

**STATE OF COLORADO
OIL & GAS CONSERVATION COMMISSION**

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



02528997

***** NOTICE OF ALLEGED VIOLATION *****

Operator Name & Mailing Address / Company Representative:
*Dean Kugler
P.O. Box 179
NewRaymer CO 80742*

Date Notice Issued:

6-8-2003

Well/Site/Facility: <i>MEYERS</i>	Legal Description (1/4 1/4, Section, Township, Range, P.M.): <i>NW NW Sec 27 8N 58W 6PM</i>	County: <i>Weld</i>
Lease Number: <i>F-1</i>	API Number: <i>05-123-10334</i>	
COGCC Representative: <i>Kevin Lively</i>	Phone Number: <i>970-522-6747</i>	Date of Alleged Violation: <i>6-1-2003</i>
		Approx Time of Violation:

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

Describe Alleged Violation: *WELL FAILED INSPECTION IN APRIL 2003. INSPECTION STATED THAT WELL WAS TO BE PRODUCED, PLUGGED OR A MECHANICAL INTEGRITY TEST WAS TO BE DONE ON THE CASING.*

Act, Order, Regulation, Permit Conditions Cited: *RULE 326, ALL SHUT IN WELLS MUST PASS A MIT OR BE PLUGGED OUT.*

Abatement or Corrective Action to be Completed by: *8-15-03*

Abatement or Corrective Action Required to be Performed by Operator *:
*Well is to be produced, plugged, OR A MIT IS TO BE DONE ON THE CASING. IF WELL IS PRODUCED, BERMS MUST BE RESTORED AROUND TANKS.
CONTACT KEVIN LIVELY FOR ANY QUESTIONS REGARDING THIS MATTER.*

* 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>Dean Kugler owner</i>	Signature: <i>Dean Kugler</i>	Date: <i>7-25-03</i>
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Company Comments: *well now producing*

***** 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>Kevin Whewy</i>	<i>N.E. AREA INSPECTOR</i>	Date: <i>6-8-03</i>	Time:
FOR OFFICE USE ONLY			
Resolution Approved by: <i>Kevin Whewy</i>	Date: <i>7-31-2003</i>	Resolution Action:	