

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 COLORADO)
OIL AND GAS CONSERVATION COMMISSION BY) ORDER NO. 1V-
JACK GRYNBERG DBA GRYNBERG PETROLEUM CO.) DOCKET NO. 1210-OV-13
MOFFAT COUNTY, COLORADO)

NOTICE OF ORDER FINDING VIOLATION HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission on October 1, 2012, for an Order Finding Violation ("OFV") against Jack Grynberg DBA Grynberg Petroleum Company ("Grynberg") (Operator No. 36200).

Chivington No. 1 Well

On or about February 22, 1966, Grynberg spud the Chivington No. 1 Well (API No. 05-081-05709) ("Well"), located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 20, Township 12 North, Range 97 West, 6th P.M. The Chivington No. 1 Well was subsequently conveyed (via joint operating agreement dated December 30, 1965) to Abram N. Spanel and Carl A. Houy in 1967; to Charles H. Martin on January 1, 1976; to Carl A. Houy on October 5, 1976; to V.W. McKnab on June 1, 1981; and to its current owner, Grynberg Petroleum Company on June 1, 1985.

On April 22, 2009, COGCC Staff issued Notice of Alleged Violation ("NOAV") No. 200208886 to Grynberg for its operations at the Chivington No.1 Well. The NOAV cited a violation of Rule 326.b.(1).

NOAV No. 200208886 required the following abatement or corrective action to be taken by Grynberg: 1) produce the well; 2) perform a mechanical integrity test on the well and the well must pass the test; or 3) properly plug and abandon the well. These actions were required to be completed by October 22, 2009.

On October 20, 2011, COGCC Staff issued NOAV No. 200329351 to Grynberg for its operations at the Chivington No.1 Well. The NOAV cited a violation of Rule 326.b.(1).

NOAV No. 200329351 required the following abatement or corrective action to be taken by Grynberg: 1) produce the well; 2) perform a mechanical integrity test on the well and the well must pass the test; or 3) properly plug and abandon the well. These actions were required to be completed by January 23, 2012.

Rule 523.c. specifies a base fine of One Thousand dollars (\$1,000) per day for violations of Rule 326. It appears that the violation alleged occurred for a period of more than ten (10) days, however, the violations did not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare, including the environment or wildlife resources. Accordingly, the maximum penalty for any single violation shall not exceed Ten Thousand dollars (\$10,000) regardless of the number of days of such violation. COGCC Staff has calculated a base fine of Ten Thousand dollars (\$10,000) for violations of the Rule for the Chivington No. 1 Well.

Grynberg failed to comply with NOAV Nos. 200208886 and 200329351, or show meaningful progress toward compliance. COGCC Staff therefore requests that Grynberg be found in violation of Rule 326.b.(1) for its operations at the Chivington No. 1 Well and assessed an appropriate fine.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, October 1, 2012
Tuesday, October 2, 2012

Time: 9:00 a.m.

Place: Centennial Hall
Citizen's Meeting Room
124 10th Street
Steamboat Springs, CO 80487

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than September 17, 2012, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of September 17, 2012.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By



Robert J. Frick, Secretary

Dated: August 23, 2012