

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

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| IN THE MATTER OF ALLEGED VIOLATIONS OF |) | CAUSE NO. 1V |
| THE RULES AND REGULATIONS OF THE COLORADO |) | |
| OIL AND GAS CONSERVATION COMMISSION BY |) | ORDER NO. 1V- |
| WINN EXPLORATION COMPANY, FREEMONT COUNTY, |) | DOCKET NO. 1208-OV-09 |
| 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 August 20, 2012, for an Order Finding Violation ("OFV") against **WINN EXPLORATION COMPANY, Inc.** (Winn) (Operator No. 10404).

Slanovich 34-27 Pad

On April 11, 2012, Winn applied for a Form 2 and a Form 2A for its Slanovich 34-27 Pad location (Pad) in the NW ¼ SE ¼, Section 27, Township 19 South, Range 70 West, 6th P.M., Freemont County.

On May 18, 2012 Commission Staff approved the requested Form 2A for the Slanovich 34-27 Pad location with the following Condition of Approval:

Due to the likely hood of oil being received in the pit and exceeding 10,000 ppm TPH an approved Pit Permit (Form 15) will be required prior to pit construction. The Form 15 shall include a pit management plan how oil will be managed in the pit.

On June 26, 2012, Winn commenced construction of the pit at the Slanovich 34-27 Pad location, prior to applying for and receiving approval of the Form 15 Pit Permit.

On July 2, 2012, Winn submitted a Form 15, seven days after construction commenced at the Pad. This is a violation of the Form 2A Condition of Approval that Winn secure an approved Pit Permit (Form 15) prior to pit construction. A failure to comply with a permit Condition of Approval is a violation of § 34-60-121(1) C.R.S.

On July 18, 2012, COGCC Staff issued Notice of Alleged Violation ("NOAV") No. 200355369 to Winn for its operations at the Slanovich 34-27 Pad for failure to comply with the above referenced Condition of Approval for the Form 2A and violation of § 34-60-121(1) C.R.S.

Section 34-60-121 C.R.S. specifies a base fine of \$1,000 per day for permit violations, with a maximum fine of \$10,000 for violations not resulting insignificant waste of oil and gas resources, damage to correlative rights, or does not result in a significant adverse impact on public health, safety or welfare. Staff alleges the violation lasted seven days. The Staff calculation of the base fine is thus \$7,000.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

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| Date: | Monday, August 20, 2012 Tuesday, August 21, 2012 |
| Time: | 9:00 a.m. |
| Place: | COGCC Offices 1120 Lincoln Street, Suite 801 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 August 6, 2012, 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 August 6, 2012.** Pursuant to Rule 503.g., 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


Robert J. Frick, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
July 18, 2012