

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 AXIA ENERGY LLC, MOFFAT) DOCKET NO. 1307-OV-20
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 Axia Energy LLC ("Axia") (Operator No. 10335).

On August 31, 2012, Axia Energy LLC spud the Bulldog 5-31H-790 Well (API No. 05-081-07727-01) ("Well"), located in Lot 6, Section 5, Township 7 North, Range 90 West, 6th P.M. Site specific conditions of approval were imposed on the approval of the Form 2A - Oil and Gas Location Assessment (Doc. 400255568) and on the approval of Axia's Form 15 - Earthen Pit Permit (Doc. 400306819).

COGCC Staff inspected the Well location and the Bulldog 5-31H-790 Completion Pit (Facility No. 429725) ("Pit") on December 10, 2012 (Doc. 669300286) and December 12, 2012 (Doc. 669300288). The Pit was re-inspected on January 9, 2013, (Doc. 667100022) after a January 3, 2013 explosion and fire at the Pit.

On April 13, 2013, COGCC Staff issued an Amended Notice of Alleged Violation ("NOAV") No. 200375865 to Axia Energy LLC for its operations at the Pit, citing alleged violations of § 34-60-121(1) C.R.S., and alleged violations of the following Rules: 303.d, 324A.a, 604.d, 902., 903, 906.a, 907. and 1002.f.

Rule 523.c specifies a base fine of \$1,000 for each day of violation of Rules 303, 324A, 604, 902, 903, 906, 907, and 1002, and each violation of a condition of permit and site approval pursuant to §34-60-121(1) C.R.S. Rule 523.a.(3) further 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, including the environment or wildlife resources. Staff is not alleging significant impact.

COGCC Staff is seeking an order finding violation (OFV) against Axia Energy LLC for violating § 34-60-121(1) C.R.S., and Rules 324A.a, 604.d, 902, 903, 906.a, 907 and 1002.f for its operations at the Bulldog 5-31H Completion Pit.

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

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(1307-OV-20)

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 2 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: July 2, 2013

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109