

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE)	CAUSE NO. 1V
RULES AND REGULATIONS OF THE COLORADO OIL)	
AND GAS CONSERVATION COMMISSION BY JACK)	DOCKET NO. 150500150
GRYNBERG, DBA GRYNBERG PETROLEUM CO,)	TYPE: ENFORCEMENT
MOFFAT AND WELD COUNTIES, COLORADO)	

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.e., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission at its May 18-19, 2015 hearing for an Order Finding Violation ("OFV") against **JACK GRYNBERG, DBA GRYNBERG PETROLEUM CO** ("Grynberg") (Operator No. 36200). This Notice and Application is being served to adjudicate the allegations made in the below-described Notice of Alleged Violations ("NOAV's"), the allegations of which are incorporated herein.

Grynberg is the operator of the following wells:

<u>Name</u>	<u>API No.</u>	<u>County</u>	<u>NOAV No.</u>
Hiawatha Deep 4-36	05-081-07427	Moffat	2157844
Croissant 4	05-123-21651	Weld	200423091

On December 17, 2008, the Hiawatha Deep #4-36 Well was spud. Although Rule 308A requires a Form 5 – Drilling Completion Report within 30 days of rig release, and Form 5 requires reports of tops and bottoms of all geologic formations permitted on the Form 2 – Application for Permit to Drill, Grynberg has not reported all tops and bottoms of permitted formations as required.

Rule 308B requires a Form 5A – Completed Interval Report be submitted within 30 days of a formation's completion attempt. The Form 5A Grynberg submitted was late and remains incomplete, despite repeated staff requests for the information necessary to complete the Form 5A.

Rule 309, requires a Form 7- Operator's Monthly Report of Operations be submitted continuously each month beginning with the first month that the well was spud until the month after the well is abandoned. Grynberg's Form 7's have consistently failed to report monthly operations on the Baxter, Frontier, and Nugget formations as required.

In April 2014, Grynberg recompleted the Croissant 4 Well in the Niobrara and Codell formations. Grynberg did not file the required Form 5A – Completed Interval Report as required by Rule 308B.

Staff believes Grynberg hydraulically stimulated the Croissant 4 Well in 2014, without providing a Notice of Intent to Conduct Hydraulic Fracturing Treatment as required by Rule 316C.a, and without disclosing hydraulic fracturing chemicals as required by Rule 205A.

On March 17, 2014, the Commission entered Order No. 1V-449 against Grynberg for a violation of Rule 326.b.1 at the Croissant 4 Well. Paragraph 5 of the Commission's order required Grynberg to submit a Form 4 – Sundry Notice within 30 days of the Order to request extension of temporarily abandoned status for the well. No Form 4 was submitted as required by Order No. 1V-449.

Order No. 1V-449 assessed a \$10,000 penalty, of which \$5,000 was due 30 days after approval of the Order and \$5,000 was suspended provided Grynberg remains compliant with all Commission Rules at the Well for one year from the date the Order. Alleged violations of Rules 308B, 316C, 205A, and 309 within a year of approval of Order 1V-449, all serve as an independent basis for revoking the suspension of the \$5,000 suspended penalty assessed in Order No. 1V-449.

On December 20, 2013, the Commission approved a Grynberg Form 2 –Application for Permit to Recomplete and Operate for the Croissant 4 Well. A condition of approval of the Form 2, was a requirement to provide 48-hour notice of move in, rig up (MIRU) using an electronic Form 42. Grynberg failed to meet this requirement.

On December 9, 2014, Commission Staff issued a Notice of Alleged Violation ("NOAV") (No. 2157844) to Grynberg for violations related to the Hiawatha Deep 4-36 Well described above. The NOAV cited violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules").

- a. Rule 308A. (Drilling Completion Report);
- b. Rule 308B (Completed Interval Report); and
- c. Rule 309. (Operator's Monthly Report of Operations).

On February 6, 2015, Commission Staff issued a Notice of Alleged Violation ("NOAV") (No. 200423091) to Grynberg for violations related to the Croissant 4 Well described above. The NOAV cited violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules").

- a. Rule 308B (Completed Interval Report);
- b. Rule 316C (Form 42 Field Operations Notice) ;
- c. Rule 205A (Hydraulic Fracturing Chemical Disclosure);
- d. Rule 309. (Operator's Monthly Operations Report);
- e. § 34-60-121(1) C.R.S. (Violation of Commission Order); and
- f. § 34-60-121(1) C.R.S. (Violation of Permit – Conditions of Approval).

COGCC staff requests that Grynberg be found in violation of rules cited above and assessed a penalty pursuant to Rule 523.

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, May 18, 2015
Tuesday, May 19, 2015

Time: 9:00 a.m.

Place: Aims Community College, Fort Lupton Campus
260 College Avenue
Platte Building, Room PL 111 and PL 113
Fort Lupton, CO 80621

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 May 4, 2015 briefly stating the basis of the protest or intervention. One electronic, one original and two 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 May 4, 2015. 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



Jill Dorancy, Acting Secretary

Dated: March 20, 2015

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