

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



IN THE MATTER OF A REQUEST TO FORECLOSE ON OR) CAUSE NO. 1
INCREASE THE FINANCIAL ASSURANCE REQUIREMENT OF THE)
RULES AND REGULATIONS OF THE COLORADO OIL AND GAS) DOCKET NO. 9907-GA-02
CONSERVATION COMMISSION FOR ALLEN OIL & GAS LLC,)
TOW CREEK FIELD, ROUTT COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On March 25, 1999 the Commission issued Order No. 1V-170, finding Allen Oil & Gas LLC ("Allen") in violation of Rule 326.b., failure to pass a mechanical integrity test for the following six (6) wells located in the NW¼ of Section 18, Township 6 North, Range 86 West, 6th P.M.: the Bradley #2, Bradley #3, Bradley #5, State #1, State #2 and the State #5; Rule Nos. 904. and 905. for the Bradley #4 Well and Rule Nos. 603.g., 906., 909.b.(2) and (5), and Rule No. 910. for the State #1 Well located in Section 18, Township 6 North, Range 86 West, 6th P.M. It was further ordered that Allen plug and abandon the Bradley #1, Bradley #2, Bradley #3, Bradley #4, Bradley #5, State #1, State #2, State #3 and the State #5 Wells no later than July 1, 1999. In addition a fine of Twelve Thousand Dollars (\$12,000.00) was assessed for the violations, payable within thirty (30) days from the date Order No. 1V-170 was issued. Further, the Cease and Desist Order No. 1C-2 entered by the Commission on January 21, 1999 as of January 14, 1999, shall remain in effect until said order has been fully complied with by Allen Oil & Gas LLC.

As of June 10, 1999, Allen Oil & Gas LLC has not complied with Order No. 1V-170 to plug, abandon and reclaim all wells in the Tow Creek Fields and as of May 24, 1999, Allen has acknowledged that it will not be able to comply with the July 1, 1999 deadline. In accordance with Rule 709., the Director hereby makes application to the Commission for an order calling or foreclosing on Allen Oil & Gas LLC's Thirty Thousand Dollar (\$30,000.00) bond to plug, abandon and reclaim the above-described wells. COGCC staff has estimated plugging and reclamation costs in the Tow Creek Field at approximately One Hundred Thirteen Thousand Two Hundred Seventy Five Dollars (\$113,275.00)

On May 24, 1999 Allen Oil & Gas LLC, by its attorney, filed with the Commission a verified application for an order to amend Order No. 1V-170 to allow production of oil and gas from certain wells in the Tow Creek Field located in the NW¼ of Section 18, Township 6 North, Range 86 West, 6th P.M. Allen believes that two (2) and possibly as many as five (5) of the wells in the field can be produced economically in compliance with Commission rules.

In the alternative, should the Commission amend Order No. 1V-170 to allow Allen to produce certain wells in the Tow Creek Field, the Director, in accordance with Rule 702.a., petitions the Commission for an increase in the financial assurance provided by Allen to the Commission.

On July 7, 1999 a prehearing conference was held with Allen Oil and Gas LLC and COGCC staff. On July 8, 1999 Allen Oil & Gas LLC, by its attorney, filed with the Commission a Request for Continuance to the August hearing, accordingly, the hearing in this matter has been rescheduled.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has rescheduled the above-entitled matter for hearing on:

Date: Thursday, August 19, 1999
Friday, August 20, 1999

Time: 8:30 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, CO 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 Ginger Morelli at (303) 894-2100 ext. 114, 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 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 THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
July 21, 1999