



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 (USA) Inc./ Attn: Chris Williams
1700 Broadway, Suite 2000
Denver, Colorado 80290

Date Notice Issued:

December 18, 2002

Well/Site/Facility: Grass Mesa Ranch #27-2B1	Legal Description (1/4 1/4, Section, Township, Range, P.M.): NWNE, Sec 27, 6S, 93W, 6th PM	County: Garfield
Lease Number:	API Number: 045-07941	
COGCC Representative: Jaime Adkins	Phone Number: (970) 256-9000	Date of Alleged Violation: 12-17-02
		Approx. Time of Violation: 8:30 am

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

Describe Alleged Violation: David Grisso called staff on December 17, 2002 and notified them that an EOTT third party contractor was seen using the Grass Mesa Hill Access Road to access operations on the mesa in violation of the modified Access and Transportation Plan. EnCana is not allowed to access operations on the mesa using this road. All gas operations access is restricted to the new BLM access road.

Act, Order, Regulation, Permit Conditions Cited: **Rule 602.b., modified Access and Transportation Plan, AOC dated October 4, 2002, letter dated September 27, 2002.**

Abatement or Corrective Action to be Completed by: **December 31, 2002**

Abatement or Corrective Action Required to be Performed by Operator *: Encana should provide staff with an explanation why the Access and Transportation Plan was not adhered to. EnCana should explain what will be done in the future to prevent re-occurrences.

* 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: <i>Chris R. Williams</i>	Signature: <i>Chris R. Williams</i>	Date: <i>1/9/03</i>
Company Comments: <i>EnCana self reported this incident to the COGCC. Corrective Action was taken by releasing contractor from further service on Grass Mesa.</i>		

*** 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: <i>J. Adkins</i>	NORTHWEST AREA ENGINEER	Time: <i>9:00 am</i>	Date: <i>DEC 18 2002</i>
FOR OFFICE USE ONLY			
Resolution Approved by:	Date:	Resolution Action:	



January 9, 2003

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

Mr. Jaime Adkins
Colorado Oil & Gas Commission
Sippelle Dr., Ste. J1
Parachute, CO 81654

Attn: Mr. Jamie Adkins, Area Engineer

*RE: Notice of Alleged Violation
Access and Transportation Plan
Grass Mesa Access Road*

Dar Mr. Adkins:

I apologize to the delay in responding to your NOAV issued by the Commission on December 18, 2002, however, I just recently returned from vacation and just now able to provide a response. As you are aware, EnCana self reported this incident to the Commission upon discovery of the EOTT contractor proceeding up the Grass Mesa Access Road. The contractor was immediately released from servicing the Grass Mesa Area.

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

Sincerely,

ENCANA OIL & GAS (USA) INC.

Chris R. Williams
Southern Rockies Business Unit
EH&S Advisor

Enclosure