

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES AND) CAUSE NO. 1V
REGULATIONS OF THE COLORADO OIL AND GAS)
CONSERVATION COMMISSION BY CHARLES P. DUNNING,) DOCKET NO. 1307-OV-14
WELD 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 at its July 29, 2013 hearing for an Order Finding Violation ("OFV") against Charles P. Dunning ("Dunning") (Operator No. 200077).

On August 17, 1995, Peterson Energy Company spud the Shoemaker #4-19 Well ("#4-19 Well") (API # 05-123-18989), located in the NW ¼, NW ¼, Section 19, Township 9 North, Range 58 West, 6th P.M. in Weld County. On October 1, 2010, the #4-19 Well was transferred to its current operator, Charles P. Dunning. No production reports exist for the #4-19 Well since 1999, when electronic records are first available.

On June 30, 1995, Edward Mike Davis, LLC spud the Shoemaker #7-19 Well ("#7-19 Well") (API #05-123-18970), located in the SW ¼, NE ¼, Section 19, Township 9 North, Range 58 West, 6th P.M. in Weld County. On August 25, 1995, the #7-19 Well was transferred to Peterson Energy Operating, Inc. On October 1, 2010, it was transferred to its current owner, Charles P. Dunning. The #7-19 Well has not produced in approximately six years, during which time it has been shut-in.

On March 3, 2013, the COGCC issued notices of alleged violation ("NOAV's") No. 200375902 (for the #7-19 Well) and No. 200375903 (for the #4-19 Well) citing alleged violations of Rule 319.b and Rule 326.b.(1).

Rule 319.b(1) (Temporarily Abandoned Well Sundry Notice) requires operators to file a Sundry Notice requesting continued temporarily abandoned status for wells temporarily abandoned longer than six months. Approval of the initial Sundry Notice grants temporarily abandoned status for six months. Rule 319.b.(3) (Temporarily Abandoned Well Application) requires that wells which have ceased production or are incapable of production or injection be abandoned within six months thereafter unless the time is extended by the Director upon application by the owner.

Rule 326.b.(1) (Shut-in Wells) requires that idle wells pass a mechanical integrity test ("MIT") within two years of being shut-in or within 30 days of being temporarily abandoned. Subsequent MITs are required at five year intervals from the date of an initial MIT.

Rule 523 specifies a base fine of One Thousand Dollars (\$1,000) for each day of violation of Rules 319.b. and 326.b.(1). Rule 523.a.(3) specifies that the maximum penalty for any single violation shall not exceed \$10,000 regardless of the number of days of such violation, unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare or the environment. Staff has calculated a base fine of \$ 40,000 for the alleged rule violations based on no significant impact, and a 10 day duration for each violation.

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, July 29, 2013
Tuesday, July 30, 2013

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

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 July 15, 2013 briefly stating the basis of the protest or intervention. An original and two copies shall be filed with the Commission along with an electronic version. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of July 15, 2013. 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.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 

Robert J. Frick, Secretary

Dated: June 27, 2013

Colorado Oil and Gas Conservation Commission
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