

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

IN THE MATTER OF ALLEGED VIOLATIONS OF ) CAUSE NO. 1V  
THE RULES AND REGULATIONS OF THE )  
COLORADO OIL AND GAS CONSERVATION ) DOCKET NO. 0607-OV-11  
COMMISSION BY **PLAINVIEW OIL & GAS, INC.**, )  
JEFFERSON COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On September 15, 2000, the Colorado Oil and Gas Conservation Commission ("COGCC") approved an Application for Permit-to-Drill ("APD") for Plainview Oil & Gas, Inc. ("Plainview") for the State #16-4 Well ("the Well") located in the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 16, Township 2 South, Range 70 West, 6<sup>th</sup> P.M. The Well was permitted with the Lyons Sandstone as the objective formation with a proposed total depth of 11,000 feet. The APD for the Well had an expiration date of September 14, 2001.

On September 4, 2001, Plainview set 31 feet of conductor pipe in the Well and suspended operations. The well pad and drilling pits were not built prior to this operation.

On August 5, 2004, Plainview began operations with a typical oil and gas well drilling rig. By this date, a typical oil and gas well pad, including drilling pits, had been built.

On August 15, 2004, the Well was plugged and abandoned after drilling to a total depth of 3,000 feet. At a total depth of 3,000 feet, the Well was still in the Pierre Shale Formation.

A Notice of Alleged Violation ("NOAV") was issued for the Well on October 13, 2005, for violation of Rule 603.j., statewide equipment, weeds, waste, and trash requirements, Rule 1002.c., protection of soils, Rule 1002.e., surface disturbance minimization, Rule 1003.b., interim reclamation of areas no longer in use, Rule 1003.d., drilling pit closure, and Rule 1003.f., weed control. The NOAV described the alleged violations as "Existing reserve pit remains open in violation of COGCC rules requiring reclamation of drilling/reserve pit on non-crop land within 12 months of ceasing drilling operations" and "Failure to control noxious weeds and maintaining well site to control erosion". The NOAV required that Plainview complete closure of the reserve pit, maintain weed control, and maintain erosion control under applicable COGCC rules. The NOAV had an abatement date of December 12, 2005.

On December 13, 2005, COGCC staff inspected the Well and found that none of the alleged violations had been abated by Plainview.

On December 20, 2005, COGCC staff sent an Administrative Order By Consent ("AOC") to Plainview. The AOC specified that Plainview abate the violations found on the Well and pay a fine of Three Thousand dollars (\$3,000.00) within 30 days of the date the order is approved by the Commission. After meeting with COGCC staff, Mr. A. J. Carter, President of Plainview, signed the AOC on December 28, 2005. The Commission approved the AOC at the March 20, 2006, hearing. The order was effective as of March 20, 2006, and Plainview was required to abate the violations and pay the fine by April 20, 2006.

On June 6, 2006, COGCC staff inspected the Well and found that no work had been done to abate the violations. As of June 9, 2006, Plainview had not paid the required fine amount to the Commission. On June 9, 2006, COGCC staff contacted Mr. Carter by telephone and inquired as to why the violations for the Well had not been abated and why the fine had not been paid to date. Mr. Carter responded that Plainview was working with investors on a deal to reenter the Well in the near future.

In accordance with Rule 523.c., Rule 603. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 603. Rule 1002. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 1002. Rule 1003. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 1003.

A monetary penalty of Twelve Thousand dollars (\$12,000.00) should be assessed  
(0607-OV-11)

against Plainview Oil & Gas, Inc., in accordance with Rule 523.c., for violation of Rule 603.j., Rule 1002.c., Rule 1002.e., Rule 1003.b., Rule 1003.d., and Rule 1003.f. The fine amount reflects the lack of compliance with the AOC entered into by Mr. Carter, and the subsequent necessity to bring this matter before the full Commission.

Plainview should abate the violations listed above and bring the Well into compliance with COGCC rules within thirty (30) days of the date the order is issued.

Should Plainview not comply with the above within thirty (30) days of the date the order is issued, COGCC staff should be authorized to make a claim on the Five Thousand dollar (\$5,000) plugging bond posted by Plainview for the Well, in order to reclaim the well site.

Should Plainview not comply with the above, COGCC staff should not approve any Application for Permit-to-Drill, or approve any COGCC Change of Operator, Form 10, for Plainview.

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, July 10, 2006
	Tuesday, July 11, 2006
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 June 26, 2006, 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 June 26, 2006.** 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  
June 12, 2006