

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 FAX: (303) 894-2101



FOR OGCC USE ONLY 10/05/2001 1084814

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 22755 0 Name of Operator: DAVIS* EDWARD MIKE Address: DBA TIGER OIL COMPANY 5177 RICHMOND AVE STE 740 City: HOUSTON State: TX Zip: 77056 Company Representative: STEVE CHAMBERLAIN

Date Notice Issued: 10/05/2001

Well Name: CHRISTIANSON Well Number: 31-12 Facility Number: 259875 Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNE 12 3S 50W 6 County: WASHINGTON API Number: 05 121 10644 00 Lease Number:

COGCC Representative: DIMATTEO ED Phone Number: 303 894-2100

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

Date of Alleged Violation: 05/24/2001 Approximate Time of Violation: Description of Alleged Violation: FAILURE TO SET REQUIRED AMOUNT OF SURFACE CASING AS APPROVED IN PERMIT OF 4/23/01. PERMIT REQUIRED 300FT OF CASING ONLY 250 FT WAS SET. AQUIFERS APPEAR TO BE PROTECTED WITH THE CASING SET.



Act, Order, Regulation, Permit Conditions Cited: COGCC RULE 301 FAILURE TO TO OBTAIN APPROVAL OF PLAN PREVIOUSLY APPROVED BY THE COGCC.

Abatement or Corrective Action Required to be Performed by Operator:* SUBMIT WRITTEN RESPONSE WHY CONDITION IN THE PERMIT TO DRILL WAS NOT FOLLOWED AND SHOW CAUSE WHY EDWARD MIKE DAVIS SHOULD NOT BE FOUND IN VIOLATION OF COGCC RULE 301 AND SUBJECT TO FINE.

Abatement or Corrective Action to be Completed by (date): 11/08/2001 * 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:

Company Representative Name: Title: Signature: Date: Company Comments:

*** 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 five 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 \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 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 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.

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: Date: 10/08/2001 Time: Resolution Approved by: EAD Date: 11/8/01 Explanation received

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

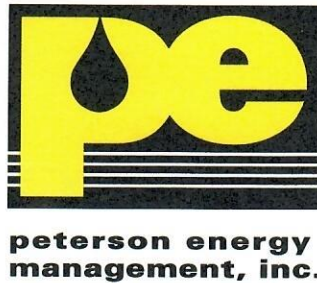
7099 3400 0015 1439 5293

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Edward Mike Davis
 Street, Apt. No., or PO Box No.
 5177 Richmond Ave Ste 740
 City, State, ZIP+4
 Houston TX 77056

PS Form 3800, February 2000 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Received by (Please Print Clearly) B. Date of Delivery A. Wood 10/15/01</p> <p>C. Signature [Signature]</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to: Edward Mike Davis 5177 Richmond Ave Ste 740 Houston, TX 77056. Attn Steve Chamberlain</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Copy from service label) 7099 3400 0015 1439 5293</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952</p>	



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NOV -8 01
COGCC

November 7, 2001

Mr. Ed DiMatteo
Colorado Oil & Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

Re: **Notice Of Alleged Violation**
Edward Mike Davis Christianson 31-12
NWNE 12-3S-50W, Washington County, Colorado

Dear Ed:

Mr. Davis has asked me to respond to the NOAV issued on October 5, 2001, concerning surface casing setting depth on this well.

I was on location to witness openhole logs on May 24, 2001. At that time the loggers informed me that the rig had only set 250' of surface casing. I knew that eight joints of casing totaling 350.39' had been delivered to the well because I had lined up a string of surface casing for Mr. Davis to purchase. That night I checked around location and found two joints of surface casing that had been drug off to the side. The rig hands said that they had problems running surface casing and that it got stuck before getting to bottom. They cemented it where it was and did not think to inform anyone.

That night I advised Mr. Davis of the problem and told him that he or the drilling contractor should call Ed Binkley and let him know what had happened. I don't know whether or not that call ever got made. I told Mr. Davis that at the least he should cement the base of surface from 350' up with 75 sacks, 35 sacks over the stipulated amount. This would insure a plug approximately 100' below and above the surface shoe (and approximately 50' below the permitted surface casing depth of 300'). After logs were run I left location, and the drilling contractor resumed supervisory duties. The Halliburton cementing ticket does indicate 75 sacks were pumped on Plug #3 at the base of surface.

All operations before and after logging had been supervised by the drilling contractor, Development Drilling. It was the first hole this rig had drilled, and nothing had gone smoothly.

petroleum engineering

Ed DiMatteo
November 7, 2001
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NOV -8 01

I truly believe that surface casing got set at 250' due to hole problems, not due to a conscious act of Mr. Davis or anyone else. I can assure you that Mr. Davis bought, and paid for, 350' of surface casing, and had every intention of setting at least the stipulated 300'. OGCC

Please call if we may answer any questions.

Sincerely,



Andy Peterson
Peterson Energy Management, Inc.

/asp

cc: Edward Mike Davis
Steve Chamberlain