



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.

P 303.894.2100 F 303.894.2109 [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc)

Commissioners: Thomas L. Compton - Chairman, Richard Alward, John H. Benton, DeAnn Craig,  
James W. Hawkins, Tommy Holton, Andrew L. Spielman, Mike King, Dr. Larry Wolk

John W. Hickenlooper, Governor | Mike King, Executive Director, DNR | Matthew J. Lepore, Director



Ms. Keller  
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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,

A handwritten signature in blue ink that reads "Megan J Adamczyk". The signature is written in a cursive, flowing style.

Megan Adamczyk, Complaint Specialist  
Phone: 888-235-1101  
Email: [dnr\\_cogcc.complaints@state.co.us](mailto: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

Overall Inspection:

SATISFACTORY w/ CMT  
or AR**FIELD INSPECTION FORM**

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

**Operator Information:**OGCC Operator Number: 10380Name of Operator: BENCHMARK ENERGY LLCAddress: PO BOX 8747City: PRATT State: KS Zip: 67124

- ☐ 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
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☐ Multiple Spills and Releases?

**Equipment:**

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

Corrective Action	Date:
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**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:**

Data retrieval failed for the subreport 'Subreport1' located at: \\10.12.100.15\cFormReports\Insp\InspCOA.rdl. Please check t

S/AR: \_\_\_\_\_ Comment: \_\_\_\_\_

CA: \_\_\_\_\_ Date: \_\_\_\_\_

**Wildlife BMPs:**

Data retrieval failed for the subreport 'Subreport2' located at: \\10.12.100.15\cFormReports\Insp\InspBMP.rdl. 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:**

DWR Receipt Num: _____	Owner Name: _____	GPS : _____	Lat _____	Long _____
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**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	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3747880">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3747880</a>