



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER # 401272087

05/26/2017

FOUNDATION ENERGY MANAGEMENT LLC (# 10112)

JOEL SAUER

jsauer@foundationenergy.com

16000 DALLAS PARKWAY #875

DALLAS, TX 75248-6607

SESW, 34, 8N, 60W, WELD

This Warning Letter is to inform you that FOUNDATION ENERGY MANAGEMENT LLC (“Operator”) may be in violation of the rules and regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”) and corrective action is required.

The COGCC has reasonable cause to believe that the Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. The Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

312 Certificate of Clearance and/or Change of Operator

Violation Date: 01/03/2018

Violation Discovery Date: 05/02/2017

Description of Alleged Violation: Pursuant to Rule 312.i., a Form 12, Gas Facility Registration, shall be filed for gathering systems, gas processing plants, and gas storage facilities for proper registration. The operator shall provide a GPS reading in accordance with Rule 215.f. A topo map shall be submitted identifying the legal location of the facility and a facility location drawing shall depict all surface structures. Foundation Energy Management LLC (Operator) submitted a Form 2A, Oil and Gas Location Assessment, (Document #400700579) that indicates the Hoffman Facility #159503 located at SESW Sec34-8N-60W in Weld County, Colorado has two (2) gas compressors and a gas gathering pipeline on location, but no Form 12, Gas Facility Registrations, have been submitted to register the compressors or the gas gathering pipeline, violating Rule 312.i.

Required Corrective Action: Operator shall submit separate Form 12, Gas Facility Registrations, for each gas compressor and for the gas gathering pipeline at the Hoffman Facility #159503. Each Form 12 must

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Tommy Holton, Kent Jolley, Robert W. Randall, Dr. Larry Wolk

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include a topo map identifying the legal location of the gas facility, a facility location drawing depicting all surface structures, and GPS NAD 83 readings for the facility.

Corrective Action Deadline Date: 06/02/2017

How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the COGCC staff identified below by the Corrective Action Deadline Date(s):

COGCC Enforcement: Steven Mah
Email: Steven.Mah@state.co.us

Title: NOAV Specialist
Phone Num: (303) 894-2100 x5172

COGCC Representative: Martha Ramos

Title: Financial Assurance Super
Phone Num: (303)894-2100x5123

Email: martha.ramos@state.co.us

If you have any procedural questions about this Warning Letter, please contact Steven Mah.

If you have any technical questions about this Warning Letter, please contact the COGCC Representative identified above.

Failure to Comply with Warning Letter:

If the Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above the COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

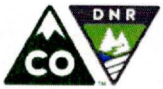
Sincerely,

Martha Ramos
Financial Assurance Super
(303)894-2100x5123
martha.ramos@state.co.us

Attachments

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





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Document Number **Description**

401272163	WARNING LETTER DOCUMENTATION
401272166	WARNING LETTER DOCUMENTATION
401294075	WARNING LETTER CERTIFIED MAIL RECEIPT

Total Attach: 3 Files

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