



DEPARTMENT OF NATURAL RESOURCES

Roy Romer, Governor
1120 Lincoln St., Suite 801
Denver, CO 80203
Phone: (303) 894-2100
FAX: (303) 894-2109

December 17, 1996

Mr. Steven James
Western Operating Company
518 17th Street 1680 Denver Club Building
Denver, CO. 80202

Re: Brandon Field shut-in and temporarily abandoned wells

Dear Mr. James:

Commission records indicate that Western Operating Company operates 19 wells in the Brandon Field that are in violation of Rules 319.b.3 and 326.b.1. Commission staff has previously issued Notices of Alleged Violations (NOAV's) for 22 wells (5 NOAV's have been brought into compliance) and I am enclosing NOAV's for 2 additional wells. As we have discussed by phone, the Commission staff realizes that securing immediate compliance with Rule 326.b.1 would severely impact Western's financial and human resources. Commission staff has therefore been receptive to allowing Western additional time to secure compliance as long as Western makes steady progress toward securing compliance for all the wells. However, of the 24 Brandon Field wells that have been issued NOAV's, Western has only been able to bring 5 wells into compliance since January of 1995. The Commission does not consider this to be an acceptable schedule for compliance.

Beginning in January of 1997, the Commission will require that Western Bring a minimum of one well per month into compliance with Rule 326.b.1. Each well must either: 1) pass a mechanical integrity test or 2) be put back on production or 3) be properly plugged and abandoned at a minimum rate of one per month. Western must submit required paperwork detailing how compliance was secured within 30 days of completing the work for each well. Because NOAV's have been issued and abatement dates have or will soon expire, if Western fails to comply with these terms an Administrative Order by Consent will be prepared and fines recommended per Rule 522.

The wells subject to these requirements are as follows:

McCormick #1 NESE 26 18S 45W
McCormick #1-A SWSW 26 18S 45W
NWBU #1-I SWSW 33 18S 45W *Form 10, Change of Operator required 12/27/96
Dawson #2 SWSW 3 19S 45W
Dawson #8 SESW 3 19S 45W
Dawson #9 NWSW 3 19S 45W
Dawson Unit #1 SWSE 4 19S 45W
NWBU #3 NENW 4 19S 45W *Form 10, Change of Operator required by 12/27/96
NWBU #4 SWNW 4 19S 45W *Form 10, Change of Operator required by 12/27/96
NWBU #6 NESW 4 19S 45W *Form 10, Change of Operator required by 12/27/96
NWBU #7 SWSW 4 19S 45W
Dawson #6 SWNE 8 19S 45W
Dawson #A-3 SENW 9 19S 45W
Harrison #1 NESE 9 19S 45W
Harrison #5 NWNE 9 19S 45W
King-Pyles #1 NESW 9 19S 45W
Pyles #3 NWNW 10 19S 45W
Pyles #5 NENW 10 19S 45W
USA Butler #2 NWNE 10 19S 45W

Additionally, please submit COGCC Form 10's, Change of Operator, to the Commission for the four wells noted. NOAV's have been sent to Western requiring that Form 10's be submitted by December 27, 1996 for these wells. The Commission can see no reason that this deadline for Change of Operator forms cannot be met and will prepare Administrative Orders by Consent and recommend fines if COGCC Form 10's are not received by the abatement date.

Thank you for your attention to these matters. If you have any questions you may contact me at 303-894-2100 extension 108.

Sincerely,



Dave Shelton
Petroleum Engineer