



# STATE OF COLORADO OIL & GAS CONSERVATION COMMISSION

1120 Lincoln Street, Suite 801  
Denver, CO 80203  
303-894-2100 fax: 303-894-2109

## \*\*\* NOTICE OF ALLEGED VIOLATION \*\*\*

Operator Name & Mailing Address / Company Representative:

EnCana Oil & Gas LLC Attn: Chris Williams  
1700 Broadway, Suite 2000  
Denver, Colorado 80290

Date Notice Issued:

May 23, 2002

Well/Site/Facility:	Legal Description ( 1/4 1/4, Section, Township, Range, P.M.):	County:
Grass Mesa Ranch #27-2B1	NWNE, Sec 27, 6S, 93W, 6th PM	Garfield
Lease Number:	API Number: 045-07941	
COGCC Representative:	Phone Number:	Date of Alleged Violation:
Jaime Adkins	(970) 256-9000	5-17-02
		Approx. Time of Violation:
		11:00 am

### THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Describe Alleged Violation:	While in the process of responding to odor complaints on 5-17-02, staff was nearly run off the Grass Mesa Road by a transport hauling a frac tank from the field. The flagman at the bottom of the hill made no effort to inform staff of the oncoming traffic and the potential danger. This experience combined with complaints received from several homeowners on Grass Mesa, including those received 5-20-02, demonstrate that operations are being conducted in an unsafe manner. EnCana staff and contractor use of the Grass Mesa Road utilizing current practices constitutes an unsafe or potentially dangerous condition which threatens public safety. EnCana should access Grass Mesa drilling and production operations in a manner which does not create a potentially dangerous situation.
Act, Order, Regulation, Permit Conditions Cited:	Rule 602.b.

Abatement or Corrective Action to be Completed by: TWO PARTS: Plan submittal 6-03-02, Implementation 6-17-02

Abatement or Corrective Action Required to be Performed by Operator \*: Encana should provide staff with an access and transportation plan detailing how they will create safe access to their drilling and production operations on Grass Mesa in a manner that does not endanger the general public. The Plan should include an effective combination of one or more of the following elements: 1) diligent use of traffic control flag personnel, 2) widening and upgrading the Grass Mesa Road to make it safe for continued Oil & Gas uses, 3) obtaining and developing an alternate safe access route, or any other action suggested by the operator that is acceptable to the COGCC. The plan should include an implementation deadline and interim mitigation.

\* Proper and timely abatement does not necessarily preclude the assessment of penalties and an order finding violation.

### TO BE COMPLETED BY OPERATOR: When alleged violation is corrected, sign this notice and return to above address

Print Company Representative Name & Title:	Signature:	Date:
Chris R. Williams EHS Coordinator	Chris R. Williams	06/12/02
Company Comments:		
See attached letter which includes Access + Transportation Plan.		

\*\*\* This Notice constitutes a separate notice of alleged violation for each violation listed \*\*\*

### WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or 5 days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

### PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported; promptly, effectively, and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations, and orders. The Commission has final authority over the penalty amount assessed.

BASE FINE \$250.00 PER DAY PER VIOLATION: RULES 210, 307, 311, 312, 313, 314A, 315, 403, 405, 803, 804

BASE FINE \$500.00 PER DAY PER VIOLATION: RULES 205, 206, 207, 208, 302, 308, 309, 310, 316A, 321, 322, 328, 329, 330, 331, 332, 401

BASE FINE \$750.00 PER DAY PER VIOLATION: RULES 605, 606A, 606B, 607

BASE FINE \$1000.00 PER DAY PER VIOLATION: RULES 209, 301, 303, 305, 306, 316B, 317, 317A, 318, 319, 320, 323, 324, 325, 326, 327, 333, 404, 602, 603, 604, 703, 704, 705, 706, 707, 708, 709, 711, 802, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 1002, 1003, 1004, 1101, 1102, 1103

In accordance with Rule 523 a (4), fines for violations for which no base fine is listed shall be determined by the Commission at its discretion.

Signature of COGCC Representative:	NORTHWEST AREA ENGINEER	Time:	Date:
			MAY 23 2002
FOR OFFICE USE ONLY			
Resolution Approved by:	Date:	Resolution Action:	



DEPARTMENT OF NATURAL RESOURCES

*Bill Owens, Governor*  
1120 Lincoln St., Suite 801  
Denver, CO 80203  
Phone: (303) 894-2100  
FAX: (303) 894-2109  
[www.oil-gas.state.co.us](http://www.oil-gas.state.co.us)

September 27, 2002

Attn: Chris R. Williams  
EnCana Oil & Gas (USA) Inc.  
950 17<sup>th</sup> Street, Suite 2600  
Denver, Colorado 80202

Dear Mr. Williams,

This letter is in response to your letter dated September 13, 2002 requesting an extension to the abatement deadline for implementation to your Access & Transportation Plan for the Grass Mesa subdivision.

From information contained in your written request and subsequent telephone conversations between EnCana and OGCC staff it is apparent that EnCana has made a sincere effort to obtain an alternate access route which would provide a better solution to safety issues caused by sharing the Grass Mesa access road with area home owners. This is also evident by staff's conversation with BLM staff concerning your application for approval for an alternate access road with the BLM and subsequent onsite meetings and the performance of an archeological survey.

The deadline will be extended until November 15, 2002 as requested with the following condition;

Until the new access road is operational or the existing road is widened and improved, the following will apply:

- EnCana will not use the existing road to support drilling, completion, workover, stimulation, or any other operations involving the use of heavy trucks on Grass Mesa unless specifically authorized by COGCC staff.
- Construction equipment for the new access road to Grass Mesa will be allowed in accordance with the flagging and hours of use limitations as set forth in the previously approved Transportation and Access Plan.
- Only non-trailer water and condensate transport trucks for ongoing production operations will be allowed.

The extension is granted based on the above mentioned reasons and because the BLM process for approval of your request will not be completed until approximately October 5, 2002, with completion of construction of the new road by November 15, 2002.

DEPARTMENT OF NATURAL RESOURCES: Greg E. Walcher, Executive Director  
COGCC COMMISSION: Tom Ann Casey - Brian Cree - Michael Klisch - Peter Mueller - Abe Phillips - Lynn Shook - Stephen Sonnenberg  
COGCC STAFF: Richard T. Griebeling, Director - Brian J. Macke, Deputy Director - Morris Bell, Operations Manager  
Patricia C. Beaver, Hearings Manager - Thomas J. Kerr, Information Manager

The previous interim plan has not been successful in eliminating hazardous situations when implemented by third party contractors without direct EnCana oversight. EnCana is responsible for all of its field operations including its contractors and their sub-contractors. Failure to follow the modified interim plan will result in the staff issuing a Notice of Alleged Violation and an Administrative Order by Consent, which is a Commission action, with a recommended fine.

The new access road must be completed and in use by November 15, 2002. Once completed, all traffic related to EnCana gas well operations shall be restricted to the new access road. The existing Grass Mesa access road shall be used by EnCana personnel and contractors only in cases of emergency. If the new access road is not completed and in operation by November 15, 2002, then the existing Grass Mesa access road must be widened and improved as previously discussed by November 15, 2002.

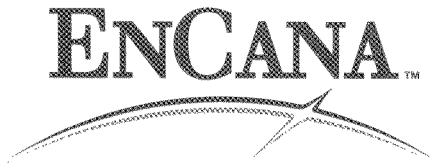
Because of the safety concerns raised by the Grass Mesa residents, the staff will not grant any more extensions. If the new access road is not completed or improvements to the existing access road are not completed by November 15, 2002, COGCC staff will recommend to the Colorado Oil & Gas Conservation Commission that EnCana be fined and ordered to obtain a new access road prior to initiating new gas well operations on Grass Mesa at a Order Finding Violation Hearing.

If you have any questions please feel free to contact me at (303) 894-2100 ext. 122.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. Macke". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian J. Macke  
Deputy Director



September 13, 2002

EnCana Oil & Gas (USA) Inc.

950 17th Street

Suite 2600

Denver CO USA 80202

tel: (303) 623-2300

fax: (303) 623-2400

[www.encana.com](http://www.encana.com)

**VIA FACSIMILE & CERTIFIED MAIL**

(970) 858-7521

State of Colorado  
Oil & Gas Conservation Commission  
Mr. Jaime Adkins  
PO Box 98  
Loma, CO 81524

**Subject:**     *Request for Extension  
Notice of Alleged Violation (NOAV)  
Traffic Control Plan  
Grass Mesa Road*

Dear Mr. Adkins:

EnCana Oil & Gas (USA) Inc. (EnCana) respectfully requests an extension to the September 17, 2002 deadline for implementation of our proposed Access & Transportation Plan for the Grass Mesa Subdivision. This extension is being requested following numerous but unsuccessful attempts by EnCana to negotiate an alternate access route with a local landowner following the issuance of the NOAV referenced above by the COGCC on May 23, 2002,

After several intense meetings with the landowner in June, EnCana was led to believe that they had come to a final agreement with the landowner. However, before signing the agreement in July, the landowner placed additional obstacles on EnCana that had not been previously discussed. EnCana continued to negotiate in good faith with the landowner through the month of July and part of August, but an agreement was never reached.

This being the case, EnCana looked at two additional alternatives to rectify the NOAV and address the traffic problems on Grass Mesa. The first alternative considered was the widening of the access road as identified by Mr. Jamie Adkins on an aerial photograph presented to EnCana in June 2002. This alternative was evaluated but deemed to be too disruptive to residential traffic and has been temporarily postponed from consideration pending the outcome of

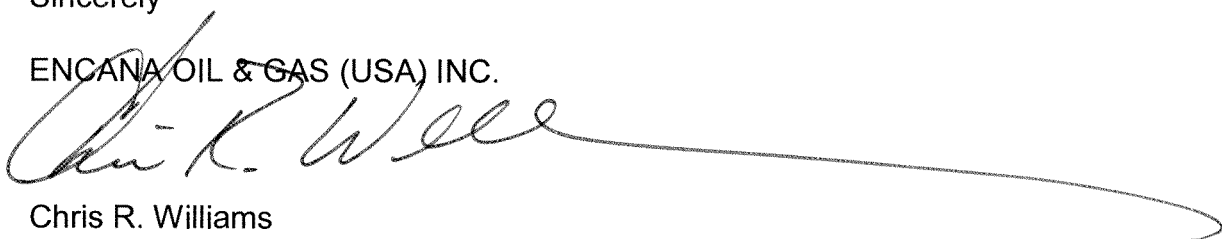
the option described in detail below. It should be noted, however, that currently the Grass Mesa HOA has initiated maintenance work on the access road, 80% of which is being paid for by EnCana.

The second alternative considered was another alternate access route to Grass Mesa. After careful consideration, the most feasible route appeared to exist on federal land managed by the Bureau of Land Management (BLM). The BLM has been receptive to our proposed action and has completed two on-site reviews of the project with EnCana personnel. At the request of the BLM, EnCana has also completed an archeological survey of the area and submitted a construction plan, a road profile and a sundry notice for the proposed action. These documents are currently under review by the BLM and it is expected that the proposed action will be approved within the next couple of weeks. EnCana tentatively plans to start construction of the alternate access route by October 1, 2002 with completion anticipated by November 15, 2002. Once completed, the road will be a private access road for EnCana field personnel and contractors except during emergencies.

If you have any questions or require any additional information, please do not hesitate to contact me at (303) 389-5085.

Sincerely

ENCANA OIL & GAS (USA) INC.

A handwritten signature in black ink, appearing to read "Chris R. Williams", with a long horizontal flourish extending to the right.

Chris R. Williams  
Southern Rockies  
EH&S Coordinator

cc: Mr. John Moran  
Mr. David Grisso  
Mr. Eric Marsh  
Ms. Mary Viviano  
Mr. Brian Macke





DEPARTMENT OF NATURAL RESOURCES  
Bill Owens, Governor  
1120 Lincoln St., Suite 801  
Denver, CO 80203  
Phone: (303) 894-2100  
FAX: (303) 894-2109  
www.oil-gas.state.co.us

James J. Adkins  
NW Area Engineer  
P.O. Box 6352  
Battlement Mesa, CO 81636

July 22, 2002

Mr. Chris Williams  
EnCana Oil & Gas (USA) Inc.  
950 17<sup>th</sup> Street, Suite 2600  
Denver, CO 80202

RE: Grass Mesa Access and Transportation Plan

Dear Mr. Williams,

Thank you for responding to the Notice of Alleged Violation on the above referenced matter. I have reviewed the revised plan dated July 1, 2002 and believe continued operations will still result in unsafe conditions. The Grass Mesa Access Hill Road has poor visibility and steep grades which allow little room for driver error. The road is simply too narrow in places to ensure safe operations, particularly in bad weather.

The proposed plan contains no specific deadline for when the Mesa Access Hill Road will be appropriately widened or alternate access developed. The NOAV cannot be abated with an open ended compliance deadline.

I am extending the abatement deadline until September 15, 2002 for EnCana to either widen the Grass Mesa Road as highlighted on the attached aerial photo or to obtain and develop a safe alternate access route. If EnCana chooses to widen the road, it should be widened through the highlighted sections to a width of 32' excluding bar ditches to ensure safe operations. The improved sections should be crowned and have sufficient rock, roadbase and gravel to withstand the frequent heavy load traffic and still remain serviceable for passenger and emergency vehicles under normal weather conditions. The marked aerial photo has also been provided to David Grisso. Staff concurs with the other safety measures outlined in the revised Access and Transportation Plan.

Failure to abate the NOAV by September 15, 2002 may result in additional enforcement action and a fine. If you have any questions please call me at (970) 285-9000.

Sincerely,

James J. Adkins - Northwest Area Engineer

DEPARTMENT OF NATURAL RESOURCES: Greg E. Walcher, Executive Director  
COGCC COMMISSION: Tom Ann Casey - Brian Cree - Michael Klish - Peter Mueller - J. Thomas Reagan - Lynn Shook - Stephen Sonnenberg  
COGCC STAFF: Richard T. Griebeling, Director - Brian J. Macke, Deputy Director - Morris Bell, Operations Manager  
Patricia C. Beaver, Hearings Manager - Thomas J. Kerr, Information Manager



July 1, 2002

EnCana Oil & Gas (USA) Inc.

950 17th Street

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Denver CO USA 80202

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fax: (303) 623-2400

[www.encana.com](http://www.encana.com)

State of Colorado  
Oil & Gas Conservation Commission  
Mr. Jaime Adkins  
PO Box 98  
Loma, CO 81524

**Subject:** *Revised Response to Notice of Alleged Violation (NOAV)  
Traffic Control Plan  
Grass Mesa Road  
Garfield County, Colorado*

Dear Mr. Adkins:

As you are aware, the COGCC issued an NOAV to EnCana Oil & Gas (USA) Inc. (EnCana) on May 23, 2002, citing an alleged violation of Rule 602(b) due to unsafe traffic conditions on the Grass Mesa Access Road. The NOAV required that EnCana develop and implement an Access and Transportation Plan that does not endanger the safety of the general public.

This plan was submitted as required to the COGCC on June 12, 2002 but has since been revised to include requests made by the Grass Mesa Homeowners' Association Board of Directors (HOA) at a meeting held between EnCana and the HOA on June 27, 2002 in Rifle, CO.

The Revised Access and Transportation Plan is provided below:

#### **Access & Transportation Plan**

The Grass Mesa Access & Transportation Plan has been divided into two areas. These are the Mesa Access Hill Road and the Top Mesa Road.

Oilfield traffic will be addressed and handled as follows:

##### **Mesa Access Hill Road**

- 24-hour operations will be allowed on the Mesa Access Hill Road;
- During school, no heavy oilfield truck traffic will be allowed from 6:30am to 8:30am, and from 2:30pm to 6:00pm, Monday through Friday. During summer vacation, no heavy oilfield truck traffic will be allowed from 6:30am to 8:30am, and from 4:00pm to 6:30pm, Monday through Friday. There will be no heavy truck traffic restrictions on weekends.
- A 15 mile per hour (mph) speed limit will be imposed on all traffic with speed limit signs posted along entire length of the Mesa Access Hill Road;

- Traffic flaggers will be stationed at the base and at the top of the Mesa Access Hill for tractor-trailer over 50 ft long, and/or for loads more than 10 ft wide, prior to ascending or descending the road to warn other drivers of oncoming traffic.
- No traffic flaggers will be posted for bobtail water trucks.

**Top Mesa Road**

- 24-hour operations will be allowed on the Top Mesa Road,
- Speed limit signs of 15 mph will be posted as needed on the Top Mesa Road, by EnCana. However speeds up to and including 25 mph will not be considered a violation, provided such speeds are safe under the conditions.

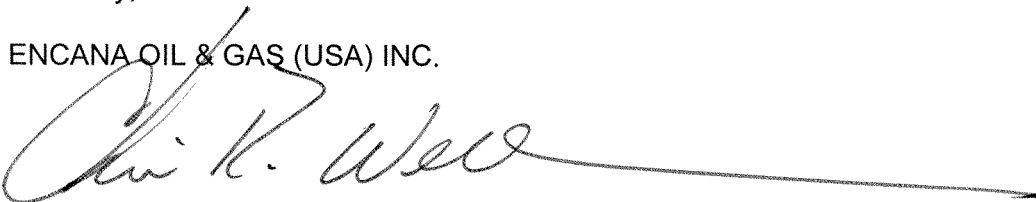
This plan will be implemented by July 1, 2002. Please note that the measures presented for the Top Mesa Road are different, but sufficient to protect the public. EnCana has widened the roads to allow sufficient clearance for all passing vehicles. Also, the layout of the Top Mesa Road is flat enough that all vehicle operators have the ability to see oncoming traffic.

Please also be advised that EnCana is negotiating an alternate route for access to Grass Mesa. Negotiation for the final stretch of this route has not been finalized at this time, but we anticipate an agreement to be executed soon. EnCana will contact the COGCC when all parties have executed this agreement and we will then provide a schedule for the expected completion date of this route. The alternate route will be a private road, with locked gates, which will be inaccessible to the general public. Upon completion of this route, EnCana will not use the Mesa Access Hill Road except when needed during certain emergencies.

If you have any questions or require any additional information, please do not hesitate to contact me at (303) 389-5085.

Sincerely,

ENCANA OIL & GAS (USA) INC.

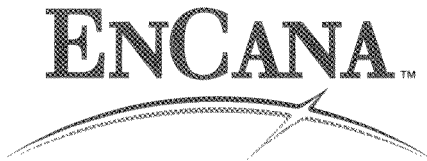


Chris R. Williams  
EH&S Coordinator

cc: Mary Viviano, EnCana  
Eric Marsh, EnCana  
John Moran, EnCana  
Tim Baer, EnCana  
David Grisso, EnCana  
John Grubich, EnCana  
Doug Jones, EnCana  
Brian Macke, COGCC







June 12, 2002

EnCana Oil & Gas (USA) Inc.

950 17th Street

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fax: (303) 623-2400

[www.encana.com](http://www.encana.com)

State of Colorado  
Oil & Gas Conservation Commission  
Mr. Jaime Adkins  
PO Box 98  
Loma, CO 81524

**Subject:** *Response to Notice of Alleged Violation (NOAV)  
Traffic Control Plan  
Grass Mesa Road  
Garfield County, Colorado*

Dear Mr. Adkins:

This letter serves as our response to the NOAV issued to EnCana Oil & Gas (USA) Inc. (EnCana) by the COGCC on May 23, 2002. The NOAV cited an alleged violation of Rule 602(b) due to unsafe traffic conditions on the Grass Mesa Access Road. The NOAV required that EnCana develop and implement an Access and Transportation Plan that does not endanger the safety of the general public. The Access and Transportation Plan is provided below:

### **Access & Transportation Plan**

The Grass Mesa Access & Transportation Plan has been divided into two areas. These are the Mesa Access Hill Road and the Top Mesa Road.

Oilfield traffic will be addressed and handled as follows:

#### **Mesa Access Hill Road**

- 24-hour operations will be allowed on the Mesa Access Hill Road;
- No heavy oilfield truck traffic will be allowed from 6:30am to 8:30am, and from 3:30pm to 6:30pm, 7 days a week;
- A 15 mile per hour (mph) speed limit will be imposed on all oilfield traffic with speed limit signs posted along entire length of the Mesa Access Hill Road;
- Traffic flaggers will be stationed at the base and at the top of the Mesa Access Hill for tractor-trailer over 50 ft long prior to ascending or descending the road to warn other drivers of oncoming traffic.
- No traffic flaggers will be posted for bobtail water trucks.
- No driving restrictions will be imposed on oilfield service contractors or EnCana employees from 6:30pm to 6:30am.

**Top Mesa Road**

- 24-hour operations will be allowed on the Top Mesa Road,
- A speed limit of 25 mph will be imposed on oilfield service vehicles.
- Speed limit signs for oilfield service vehicles will be posted along the entire length of Top Mesa Road used by oilfield service vehicles.

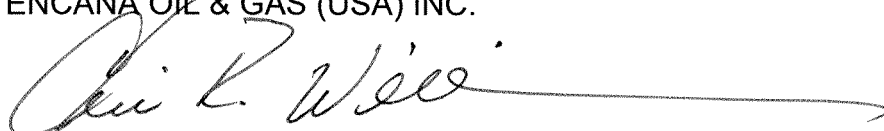
This plan will be implemented by July 1, 2002. Please note that the measures presented for the Top Mesa Road are different, but sufficient to protect the public. EnCana has widened the roads to allow sufficient clearance for all passing vehicles. Also, the layout of the Top Mesa Road is flat enough that all vehicle operators have the ability to see oncoming traffic.

Please also be advised that EnCana is negotiating an alternate route for access to Grass Mesa. Negotiation for the final stretch of this route has not been finalized at this time, but we anticipate an agreement to be executed soon. EnCana will contact the COGCC when all parties have executed this agreement and we will then provide a schedule for the expected completion date of this route. The alternate route will be a private road, with locked gates, which will be inaccessible to the general public. Upon completion of this route, EnCana will not use the Mesa Access Hill Road except when needed during certain emergencies.

If you have any questions or require any additional information, please do not hesitate to contact me at (303) 389-5085.

Sincerely,

ENCANA OIL & GAS (USA) INC.



Chris R. Williams  
EH&S Coordinator

cc: Mary Viviano, EnCana  
Eric Marsh, EnCana  
John Moran, EnCana  
Tim Baer, EnCana  
David Grisso, EnCana  
John Grubich, EnCana  
Brian Macke, COGCC

