

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES AND) CAUSE NO. 1V
REGULATIONS OF THE COLORADO OIL AND GAS)
CONSERVATION COMMISSION BY TATONKA OIL AND GAS) DOCKET NO. 1109-OV-27
COMPANY, INC., MOFFAT COUNTY, COLORADO)

NOTICE OF ORDER FINDING VIOLATION HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission on September 19, 2011 for an Order Finding Violation ("OFV") against Tatonka Oil and Gas Company, Inc. ("Tatonka") (Operator No. 10190).

Culverwell #10-23-07-94 Well

Tatonka set two conductor pipes on the Culverwell 67N94W pad (Facility No. 313340), located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23, Township 7 North, Range 94 West, 6th P.M. Only one well was permitted for this pad, the Culverwell #10-23-07-94 Well (the "Culverwell Well") (API No. 05-081-07364).

On December 20, 2010, COGCC Staff issued Notice of Alleged Violation ("NOAV") #200288524 to Tatonka for its operations at the Culverwell Well. The NOAV cited violations of Rules 902.a., 1002.f., 1003.a., and 1003.b.

The NOAV required the following abatement or corrective actions to be taken by Tatonka: mitigate cited violations of two conductor casings that were capped with no cellar, an unlined pit with no contents, lack of reclamation work or storm water BMPs on the pad site, and a permit that had expired on November 27, 2006. These actions were required to have been completed by February 15, 2011.

COGCC Staff requests that Tatonka be found in violation of Rules 902.a., 1002.f., 1003.a., and 1003.b. for its operation of the Culverwell Well.

Eldon Gerber #07-24-07-92 Well

On December 22, 2006, Tatonka spud the Eldon Gerber #07-24-07-92 Well (the "Eldon Gerber Well") (API No. 05-081-07359), located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 7 North, Range 92 West, 6th P.M.

On May 25, 2010, COGCC Staff issued NOAV #200288526 to Tatonka for its operations at the Eldon Gerber Well. The NOAV cited violations of Rules 326.b.(1), 902.a., 1002.f.(2), 1003.a., 1003.b., and 1003.d.(2).

The NOAV required the following abatement or corrective actions to be taken by Tatonka: mitigate cited violations of a pit that is not in compliance with COGCC rules, a well head, capped, and shut in with no ability to produce well, an open cellar around the well head, a rat hole that has not been filled in, lack of a mechanical integrity test to maintain shut in status, erosion channels around the edge of the pad in several spots, lack of storm water BMPs, and a lack of interim reclamation on the pad site. These actions were required to have been completed by February 15, 2011.

COGCC Staff requests that Tatonka be found in violation of Rules 326.b.(1), 902.a., 1002.f.(2), 1003.a., 1003.b., and 1003.d.(2) for its operation of the Eldon Gerber Well.

Further, COGCC Staff may request that any and all bonds posted by Tatonka be claimed by the Commission and that the proceeds of such bonds be used to offset expenses associated with the plugging and abandonment of the wells listed above and reclamation of the well sites in accordance with COGCC rules.

Furthermore, Rule 525.b. provides that whenever the Commission or the Director has evidence that an operator is responsible for a pattern of violation of any provision of the Oil and Gas Conservation Act (§34-60-101, *et seq.*) (the "Act"), or of any rule, permit or order of the Commission, the Director shall issue a notice to the operator to appear for a hearing before the Commission. If the Commission finds after such hearing, that a knowing and willful pattern of violation exists, it may issue an order which shall prohibit the issuance of any new permits to the operator.

The COGCC Staff requests that the Commission should find that a knowing and willful pattern of violation exists because Tatonka has failed, for more than one year, to perform the abatement and corrective actions required by various Notices of Alleged Violation ("NOAVs"). Until the fine assessed under this application is paid in full and all required abatement and corrective actions are performed by Tatonka, the Director should not approve any application for permit-to-drill, any Certificate of Clearance

and/or Change of Operator, Form 10, or other permit for conducting oil and gas operations for Tatonka or any entity of which Brian Hughes is a principal, majority owner, operational or general manager, or in which Mr. Hughes otherwise exercises control.

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, September 19, 2011
 Tuesday, September 20, 2011

Time: 9:00 a.m.

Place: City & County of Broomfield
 City & County Building – Council Chambers
 One DesCombes Drive
 Broomfield, Colorado 80020

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.

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 September 2, 2011, 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 13 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 September 2, 2011.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 

Robert A. Willis, Enforcement Officer

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
August 24, 2011

Tatonka Address of Record:
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