

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 **WHITING OIL &**) DOCKET NO. 1101-OV-01
GAS CORPORATION, RIO BLANCO COUNTY, COLORADO)

NOTICE OF ADMINISTRATIVE ORDER BY CONSENT HEARING

On November 4, 2008, the Colorado Oil and Gas Conservation Commission (“COGCC” or “Commission”) approved an Application for Permit-to-Drill (“APD”), submitted by Whiting Oil & Gas Corporation (“Whiting”) for the Boies Well Pad (the “Well Pad”) to facilitate the drilling of seven wells listed below, located in the NE¼ SE¼ of Section 30, Township 2 South, Range 97 West, 6th P.M.:

Boies B-30H-H1	API # 05-103-11409
Boies B-30H-H2	API # 05-103-11415
Boies B-30H-H3	API # 05-103-11414
Boies B-30H-H4	API # 05-103-11413
Boies B-30H-I1	API # 05-103-11412
Boies B-30H-I2	API # 05-103-11411
Boies B-30H-I3	API # 05-103-11410

On or before June 24, 2008, Whiting constructed the Well Pad at a different location than where it had been permitted, and drilled and set conductor casing for the seven wells listed above. COGCC became aware of the issue when a drilling report was submitted showing that they had moved the Well Pad from the originally permitted location.

On October 9, 2008, COGCC Staff issued Notice of Alleged Violation (“NOAV”) #200196387 to Whiting for commencing operations without a valid permit. Said NOAV cited violation of the following rule:

a. Rule 303.a., which requires an operator, prior to commencing operations for the drilling of a well, to file with the Director an APD and obtain the Director’s approval before commencement of operations with heavy equipment.

Said NOAV required Whiting to submit a Sundry Notice, Form 4, by November 7, 2008 to explain the reasons for the violation and the procedures that would be implemented to prevent future violations.

On November 3, 2008, Whiting submitted a Sundry Notice in response to the NOAV, explaining that due to the proximity to power lines they had moved the Well Pad. The error arose because by moving the Well Pad they were aware they were in the same section, but were not aware they shifted quarter sections. Whiting did not have a surveyor render a preliminary plat before they moved the Well Pad, and thus missed the location shift.

In order to prevent future violations, Whiting had a new section plat made showing the original position, and the moved position. Whiting commented this procedure would be followed anytime they move a well pad in the future.

To date, Whiting has not had any additional violations of Rule 303. that resulted in commencing operating without a valid permit.

Rule 523. specifies a base fine of One Thousand dollars (\$1,000) for each day of violation of Rule 303. Rule 523.a.(3) specifies that “the maximum penalty for any single violation shall not exceed Ten Thousand dollars (\$10,000) regardless of the number of days of such violation,” unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare or the environment.

Whiting should be found in violation of **Rule 303.a.** because it commenced drilling the Boise wells, identified above, before the Director of COGCC approved the APD for the drilling of the wells on the new Well Pad. It appears that the violation was a one-time occurrence and did not result in significant waste of oil and gas resources, damage to correlative rights, or a significant

adverse impact to public health, safety or welfare. The parties agree to an adjusted fine of **Seven Thousand dollars (\$7,000)** which takes into consideration the mitigation factor that Whiting has demonstrated a history of compliance with COGCC rules, regulations and orders.

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: Thursday, January 13, 2011
Friday, January 14, 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 December 30, 2010, 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 January 3, 2011.** If the matter is uncontested, the matter may be placed before the Commission for its review and approval.

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
December 7, 2010

Whiting Representative Address of Record:
Scott M. Webb
Regulatory Coordinator
Whiting Oil and Gas Corporation
1700 Broadway, Suite 2300
Denver, CO 80290-2300