



COLORADO
Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

REM 7058
Location ID 324634
NOAV 200417500
Document 2526740

August 10, 2016

CM Production, LLC
Attn: John Teff
390 Union Blvd., Suite 620
Lakewood, Colorado 80228

Certified Mail. Return Receipt Requested
Also by email to johnt@cmproductionllc.com

RE: Colorado Oil and Gas Conservation Commission Order 1V-581
Termination of Operator No. 10352
Rescission of Form 1. Registration for Oil and Gas Operations

Dear Mr. Teff:

This letter is an informational notice regarding Order 1V-581 of the Colorado Oil and Gas Conservation Commission ("Commission"), the right of CM Production LLC ("CM") to conduct oil and gas operations in the State of Colorado, and the equipment and appurtenances formerly owned by CM.

Order 1V-581 was entered by the Commission on June 6, 2016. The order was signed by the Secretary of the Commission on June 22, 2016, and emailed to Brandon Standifird on June 27, 2016. The order and a related invoice were mailed to you, at the above address, on June 23, 2016. As a courtesy, Order 1V-581 is enclosed again for your benefit.

Order 1V-581 required payment of a penalty within 30 days after the order was mailed. The Commission has not received a penalty payment under Order 1V-581 as of today's date.

Effective immediately, the Commission has terminated CM's Operator Number (No. 10352), rescinded CM's Form 1 (Doc. No. 1662345), and revoked CM's right to conduct oil and gas operations in Colorado. If CM conducts oil and gas operations, the Commission will seek additional remedies as provided in the Oil and Gas Conservation Act, §34-60-101 *et seq.*, C.R.S. ("Act"), the Rules and Regulations of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1, and other state law.

Effective immediately, the Commission has terminated CM's Certificate of Clearance and/or Change of Operator for all of CM's oil and gas wells in Colorado. As such, CM is no longer

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Commissioners: Thomas L. Compton - Chairman, Richard Alward, John H. Benton, DeAnn Craig,

James W. Hawkins, Tommy Holton, Andrew L. Spielman, Dr. Larry Wolk

John W. Hickenlooper, Governor | Robert W. Randall, Executive Director, DNR | Matthew J. Lepore, Director



August 10, 2016

authorized to sell or transport produced hydrocarbons from any of its permitted wells and locations within Colorado, until such authority is restored by the Director.

The Commission is also authorized to foreclose CM's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist and use funds from the Oil and Gas Conservation and Environmental Response Fund as necessary on oil and gas locations previously operated by CM, as well as to claim all equipment, saleable product, and appurtenances from those locations to fund these activities.

Effective immediately, the Commission claims all of CM's equipment, saleable product, and appurtenances related to CM's operations. Unless the Commission is notified of any valid liens, security interests, or other legal interests asserted by a taxing authority or CM's creditors, the equipment and appurtenances are the property of the Commission pursuant to Section 34-60-124(6)(c), C.R.S., of the Act. **Any removal of equipment or appurtenances by CM or other parties without authorization may have legal implications.** We ask that you notify us should a third-party claim an interest in any of the equipment or appurtenances on the CM's locations, prior to removal, so that the Commission can determine the validity of the claim.

While the Commission works to dispose of any seized property, the Commission will continue to inspect and monitor CM's former locations to protect public health, safety, and welfare, including the environment and wildlife resources. While these or any other duties are being performed, the Commission will not tolerate threats or violent behavior by anyone toward a Commission employee or contractor. For more information, see the Colorado Department of Natural Resources, Administrative Order DNR 11-01, Workplace Violence, Including Domestic Violence Affecting the Workplace (revised January 1, 2016).

As of today's date, the following forms filed by CM remain active in the COGCC database: Form 26 (Document No. 1535354), Form 27A (Document No. 1761419), Form 7 (Document No. 200438673), Form 15 (Document No. 400593392), Form 15 (Document No. 400593557), Form 15 (Document No. 400594353), Form 4 (Document No. 400757563), Form 4 (Document No. 400757612), Form 4 (Document No. 400757629), and Form 4 (Document No. 400757657). These forms will be reviewed by Staff and processed or deleted, where appropriate. Staff may call upon CM for additional information if needed.

CM and its successors or assigns remain responsible for complying with Order 1V-581 and repaying any funds expended by the Commission from the Oil and Gas Conservation and Environmental Response Fund.



CM Production LLC

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Sincerely,



Matthew J. Lepore
Director

Enclosures

By Email CC:

Margaret Ash, COGCC Field Inspection Manager

Stuart Ellsworth, COGCC Engineering Manager

Jane Stanczyk, COGCC Permit Manager

Greg Deranleau, COGCC Environmental Manager

John Axelson, East Environmental Supervisor

Alex Fischer, West Environmental Supervisor

Martha Ramos, COGCC Financial Assurance Supervisor

Teri Ikenouye, COGCC Information Processing Supervisor



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CERTIFICATE OF MAILING

On August 11, 2016, a true and correct copy of the foregoing letter regarding No. 1V-581, along with a copy of the order, was mailed by first-class mail return receipt requested to the following:

CM Production, LLC

Attn: John Teff

390 Union Blvd., Suite 620

Lakewood, Colorado 80228

A handwritten signature in blue ink, appearing to read "John Teff", is written over a horizontal line.