

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES AND REGULATIONS OF THE COLORADO OIL AND GAS CONSERVATION COMMISSION BY **KINDER MORGAN CO2 CO LP**, DOLORES AND MONTEZUMA COUNTIES, COLORADO

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CAUSE NO. 1V

DOCKET NO. 1105-OV-09

NOTICE OF ORDER FINDING VIOLATION HEARING

Kinder Morgan CO2 CO LP (“Kinder Morgan”) operates the McElmo Dome CO2 Field in Montezuma County and the Doe Canyon CO2 Field in Dolores County (together referred to as the “Fields”).

Kinder Morgan operates several wells in the Fields, which were drilled without the necessary Application for Permit-to-Drill (“APD”), Form 2, in violation of Rule 303, referred to in the list below:

Well Name/ Number	API Number
Doe Canyon 3	05-033-06133
Doe Canyon 4	05-033-06137
HC 4	05-083-06681
HF 1	05-083-06389
HF 3	05-083-06646
Sand Canyon 11	05-083-06684
YD 2	05-083-06384
YD 4	05-083-06679

Kinder Morgan operates several wells in the Fields which were drilled and completed without submitting the appropriate forms (Rule 308A., Form 5, and Rule 308B., Form 5A), referred to in the list below:

Well Name/ Number	API Number
Doe Canyon 2	05-033-06135
Doe Canyon 3	05-033-06133
Doe Canyon 4	05-033-06137
Doe Canyon 5	05-033-06130
Doe Canyon 6	05-033-06134
Doe Canyon 8	05-033-06132
Goodman Point 9	05-083-06633
Goodman Point 11	05-083-06635
Goodman Point 12	05-083-06634
Goodman Point 13	05-083-06645
Goodman Point 14	05-083-06642
Goodman Point 15	05-083-06641
Goodman Point 16	05-083-06649
Goodman Point 17	05-083-06640
Goodman Point 19	05-083-06655
HC 4	05-083-06681
HE 1	05-083-06380
HF 1	05-083-06389
HF 3	05-083-06646
MC 5	05-083-06438
MC 8	05-083-06625
Sand Canyon 8	05-083-06527
Sand Canyon 11	05-083-06684
YA 5	05-083-06623
YB 5	05-083-06627
YD 1	05-083-06337
YD 2	05-083-06384
YD 4	05-083-06679
YE 7	05-083-06624

Kinder Morgan operates several wells in the Fields which were plugged and abandoned without submitting the appropriate Form 6, Well Abandonment Report, referred to in the list below:

Well Name/ Number	API Number
CA 1	05-083-06201
CC 1	05-083-06408
Federal 8-40-17 #1	05-033-06025
Moqui 1	05-083-06243
Sand Canyon 1	05-083-06153
Sand Canyon 2	05-083-06251
YA 1	05-083-06160

Rule 523. specifies a base fine shall not exceed One Thousand dollars (\$1,000) for each day of violation of Rules 303.a.(1), 308A., 308B., and 311. 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.

COGCC Staff requests that Kinder Morgan should be found in violation of Rules 303.a.(1), 308A., 308B., and 311. for its operations at those wells listed above, and ordered to pay a fine in accordance with Rule 523., along with completing corrective actions set forth in the associated Notice of Alleged Violation.

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, May 16, 2011
Tuesday, May 17, 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 May 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 May 2, 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
April 19, 2011