

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. 0512-OV-08
MOUNTAIN PACIFIC GENERAL, INC,)	
LAS ANIMAS COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On March 30, 2005, Colorado Oil and Gas Conservation Commission (“COGCC”) staff inspected the Garcia #34-14 Well, the Garcia #3-5 Well, and the Garcia #4-12 Well (the “Wells”). None of the Wells had permanent lease signs. In addition, the Garcia #34-14 Well had unused tubing and equipment stored on site and was leaking gas at the wellhead.

On March 31, 2005, COGCC staff issued Notices of Alleged Violation (“NOAVs”) to Mountain Pacific General, Inc., (“Mountain Pacific”) for alleged violations found on the Wells. The Garcia #34-14 Well was alleged to be in violation of Rule 210.b.(1), no permanent sign located at the wellhead. The Garcia #3-5 Well was alleged to be in violation of Rule 210.b.(1), no permanent sign located at the wellhead. The Garcia #4-12 Well was alleged to be in violation of Rule 210.b.(1), no permanent sign located at the wellhead, Rule 603.j., all locations shall be kept free of equipment not necessary for use on that lease, Rule 912.a., the unnecessary venting of natural gas produced from a well is prohibited, and Rule 308B., a Completed Interval Report, Form 5A, shall be submitted within thirty (30) days of completing a formation. The NOAVs had an abatement date of April 15, 2005.

The NOAVs were sent Certified Mail, Return Receipt to Mountain Pacific. The NOAVs were unclaimed by Mountain Pacific and were returned to the COGCC.

On April 21, 2005 COGCC staff contacted Mr. Jeff Lyon with Mountain Pacific by telephone and informed Mr. Lyon of the alleged violations on the Garcia Wells. Based upon this conversation with Mr. Lyon the NOAVs were resent to Mountain Pacific and were accepted on May 17, 2005.

On June 6, 2005, COGCC staff inspected the three (3) Garcia Wells and found that no abatement work required by the NOAVs had been performed. The field inspection reports specified that the NOAV abatement date had been extended to June 25, 2005 for the three (3) Wells.

On July 8, 2005 and October 5, 2005, COGCC staff inspected the three (3) Wells and found that no abatement work required by the NOAV’s had been performed.

On July 27, 2005, COGCC staff offered Mountain Pacific an Administrative Order By Consent (“AOC”) by certified mail. The return receipt of delivery to Mountain Pacific was received by the COGCC on August 4, 2005.

On August 4, 2005, Mr. Lyon contacted COGCC staff by telephone and expressed a desire to meet with COGCC staff during the week of August 8, 2005, a timeframe which COGCC staff was agreeable, to discuss the AOC. COGCC staff has not heard from Mr. Lyon since the telephone call of August 4, 2005.

Mountain Pacific should be found in violation of Rule 210.b.(1), failure to install a permanent sign at the wellhead, for the Garcia #34-14 Well; Rule 210.b.(1), failure to install a permanent sign at the wellhead, for the Garcia #3-5 Well; Rule 210.b.(1), failure to install a permanent sign at the wellhead, Rule 603.j., all locations shall be kept free of equipment not necessary for use on that lease, Rule 912.a., the unnecessary venting of natural gas produced from a well is prohibited, and Rule 308B., a Completed Interval Report, Form 5A, not submitted within thirty (30) days of completing a formation, for the Garcia #4-12 Well.

Rule 523. specifies a base fine of Two Hundred and Fifty dollars (\$250.00) per day for each violation of Rule 210.b.(1), a base fine of One Thousand dollars (\$1000.00) per day for each violation of Rules 603.j. and 912.a., and a base fine of Five Hundred dollars (\$500.00) per day for each violation of Rule 308B.

A monetary penalty of Six Thousand Five Hundred (\$6,500.00) should be assessed against Mountain Pacific in accordance with Rule 523.a., for violation of Rules 210.b.(1), 603.j., 912.a., and 308B.

Mountain Pacific should bring the Garcia #34-14 Well, the Garcia #3-5 Well, and the Garcia #4-12 Well into compliance with COGCC rules within thirty (30) days of the date the order is issued.

If Mountain Pacific does not bring the Wells into compliance, COGCC staff should be authorized to make a claim on the thirty thousand dollar (\$30,000) plugging bond posted by Mountain Pacific in order to plug, abandon and reclaim the Wells listed above.

If Mountain Pacific does not bring the Wells into compliance, COGCC staff should not approve any Application for Permit-to-Drill or approve any Change of Operator, Form 10, for Mountain Pacific or any company of which Mr. Jeff Lyon is a principal.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, December 5, 2005
Tuesday, December 6, 2005

Time: 9:00 a.m.

Place: Suite 801
The Chancery Building
1120 Lincoln Street
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. 139, 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 November 21, 2005, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.). **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of November 21, 2005.** Pursuant to Rule 503.e., 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.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
November 4, 2005