued drilling Operations without sound walls in place.

### FINAL RESOLUTION

Cause #: 1V Order #: 572 Docket #: 160400142

Enforcement Action: Administrative Order of Consent Final Resolution Date: 04/18/2016

Final Resolution Comments:

Resolved via Order Number 1V-572, entered on April 18, 2016. Penalty assessed. No additional corrective action by Operator is required under the order.

### 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>
400965038	NOAV CERTIFIED MAIL RECEIPT
400965048	NOAV COVER LETTER
400965049	NOAV ISSUED
400965057	NOAV In PROCESS
400984727	ORDER CERTIFIED MAIL RETURN RECEIPT

Total Attach: 5 Files