

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

|   |   |                       |
|---|---|-----------------------|
| 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-         |
| AUS-TEX EXPLORATION, FREEMONT COUNTY,     | ) | DOCKET NO. 1208-OV-10 |
| 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 **AUS-TEX EXPLORATION** (Aus-Tex) (Operator No. 10412).

**Pathfinder #C 11-12 1 Pad**

On April 20, 2012, Aus-Tex applied for two Form 2's (400274287 and 400274328) and a Form 2A (Doc # 400274302) for its Pathfinder #C 11-12 1 location in the NW ¼ NW ¼, Section 12, Township 20 South, Range 70 West, 6<sup>th</sup> P.M., Freemont County.

On May 31, 2012 Commission Staff approved the requested Form 2A for the Pathfinder #C 11-12 1 location with the following Condition of Approval:

Provide notice to COGCC 48-hours prior to commencement of construction activities via form 42."

On June 5, 2012, Aus-Tex commenced construction at the Pathfinder #C 11-12 1 location.

On June 11, 2012, Staff received an anonymous complaint concerning dust and inadequate stormwater Best Management Practices (BMP's) the Pathfinder #C 11-12 1 location. Field Staff conducted an inspection of the site the same day, and confirmed that construction was occurring at the site

On June 11, 2012, Aus-Tex provided Notice to Commission Staff, through a Form 42, stating that Construction had begun on June 7, 2012. This Notice came six days after Aus-Tex commenced construction activities on the location. This is a violation of the Form 2A Condition of Approval that Aus-Tex Provide notice to COGCC 48-hours prior to commencement of construction activities by a Form 42.

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. 2003356556 to Aus-Tex for its operations at the Pathfinder #C 11-12 1 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 six days. The Staff calculation of the base fine is thus \$6,000.

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:

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