

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

IN THE MATTER OF THE APPLICATION OF  
MONUMENT GAS MARKETING, INC., FOR AN  
ORDER FROM THE COMMISSION AMENDING  
OR RESCINDING ORDER 1V-238, WHICH  
REQUIRED RE-ENTRY OF THE PLUGGED  
BUCKLEN #2-34 WELL FOR ADDITIONAL  
PLUGGING, LOCATED IN KIOWA COUNTY,  
COLORADO

CAUSE NO: 1V

ORDER NO: 1V-238

DOCKET NO:

**APPLICATION**

COMES NOW Monument Gas Marketing, Inc. ("Applicant"), by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order amending or rescinding Order 1V-238, which required re-entry of the plugged Bucklen #2-34 Well for additional plugging, located in Kiowa County, Colorado. In support of its application, Applicant states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.

2. That Applicant owns a leasehold interest in the following described lands:

Township 17 South, Range 47 West, 6th P.M.  
Section 34: SW/4NW/4  
Kiowa County, Colorado

(hereinafter "Application Lands")

3. The Applicant drilled the Bucklen #2-34 Well on May 17, 2001 pursuant to a duly approved drilling permit. The well was a dry hole.

4. The Applicant diligently plugged the Bucklen #2-34 well. Seven plugs were picked and placed. The picks and plug placement were identical to those in the Koch #1-4 Well, located in Township 18 South, Range 46 West, 6th P.M., Section 4: NE/4SW/4; the #1-X Barlow Well, located in Township 18 South, Range 46 West, 6th P.M., Section 4: NE/4NE/4; the Chickasaw 43-33 Well, located in Township 17 South, Range 46 West, 6th P.M., Section 33: NE/4NE/4; the #1-34 Bucklin Well, located in Township 17 South, Range 46 West, 6th P.M., Section 34: SE/4SW/4; the #1-3 Barlow Well, located in Township 18 South, Range 46 West, 6th P.M., Section 3: NE/4NW/4N/W4; the #2-3 Barlow Well, located in Township 18 South, Range 46 West, 6th P.M., Section 3: NE/4; the #1 King Well, located in Township 18 South, Range 46 West, 6th P.M., Section 3: SE/4SW/4; and the #1 Frank Barlow Well, located in Township 18 South, Range 46 West, 6th P.M., Section 10: NW/4NW/4.

5. A disagreement arose between the Applicant and COGCC staff about whether the top of the Cheyenne Formation was incorrectly picked and whether the cement plugs were properly placed in the Bucklen #2-34 Well to protect the Cheyenne Formation.

6. The COGCC issued a NOAV requiring Applicant to re-enter the well and replace the plugs “at a depth sufficient to protect the Cheyenne and Dakota Formations.” (NOAV, Apr. 18, 2002).

7. A hearing was held on September 23, 2002 before the COGCC. Applicant presented evidence from C. Scott Robinson, Geological Manager for Murfin Drilling Co., Inc. that:

[T]he prospect of successfully washing this hole down past this zone to get a cement plug below it are less than 50-50. With three 40 sx plugs in the Dakota it will be extremely difficult to keep the bit in the cement and not have it wandering off and cutting a new hole in the softer surrounding sand.

Applicant also presented evidence that the water located in the Cheyenne Formation contained 44,000 ppm NaCl. The COGCC nonetheless ordered Applicant to plug the well in accordance with its NOAV by February 1, 2003. (Order 1V-238, Oct. 7, 2002). No penalties or fines were assessed. (*Id.*)

8. Applicant hired an attorney to appeal COGCC’s decision. That attorney filed a Motion for Reconsideration with the COGCC and a hearing was held on January 6, 2003. (Order No. 1-100, Feb. 4, 2003). Applicant’s Motion for Reconsideration was denied on February 4, 2003. (*Id.*)

9. Applicant’s counsel then filed an appeal with the Denver District Court. The appeal was dismissed because the court ruled that prior counsel failed to timely file the appeal. The Denver District Court’s decision was subsequently affirmed by the Colorado Court of Appeals on February 2, 2006. The Colorado Supreme Court denied Applicant’s Petition for Writ of Certiorari on May 22, 2006.

10. Applicant next hired Key Energy Services, Inc. to re-enter the well and replace the plugs as ordered by the COGCC. Key Energy Services, Inc. successfully drilled through the first four plugs. The drill bit skipped off of the fifth plug, however, resulting in a new hole being cut into the softer surrounding sand. Key Energy Services, Inc. was therefore unable to drill through the fifth plug because it was unable to prevent the drill bit from wandering into the new hole. Applicant spent approximately \$68,000 on this unsuccessful re-entry attempt.

11. It will cost Applicant approximately \$75,000 to \$80,000 every time the Applicant subsequently attempts to re-enter the Bucklen #2-34 Well. Moreover, it is no longer technically feasible to drill through the fifth plug because it is very likely that the drill bit will continue to wander into the new hole.

12. The COGCC’s plan for proper plugging and abandonment of the Bucklen #2-34 Well must take into consideration the “cost effectiveness and technical feasibility” of the plan. C.R.S. § 34-60-106(2)(d) (2006).

13. The Applicant respectfully submits that additional re-entry attempts are neither cost effective—particularly given the poor water quality; nor technically feasible because the drill bit has wandered into a new hole. Moreover, the Cheyenne Formation is no more likely to adversely communicate with other horizons through the Bucklen #2-34 Well than it is through the other eight wells which have been similarly plugged and approved by the COGCC.

14. Accordingly, the Applicant respectfully requests the COGCC to rescind Order 1V-238. Alternatively, the Applicant respectfully requests the COGCC to revise Order 1V-238 in order to grant Applicant such other or further relief in law or equity which the COGCC deems to be necessary or appropriate.

15. That the names and addresses of the interested parties to this Application are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in July, 2007, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's requests as set forth above.

DATED: May \_\_\_\_\_, 2007.

By: \_\_\_\_\_

Scott M. Campbell  
POULSON, ODELL & PETERSON, LLC  
1775 Sherman Street, Suite 1400  
Denver, Colorado 80203  
Telephone No.: (303) 861-4400  
Facsimile No.: (303) 861-1225

**VERIFICATION**

STATE OF COLORADO

)

)

ss.

COUNTY OF

)

Randy Campbell, of lawful age, being first duly sworn upon oath, deposes and says that he is the President of Monument Gas Marketing Inc., and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By:

\_\_\_\_\_  
Randy Campbell

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2007.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Exhibit A

[insert names/addresses]

Scott M. Campbell  
POULSON, ODELL & PETERSON, LLC  
1775 Sherman Street, Suite 1450  
Denver, CO 80203

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## AFFIDAVIT OF MAIL

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

Scott M. Campbell, of lawful age, being first duly sworn upon his oath, states and declares:

That he is the attorney for Monument Gas Marketing, Inc., Applicant herein; that on the \_\_\_\_\_ day of May, 2007, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

By: Scott M. Campbell

Subscribed and sworn to before me this \_\_\_\_\_ day of May, 2007.

Witness my hand and official seal.

My commission expires: July 22, 2007.

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Notary Public