

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

IN THE MATTER OF THE APPLICATION OF	)	CAUSE NO. 1
FORTIGEN RESOURCES, LLC FOR AN	)	
INACTIVE WELL FINANCIAL ASSURANCE	)	DOCKET NO. 181000770
WAIVER FOR 209 INACTIVE WELLS IN	)	
PHILLIPS AND SEDGWICK COUNTIES,	)	TYPE: GENERAL
COLORADO	)	ADMINISTRATIVE

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION

On August 29, 2018, Fortigen Resources, LLC ("Fortigen" or "Applicant"), filed with the Commission an application to approve a request for a waiver of 707.a. and a variance of Rule 326.c. for its inactive wells and a request that the Commission approve its Rule 707 Plan wherein it will, by July 1, 2019, complete one of the following with respect to substantially all of its inactive wells: (a) restore the well(s) to production; (b) schedule the well(s) to be promptly plugged and abandoned; or (c) provide adequate financial assurance with respect to the well(s) as such may exist at that time. Fortigen currently has 206 shallow wells at depths of less than 3,000 feet within the Amherst Field, two (2) additional shallow wells at depths of less than 3,000 feet in the East Marks Butte Field, two (2) salt water disposal wells in the Amherst Field at depths exceeding 3,000 feet, one (1) well to be converted to a salt water disposal well within the East Marks Butte Field with a depth of 3866 feet, and one (1) shut in D sand producer, which is a candidate to be plugged and abandoned. Fortigen currently has \$100,000 in financial assurance, which is the equivalent of 10 inactive wells. Absent granting the waiver requested in its Application, Fortigen would be required to post \$2,050,000 in additional financial assurance. Fortigen requests that the \$2,050,000 requirement be waived by the Commission approving its Rule 707 Plan for returning the inactive wells to production in a timely manner or by plugging and abandoning such wells on an acceptable schedule. Applicant states the regulatory responsibilities of the Commission would be fulfilled by the granting of the Application because, among other things, the wells and related well sites do not pose risk of environmental harm, Applicant is capable of and has the resources to timely and responsibly execute its Rule 707 Plan, and Applicant has valid business reasons for temporarily maintaining the inactive status of its wells, having recently acquired them in their inactive status. Applicant states waste will be avoided by the granting of its Application.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- Rule 326.c. of the Rules and Regulations of the Oil and Gas Conservation Commission require that a mechanical integrity test be performed on temporarily abandoned wells within 30 days of their being temporarily abandoned.
- Rule 707.a. of the Rules and Regulations of the Oil and Gas Conservation Commission

requires that to an extent that an operator's inactive well count exceeds such operator's financial assurance amount divided by ten thousand dollars (\$10,000) for inactive wells less than three thousand (3,000) feet in total measured depth or twenty thousand dollars (\$20,000) for inactive wells greater than or equal to three thousand (3,000) feet in total measured depth, such additional wells shall be considered "excess inactive wells." For each excess inactive well, an operator's required financial assurance amount under Rule 706 shall be increased by ten thousand dollars (\$10,000) for inactive wells less than three thousand (3,000) feet in total measured depth or twenty thousand dollars (\$20,000) for inactive wells greater than or equal to three thousand (3,000) feet in total measured depth. The Rule 707.a. requirement shall be modified or waived if the Commission approves a plan submitted by the operator for reducing such additional financial assurance requirement, for returning the wells to production in a timely manner, or for plugging and abandoning such wells on an acceptable schedule.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: October 29-30, 2018  
Time: 9:00 a.m.  
Place: Colorado Oil and Gas Conservation Commission  
The Chancery Building  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately three days before the hearing.

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.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than October 15, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings\_unit@state.co.us), 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 October 15, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By 

Julie Spence Prine, Secretary

Dated: September 24, 2018

Colorado Oil and Gas Conservation Commission  
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