

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES) CAUSE NO. 1V
AND REGULATIONS OF THE COLORADO OIL AND GAS)
CONSERVATION COMMISSION BY **OXY USA WTP LP**,) DOCKET NO. 1102-OV-05
GARFIELD COUNTY, COLORADO)

NOTICE OF ORDER FINDING VIOLATION HEARING

Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission on February 22, 2011 for a Order Finding Violation ("OFV") against OXY USA WTP LP ("OXY").

The OFV involves OXY's prior operation of a pit for the Cascade Creek #697-15-54 Well (API No. 05-645-10687), located on the Roan Plateau in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, Township 6 South, Range 97 West, 6th P.M., in Garfield County.

COGCC Staff contends that the pit is located in a sensitive area, that OXY operated it as an unpermitted and unlined production and special purpose pit, and that releases of produced water and other exploration and production ("E&P") waste from the pit had a significant adverse impact on the environment.

COGCC Staff contends OXY violated Rules 324A.a., 324A.b., 902.a., 903.a.(1)B., 905.a., 906.b.(3), and 907.a.(2), for failing to properly permit, construct, maintain, and repair the pit so that E&P waste was not released. COGCC Staff seeks the following penalties for these violations:

<i>Rule Violation</i>	<i>Days of Violation</i>	<i>Fine Amount/Violation</i>
324A.a.	80	\$80,000
324A.b.	80	\$80,000
902.a.	80	\$80,000
903.a.(1)B.	80	\$80,000
905.a.	-	\$10,000
906.b.(3)	-	\$10,000
907.a.(2)	80	\$80,000
<i>Total Base Fine</i>		<i>\$420,000</i>

COGCC Staff also recommends decreasing the total base fine by twelve percent to account for mitigating factors, which would result in a total adjusted penalty of Three Hundred Sixty Nine Thousand, Six Hundred dollars (\$369,600).

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: Tuesday, February 22, 2011
Wednesday, February 23, 2011

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. 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 February 7, 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 February 7, 2011.**

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
January 28, 2011