



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

March 21, 2016

Jenna Keller
Keller Law LLC
P.O. Box 771222
Steamboat Springs, CO 80477

Re: Final Resolution - Complaint 200438280
Complainant: Paul W. Schroeder and Bradley D. Anderson
Logan J Sand Unit #4-24 (API #075-60014)

Dear Ms. Keller,

The Colorado Oil and Gas Conservation Commission (COGCC) received the subject complaint filed via email on behalf of your clients, Mr. Paul W. Schroeder and Mr. Bradley D. Anderson. The complaint was regarding weed control and property damage at Logan J Sand Unit #4-24 (API #075-60014). The subject complaint is documented in COGCC document number 200438280, which can be found on the "Complaints" page, off of our main website <http://cogcc.state.co.us/>. The COGCC investigated this complaint and documented the results in COGCC document number 200438744.

At the time that the complaint was filed, the operator of the locations, Benchmark Energy LLC (Benchmark) was already the subject of an ongoing investigation by the COGCC by which COGCC staff sought penalty enforcement action due to compliance violations and environmental impacts at several facilities.

The following actions were taken by COGCC staff to resolve conditions reported in the complaint, with some actions having been completed before receipt of the complaint:

- On 12/22/2015 COGCC Inspector Kym Schure conducted an inspection of the location and issued Field Inspection Report (FIR) #680300438 (attached). Due to snow cover at the time of the inspection Mr. Schure was not able to evaluate the location with respect to the issues noted in the complaint.
- Due to a perceived pattern of non-compliance and reporting violations at multiple locations, COGCC Staff pursued an Order Finding Violation (OFV) hearing against the operator.
- The OFV hearing was held on January 26, 2016 seeking penalty enforcement action against Benchmark for compliance issues and environmental impacts at several facilities. At the hearing the Commission ruled in favor of the relief recommended by staff, authorizing foreclosure on Benchmark's existing financial assurance and the use of funds from the Oil and Gas Conservation and Environmental Response Fund to address environmental impacts resulting from Benchmark's violations, after a thirty-day period granted to the operator to bring the facilities into compliance.



Ms. Keller

March 21, 2016

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- On February 3, 2016 COGCC Director Matthew Lepore issued notice that Benchmark's Certificate of Clearance had been revoked, thereby suspending Benchmark's authority to sell or transport produced hydrocarbons from any of its permitted wells and locations in Colorado.

Complaint number 200438280 has been formally closed with the issuance of COGCC Order 1V-564, which can be found on the "Regulation" page of the COGCC website. Please note complaint 200438279, which addresses environmental issues at Logan J Sand Unit #4-24 has been addressed in a separate communication.

The COGCC is currently in the process of recovering the financial assurance on file for Benchmark. Once the financial assurance is recovered, the COGCC will create a plan for the proper plugging and abandonment of the wells in addition to the reclamation of impacted locations. Locations will be prioritized based on actual and threatened impact as well as the availability of personnel and equipment. Reclamation efforts will be scheduled according to the priority assigned to each location

Please advise Mr. Schroeder and Mr. Anderson to feel free to contact the COGCC directly to discuss the reclamation schedule.

If you have questions regarding this complaint or the investigation, please contact me.

Sincerely,



Megan Adamczyk, Complaint Specialist

Phone: 888-235-1101

Email: dnr_cogcc.complaints@state.co.us

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Inspection Date:
12/22/2015
Document Number:
680300438

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>221213</u>	<u>312345</u>	<u>SCHURE, KYM</u>	<input type="checkbox"/>	

Overall Inspection:
SATISFACTORY w/ CMT or AR

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Quint, Craig		craig.quint@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections

Compliance Summary:

QtrQtr: SESE Sec: 1 Twp: 8N Range: 54W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/19/2015	680300247	SI	SI	SATISFACTORY			No
11/10/2014	667200642	SI	SI	SATISFACTORY			No
07/23/2014	667200293			ACTION REQUIRED			No
07/19/2010	200264887	HR	PR	SATISFACTORY	I		No
06/24/2009	200214084	PR	PR	SATISFACTORY			No
06/23/1997	500154028	PR	PR			Pass	No
01/08/1996	500154027	PR	PR			Pass	No

Inspector Comment:

Inspection Report responding to Complaint Doc# 200438280 regarding alledged surface damage. Surface has been covered by snow since Dec. 15, 2015. Observations of surface conditions are not possible at the time of this inspection. Surface equipment remains on-site. Last production reported on December, 2014. Production reports show entries during SI status during 2014. Follow-up inspection will be performed as soon as surface is visible for observations.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
219268	WELL	PA	08/15/1991	ERIW	075-06115	NW GRAYLIN (LOGAN J 3-9W) 9-W	PA <input type="checkbox"/>
221213	WELL	SI	12/14/2014	OW	075-60014	LOGAN J SAND UNIT 4-24	SI <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Inspector Name: SCHURE, KYM

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/AR): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Equipment:

Type: Pump Jack	# 1	Satisfactory/Action Required: SATISFACTORY
Comment	Surface equipment remains on-site.	
Corrective Action		Date:

Venting:

Yes/No	
Comment	

Flaring:

Type	Satisfactory/Action Required
Comment:	
Corrective Action:	Correct Action Date:

Predrill

Location ID: 221213

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AR: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Date retrieval failed for the subreport 'Subreport1' located at: \\10.12.100.15\FarmReports\Insp\InspCOA.rdlc. Please check t

S/AR: _____ Comment: _____

CA: _____ Date: _____

Wildlife BMPs:

Date retrieval failed for the subreport 'Subreport2' located at: \\10.12.100.15\FarmReports\Insp\InspBMP.rdlc. Please check t

S/AR: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 221213 Type: WELL API Number: 075-60014 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: Last production report submitted by Operator - Dec. 2014.

Comment: _____

Environmental

Spills/Releases:

Inspector Name: SCHURE, KYM

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____
Comment: _____
Corrective Action: _____ Date: _____
Reportable: _____ GPS: Lat _____ Long _____
Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well: _____ Lat _____ Long _____
DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters: _____

Sample Location: _____

Emission Control Burner (ECB): _____
Comment: _____
Pilot: _____ Wildlife Protection Devices (fired vessels): _____

The subreport 'rptInsp13' could not be found at the

COGCC Comments		
Comment	User	Date
Inspection performed in response to Complaint Doc# 200438280. Surface remains covered in snow since Dec. 15, 2015. Follow-up inspection will be performed as soon as surface conditions are visible. Overall Inspection Status is based on surface conditions at time of this inspection which restrict observations of issues described in complaint, follow-up inspection required as soon as surface is visible.	schureky	12/23/2015

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
680300438	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3747880