



DEPARTMENT OF NATURAL RESOURCES

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



January 25, 2000

Amoco Production Company
P.O. Box 3092, Room 2.554
Houston, TX 77253-3092

Re: Cessation of oil sales from wells operated by Allen Oil & Gas LLC

Dear Amoco Production Company:

This letter shall serve as official notice that the Certificates of Clearance, Form 10, approved by the Colorado Oil and Gas Conservation Commission ("COGCC") for wells operated by Allen Oil & Gas LLC ("Allen") in the Tow Creek Field are hereby suspended. In accordance with COGCC Rule 709.c., no oil sales shall be allowed when an operator has not provided financial assurance for the operation of their wells. In addition, the COGCC has claimed Allen's bond in order to plug, abandon and reclaim all wells in the Tow Creek Field.

Enclosed are copies of the letter notifying Allen of the Form 10 suspension, along with a copy of the Form 10 with a list of the affected wells. Although the Form 10s filed by Allen do not indicate who is transporting oil from the wells, a review of 1998 Monthly Production Reports, Form 7, filed by Allen show that Amoco Production Company is the oil transporter for the Tow Creek Field. I would greatly appreciate being notified if this information is incorrect and you are aware of the current oil transporter.

Thanks for your immediate attention to the cessation of oil sales from Allen's Tow Creek Field wells.

Sincerely,


Rich Griebing, Director

cc: Allen Oil & Gas LLC
Jaime Atkins
Randall Ferguson

Encl.



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January 25, 2000

Claude Allen Jr.
Allen Oil & Gas LLC
P.O. Box 883255
Steamboat Springs, CO 80488-3255

Re: Certificates of Clearance, Form 10 for wells in Tow Creek and Buck Peak Fields

Dear Mr. Allen:

In accordance with Colorado Oil and Gas Conservation Commission ("COGCC") Rule 709.c., this letter shall serve as official notice that the Certificates of Clearance, Form 10, filed for your wells in the Tow Creek and Buck Peak Fields are hereby suspended. Order No. 1V-170 issued by the Commission on March 25, 1999 and upheld by Order No. 1-79 issued on August 20, 1999 authorized COGCC staff to commence a claim on the Allen Oil & Gas LLC ("Allen") bond to plug, abandon and reclaim all wells in the Tow Creek Field. Said bond claim was commenced on November 4, 1999 with the bond money remitted to the COGCC on November 19, 1999.

Order No. 1-81 issued by the Commission on August 20, 1999 required Allen to provide the Commission financial assurance in the amount of Thirty Thousand dollars (\$30,000), by December 10, 1999 to ensure the company is capable of fulfilling its financial obligations imposed by the Oil and Gas Conservation Act to operate five (5) wells in the Buck Peak Field located in Section 25, Township 6 North, Range 90 West, 6th P.M. Financial assurance for the Buck Peak Field wells has not been provided, therefore, under Rule 709.c., no sales of oil or gas shall be allowed.

Enclosed are copies of letters notifying EOTT and Amoco Production Company of the Form 10 suspension. Although the Form 10s filed by Allen do not indicate who is transporting oil from the wells, a review of 1998 Monthly Production Reports, Form 7, filed by Allen shows these two companies as oil transporters for the Buck Peak and Tow Creek Fields. If this information is incorrect, please notify me as to the current oil transporters and advise them immediately of this suspension.

Sincerely,



Rich Griebeling, Director

cc: Jaime Atkins
Randall Ferguson

Encl.

DEPARTMENT OF NATURAL RESOURCES: Greg E. Walcher, Executive Director
COGCC COMMISSION: Brian Cree - Bruce Johnson - Michael Klish - Abe Phillips - Claudia Rebne - Daniel Skrabacz - 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