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STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSIONDEPARTMENT OF NATURAL RESOURCES
SUITE 380 LOGAN TOWER BUILDING
1580 LOGAN STREET
DENVER, COLORADO 80203WILLIAM R. SMITH
Director

(303) 866-3531

RICHARD D. LAMM
GovernorFRANK J. PIRO
Deputy Director

June 3, 1986

Johnson Oil & Gas Co.
90 Garden Center, Suite 12
Broomfield, Colorado 80020

RE: Delinquent Operations

Gentlemen:

Several months ago you submitted an OGCC Form 10, Certificate of Clearance and Authorization to Transport Oil or Gas From a Well, indicating change in operator from Catamount Exploration, Inc. to your company on the following wells:

#1 Altergott	SW SE	22-6N-67W
#1 Lorenz	SE NE	23-6N-67W
#1 Swanson	SE NW	24-6N-67W
#1 Rust	NW SW	24-6N-67W
#2 Swanson	SW NW	24-6N-67W
#1 Duggan	SW SW	25-6N-67W
#1 Shaefer	NE NE	26-6N-67W
#1 Long-Altex	NW NE	26-6N-67W
#1 Felte	NW SE	34-7N-67W
#1 Patricia	NW NE	34-2S-66W

At the time these wells were reporting as being taken over by your company you were advised that Rule 304 provides that prior to commencement of operations you were to post a \$5,000 plugging bond on each of the wells, or a \$30,000 blanket bond to cover all wells. Rule 302 provides that prior to commencement of its operations all producers shall file a "Designation of Agent".

You are hereby directed to cease operations on all producing wells effective July 1, 1986 unless a proper security has been posted in accord with Rule 304 and a "Designation of Agent", OGCC Form 1, is filed with this office.

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In addition you are requested to advise this office no later than June 23, 1986 why this matter should not be brought to the attention of the Commission for consideration of a penalty of \$1,000 for each violation and \$1,000 per day while in violation, all in accord with Section 34-60-121, Colorado Revised Statutes.

If you have any questions regarding the above, please contact Mr. James McKee or me at 866-3531.

Very truly yours,

William R. Smith

William R. Smith, P.E.
Director

WRS:bm

cc: Jim McKee