

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-09
<b>BP AMERICA PRODUCTION COMPANY,</b>	)	
LA PLATA COUNTY, COLORADO	)	

NOTICE OF ADMINISTRATIVE ORDER BY CONSENT

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On April 6, 2004, the Colorado Oil and Gas Conservation Commission ("COGCC") approved an Application for Permit-to-Drill ("APD") for BP America Production Company ("BP") for the Robert Dulin Gas Unit D #2 Well (the "Well") located in the SW¼ NE¼ of Section 26, Township 35 North, Range 7 West, N.M. P.M. The APD for the well had an expiration date of April 5, 2005.

On August 18, 2005, the COGCC received a COGCC Form 5, Drilling Completion Report, from BP for the Robert Dulin Gas Unit D #2 Well indicating a spud date of May 20, 2005.

A Notice of Alleged Violation ("NOAV") was issued for the Well on September 27, 2005, for violation of Rule 303.a., requiring an approved Permit-to-Drill prior to drilling. The NOAV described the alleged violation as "Drilling with expired permit" and required BP to "Obtain approved Application to Drill and submit written documentation as to what occurred, why it occurred and procedures that will be taken to prevent future occurrences".

On October 3, 2005 the COGCC received a refiled APD from BP for the Well. A letter of explanation addressing the NOAV was included with the APD. The letter stated that BP presumed that the original APD was still valid because BP began construction operations for the Well prior to expiration of the APD. The documents submitted by BP met the abatement requirements of the NOAV.

Rule 523.c. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 303. A monetary penalty of One Thousand dollars (\$1,000.00) should be assessed against BP America Production Company, in accordance with Rule 523.d., for violation of Rule 303.a. Mitigating factors in determining the fine recommendation under Rule 523.d. are: 523.d.(3), BP cooperated with the Commission with respect to the violation.

On October 17, 2005, COGCC staff issued an Administrative Order by Consent ("AOC") to BP America Production Company for violation of Rule 303.a., failure to have an approved Application for Permit-to-Drill prior to drilling the Robert Dulin Gas Unit D #2 Well located in the SW¼ NE¼ of Section 26, Township 35 North, Range 7 West, N.M.P.M., proposing a fine of One Thousand dollars (\$1,000.00) for violation of the rule. On October 27, 2005, BP America Production Company agreed to and accepted the AOC, including the fine of One Thousand Dollars (\$1,000).

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