

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 ) DOCKET NO. 150700166  
**RANCHERS EXPLORATION PARTNERS LLC,** ) TYPE: ENFORCEMENT  
LARIMER COUNTY, COLORADO )

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.e.(2), the Colorado Oil and Gas Conservation Commission (“Commission” or “COGCC”) Staff will apply to the Commission at its July 20 & 21, 2015 hearing for an Order Finding Violation (“OFV”) against Ranchers Exploration Partners LLC (“Ranchers”) (Operator No.10350). This Notice and Application is being served to adjudicate the allegations made in the below-described Notice of Alleged Violation (“NOAV”), the allegations of which are incorporated herein.

Ranchers is the operator of record of the River West 2 Well (API No. 05-069-06454) and Retta J 1 Well (API No. 05-069-06431) (“Wells”) in Larimer County, Colorado. On September 22, 2014, COGCC Staff inspected the Wells and observed violations of COGCC Rules of Practice and Procedure, 2 CCR 404-1 (“Rule” or “Rules”). These violations were not corrected within the time frames set forth in the Inspection Reports. In addition, Ranchers failed to submit a copy of the CDPHE stormwater permit for the River West 2 Well prior to constructing the Location, a requirement in the Location Form 2A’s Conditions of Approval.

On October 23, 2014, COGCC Staff issued NOAV No. 200415200 for violations of the following Rules at the River West 2 Well:

- a. Rule 603.f. (Waste, Trash, Debris, and Unused Equipment);
- b. Rule 1002.f. (Stormwater Management); and
- c. §34-60-121(1), C.R.S. of the Colorado Oil and Gas Conservation Act.

On October 27, 2014, COGCC Staff issued NOAV No. 200415708 for violations of the following Rules at the Retta J 1 Well:

- a. Rule 1002.f. (Stormwater Management); and
- b. Rule 1004 (Final Reclamation).

COGCC Staff requests that Ranchers be found in violation of rules cited above and assessed a penalty pursuant to Rule 523, and other relief as authorized by law.

Enforcement Staff also requests that, in the event Ranchers fails to pay the penalty and return to compliance, the Commission authorize COGCC Staff to foreclose Ranchers’ existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to:

1. Remediate conditions that threaten to cause, or that actually cause, environmental impacts at oil and gas locations operated by Ranchers;
2. Plug and abandon any wells operated by Ranchers; and
3. Reclaim all well sites and associated facilities operated by Ranchers.

Enforcement Staff also requests that all equipment and appurtenances related to Ranchers' operations, if any, shall become property of the Commission should COGCC Staff initiate any of the activities described in the preceding paragraph. Enforcement Staff requests that COGCC Staff be authorized to dispose of such equipment and appurtenances as it sees fit, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by COGCC Staff.

Enforcement Staff also requests that Ranchers, or its successors or assigns, remain responsible for complying with this Order, including the penalties imposed, in the event Ranchers declares bankruptcy and/or is revived or recapitalized or there is a sale of any well sites or associated facilities operated by Ranchers.

Enforcement Staff also requests that Ranchers, or its successors or assigns, be required to repay any funds expended by the Commission from the Oil and Gas Conservation and Environmental Response Fund for any work undertaken by COGCC Staff.

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 20, 2015  
Tuesday, July 21, 2015

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission  
1120 Lincoln St. Suite 801  
Denver, CO 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 6, 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 July 6, 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  \_\_\_\_\_  
Julie Murphy, Secretary

Dated: May 28, 2015

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