



02187488

10.24.16

PRESENTATION(s) During Hearing

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	

STAFF'S PREHEARING STATEMENT

The Staff of the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") respectfully requests that the Commission enter Staff's proposed Order authorizing Staff to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or well-sites, and other remedies permitted by law.

STATEMENT OF THE FACTS

Premier is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things:

1. found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well;
2. assessed a total fine of Sixty-Five Thousand Dollars (\$65,000);
3. found that Premier had engaged in a pattern of violations;
4. imposed personal sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, at the Church Ranch 2W Well, Premier has never filed a Form 7, violating Rule 309. Premier also failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

At the Church Ranch 3W Well, Premier has also failed to file Form 7s, violating Rule 309. Similarly, Premier failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Id.).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance, doing so would not be a good use of Staff resources.

The \$5,000 financial assurance claimed pursuant to Order 1V-362 remained unspent until June and July of 2016 when Staff spent \$44,998.53 plugging the Church Ranch 1W Well, leaving a \$39,998.53 deficit. (Exhibit 4 – Financial Assurance Information; Exhibit 5 – 1W Invoices).

Plugging the well was necessary because the unattended well lacked mechanical integrity and was actively leaking hydrocarbons. Staff's actions were necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2).

The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

LEGAL CLAIMS ASSERTED

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

In fact, the version of Rule 709 in effect in 2007 (and now) states that "[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in-

place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance." (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not living up to its obligations. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is "financially capable of fulfilling any obligation" with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis and, therefore, the Commission is not limited in its authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. compliance issues) at one particular well.

Because of Premier's bankruptcy, its failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the COGCC paid \$39,998.53 to plug the Church Ranch 1W Well. (Exhibit 5). Plugging the well was necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2). As discussed above, the Commission holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. (Exhibit 4). Staff would like to apply these funds to correct any compliance issues at these two locations and Staff is currently working with the surface owner of these locations to see what work may be required. Once that work, if any, is complete Staff will return these locations to the surface owner. Any money remaining after that will be used to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.

Absent an order permitting Staff to take these actions, Staff would be left refunding the two financial assurance instruments, despite the \$39,998.53 debt owed, and COGCC would then need to sue in District Court should the Commission wish to pay down the debt. The Rules and the Act do not require that sort of inflexible adherence to form over substance and neither should this Commission.

RELIEF REQUESTED

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, Staff requests that the Commission authorize it to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of Staff's proposed order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;

- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites; and
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960), should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

STAFF PRESENTATION AT THE HEARING

A. *Witness List*

Diana Burn, COGCC Engineering Supervisor, may testify regarding Premier's wells/locations, the plugging of the Church Ranch 1W Well by COGCC Staff, and her interactions with the surface owner.

B. *Exhibit List*

- Staff Exhibit 1. Maps
- Staff Exhibit 2. Order 1V-362, Plus Addendum
- Staff Exhibit 3. Well Files
- Staff Exhibit 4. Financial Assurance Information
- Staff Exhibit 5. Invoices
- Staff Exhibit 6. Historic Rules
- Staff Exhibit 7. Section 34-60-106, C.R.S.
- Staff Exhibit 8. Notice of Hearing and Proof of Service
- Staff Exhibit 9. Notice of Hearing, Proof of Publication, Denver Daily Journal
- Staff Exhibit 10. Notice of Hearing, Proof of Publication, Lakewood Sentinel

C. *Estimated Time Required for Case Presentation*

Staff anticipates its case presentation to require 15 minutes. Staff reserves the right to rebut Premier's evidence and witnesses. Staff respectfully requests the consideration of Rules 527.h.(5) and 528.f. in determining time allocations for the parties.

Respectfully submitted this 10th day of August, 2016,

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By



Jeremy I. Ferrin, Enforcement Officer

CERTIFICATE OF SERVICE

On August 10, 2016, a true and correct copy of the foregoing *Prehearing Statement* was sent by electronic mail to the following:


James Rouse
COGCC Hearing Officer
james.rouse@state.co.us

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

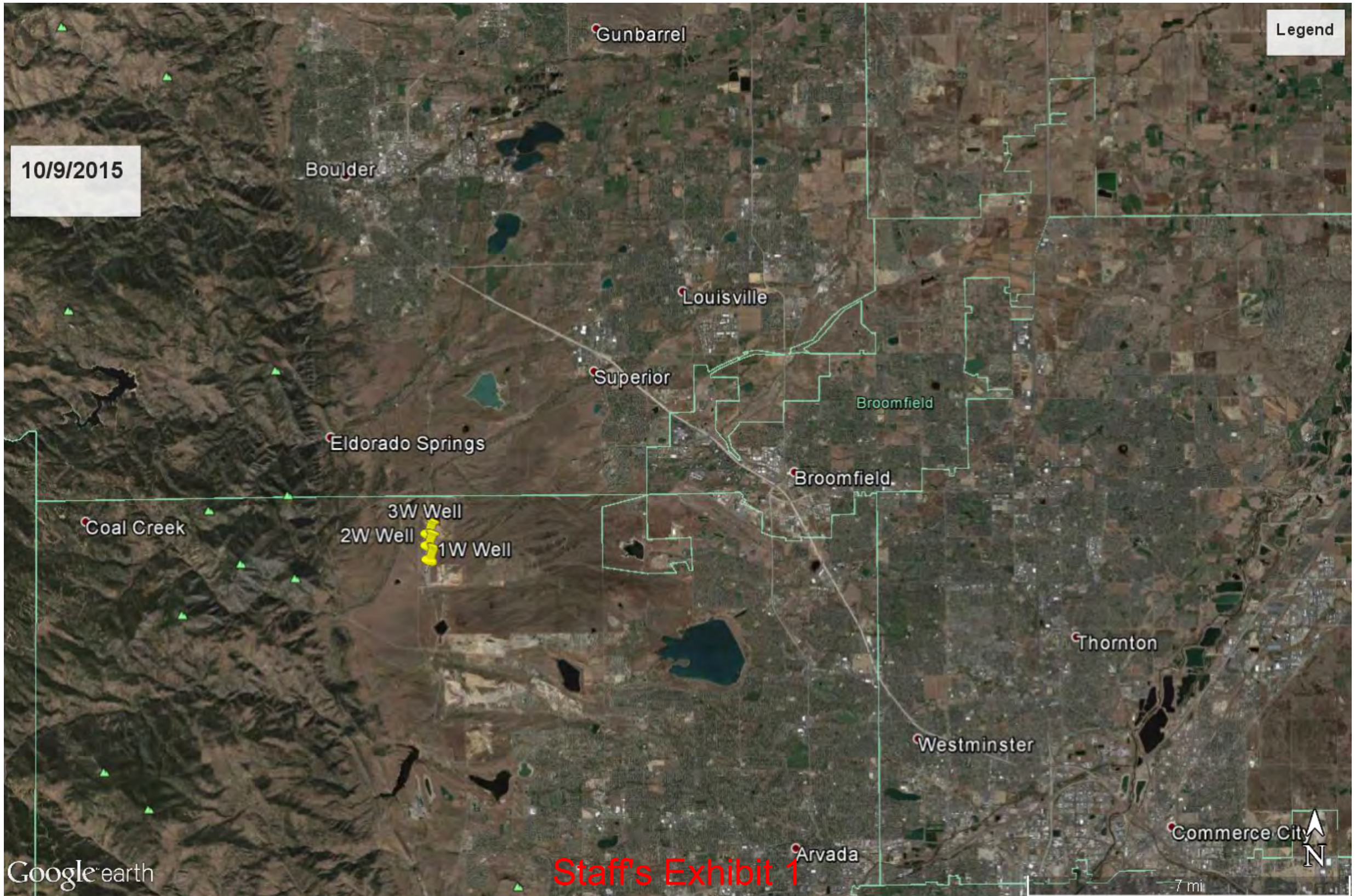
Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
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Jordan Gitternman
President
PREMIER OIL & GAS INC
akasas@aol.com

dnr_cogccenforcement@state.co.us



Jeremy I. Ferrin





Google earth

Image © 2016 DigitalGlobe

Staff's Exhibit 1

1000 ft



10/7/2012

Legend

Google earth
Image © 2016 DigitalGlobe

Staff's Exhibit 1

1000 ft





4/2/2007

Legend

3W Well

2W Well

1W Well


Staff's Exhibit 1

Google earth
Image © 2016 DigitalGlobe

N

1000 ft

COGIS - WELL Information

Scout Card  [Related](#)  [Insp.](#)  [1 Mile](#)  [MIT](#)  [NOAV](#)  [GIS](#)  [Doc](#)  [Review](#)  [COA](#)  [Wellbore](#)  [Orders](#)

Surface Location Data for API # 05-059-06026

Status: WO 4/10/2008

Well Name/No: CHURCH RANCH #1W (click well name for production)
Operator: PREMIER OIL & GAS INC - 10238
Status Date: 4/10/2008
County: JEFFERSON #058
Field: WILDCAT - #99999
Planned Location: 1739 FSL 759 FWL
As Drilled Location: Footages Not Available
Federal or State Lease #:
Location: NWSW 9 2S70W 6 PM
Elevation: 6,185 ft.
Lat/Long: 39.88976/-105.23826
Lat/Long: 39.88976/-105.2382
Lat/Long Source: Field Measured
Lat/Long Source: Field Measured

Wellbore Data for Sidetrack #00

Status: WO 4/10/2008

Spud Date: 12/3/2007
Spud Date is: ACTUAL
Wellbore Permit
Permit #: 20075137
Expiration Date: 10/4/2008
Prop Depth/Form: 11000
Surface Mineral Owner Same: Y
Mineral Owner: FEE
Surface Owner: FEE
Unit:
Unit Number:
Formation and Spacing: Code: LYNS , Formation: LYONS , Order: , Unit Acreage: , Drill Unit:

Wellbore Completed

Completion Date: 1/11/2008
Measured TD: 9545
Measured PB depth: 9060
True Vertical TD: 9425
True Vertical PB depth: 8940
Log Types:
Casing: String Type: CONDUCTOR , Hole Size: 17.5, Size: 13.375, Top: 0, Depth: 31, Weight:
Cement: Sacks: 55, Top: 0, Bottom: 31, Method Grade: CALC
Casing: String Type: SURF , Hole Size: 12.5, Size: 9.625, Top: 0, Depth: 1173, Weight:
Cement: Sacks: , Top: 0, Bottom: 1173, Method Grade: CALC
Casing: String Type: 1ST , Hole Size: 8.75, Size: 4.5, Top: 0, Depth: 9334, Weight:
Cement: Sacks: 350, Top: 6780, Bottom: 9090, Method Grade: CBL

Formation	Log Top	Log Bottom	Cored	DSTs
PIERRE	0	8810	N	N
NIOBRARA	8810	8918	N	N
FORT HAYS	8918	8940	N	N
CODELL	8940	8970	N	N
CARLILE	8970	8980	N	N
GREENHORN	8980	9395	N	N
GRANEROS	9395	9508	N	N
J SAND	9522		N	N

Completed information for formation N-COM

Status: WO 4/10/2008

1st Production Date: N/A
Status Date: 4/10/2008
Choke Size:
Open Hole Completion:
Commingled:
Production Method:
Formation Name: NOT COMPLETED
Status: WO
Tubing Size:
Tubing Setting Depth:
Tubing Packer Depth:
Tubing Multiple Packer:
Open Hole Top:
Open Hole Bottom:

No Initial Test Data was found for formation N-COM .
No Production Data was found for formation N-COM .

Staff's Exhibit 2

Premier Bond Claim Enforcement Hearing

DN - 160800310

000013

COGIS - Monthly Well Production

PRODUCTION DATA REPORT -- [GIS](#)


API #:	05-059-06026	Location:	NWSW 9 2S 70W 6
Field:	WILDCAT	Field Code:	99999
Facility Name:	CHURCH RANCH	Facility #:	1W
Operator Name:	PREMIER OIL & GAS INC	Operator #:	10236

PRODUCTION YEAR: All

Year	Month	Formation	Sidetrack	Well Status	Days Prod	Product	OIL						Water Prod	Water(psig)	
							BOM	Produced	Sold	Adj.	EOM	Gravity		Tbg.	Csg.
							GAS						Water Disp. Code	Gas (psig)	
							Prod	Flared	Used	Shrinkage	Sold	BTU		Tbg.	Csg.
2007	Dec	NOT COMPLETED	00	WO		Oil -> Gas ->									
2008	Jan	NOT COMPLETED	00	WO		Oil -> Gas ->									
2008	Mar	NOT COMPLETED	00	DG		Oil -> Gas ->									
2008	May	NOT COMPLETED	00	WO		Oil -> Gas ->									

Staff's Exhibit 2

Inspector Name: BURN, DIANA

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: <u>06/27/2016</u> Document Number: <u>677800005</u> Overall Inspection: _____																																								
FIELD INSPECTION FORM																																											
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 15%;">Location Identifier</td><td style="width: 15%;">Facility ID</td><td style="width: 15%;">Loc ID</td><td style="width: 25%;">Inspector Name:</td><td style="width: 30%;">On-Site Inspection <input type="checkbox"/></td></tr><tr><td></td><td><u>292818</u></td><td><u>324776</u></td><td><u>BURN, DIANA</u></td><td>2A Doc Num: _____</td></tr></table>				Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>		<u>292818</u>	<u>324776</u>	<u>BURN, DIANA</u>	2A Doc Num: _____																														
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Inspector Name: BURN, DIANA

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Equipment:				
Type:	#	Satisfactory/Action Required:		
Comment				
Corrective Action				Date:

Venting:	
Yes/No	
Comment	

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

Inspector Name: BURN, DIANA

Predrill

Location ID: 292818

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:

S/AR: _____ Comment: _____

CA: _____ Date: _____

Wildlife BMPs:

S/AR: _____ Comment: _____

CA: _____ Date: _____

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: 292818 Type: WELL API Number: 059-06026 Status: WO Insp. Status: WO

Inspector Name: BURN, DIANA

Cement**Cement Contractor**

Contractor Name: Magna

Contractor Phone: _____

Surface Casing

Cement Volume (sx): _____

Circulate to Surface: _____

Cement Fall Back: _____

Top Job, 1" Volume: _____

Intermediate Casing

Cement Volume (sxs): _____

Good Return During Job: _____

Production Casing

Cement Volume (sx): _____

Good Return During Job: _____

Plugging Operations

Depth Plugs(feet range): _____

Cement Volume (sx): _____

Good Return During Job: _____

Cement Type: _____

Comment:

RU - difficulty setting anchors - well blew gas when opened, unloaded to a tank
- ran in with CIBP - intended to run to 8600', stacked out at ~3230', pulled out and had small drop of paraffin
will bring out workstring, bit and scraper to attempt to get down to depth to set BP

Environmental**Spills/Releases:**

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 _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Waste and Debris removed? _____

CM _____

CA _____ CA Date _____

Inspector Name: BURN, DIANA

Unused or unneeded equipment onsite? _____		
CM _____		
CA _____	CA Date _____	
Pit, cellars, rat holes and other bores closed? _____		
CM _____		
CA _____	CA Date _____	
Guy line anchors marked? _____		
CM _____		
CA _____	CA Date _____	
1003b. Area no longer in use? _____	Production areas stabilized ? _____	
1003c. Compacted areas have been cross ripped? _____		
1003d. Drilling pit closed? _____	Subsidence over on drill pit? _____	
Cuttings management: _____		
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____		
Production areas have been stabilized? _____		Segregated soils have been replaced? _____
RESTORATION AND REVEGETATION		
<u>Cropland</u>		
Top soil replaced _____	Recontoured _____	Perennial forage re-established _____
<u>Non-Cropland</u>		
Top soil replaced _____	Recontoured _____	80% Revegetation _____
1003 f. Weeds Noxious weeds? _____		
Comment: _____		
Overall Interim Reclamation _____		

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____		Date Final Reclamation Completed: _____
Final Land Use: _____		
Reminder: _____		
Comment: _____		
Well plugged _____	Pit mouse/rat holes, cellars backfilled _____	
Debris removed _____	No disturbance /Location never built _____	
Access Roads _____	Regraded _____	Contoured _____
		Culverts removed _____
Gravel removed _____		
Location and associated production facilities reclaimed _____		Locations, facilities, roads, recontoured _____
Compaction alleviation _____		Dust and erosion control _____
Non cropland: Revegetated 80% _____		Cropland: perennial forage _____
Weeds present _____	Subsidence _____	
Comment: _____		
Corrective Action: _____		Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>

Inspector Name: BURN, DIANA


Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/A/V: _____ Corrective Date: _____						
Comment: _____						
CA: _____						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
677800005	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3912615

Inspector Name: BURN, DIANA

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: <u>07/06/2016</u> Document Number: <u>677800006</u> Overall Inspection: _____					
FIELD INSPECTION FORM								
Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:			
	<u>292818</u>	<u>324776</u>	<u>BURN, DIANA</u>	<input type="checkbox"/>	_____			
Operator Information:								
OGCC Operator Number: <u>10236</u>								
Name of Operator: <u>PREMIER OIL & GAS INC</u>								
Address: <u>4570 W. SAHARA AVE #336</u>								
City: <u>LAS VEGAS</u> State: <u>NV</u> Zip: <u>89102</u>								
<div style="display: flex; justify-content: space-between;"><div></div><div><input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED</div></div>								
Contact Information:								
Compliance Summary:								
QtrQtr: <u>NWSW</u> Sec: <u>9</u> Twp: <u>2S</u> Range: <u>70W</u>								
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)	
06/30/2016	679600036	WO	WO	SC			No	
06/29/2016	679600035	WO	TA	AR			No	
11/20/2008	200201487	PR	WO	ACTION REQUIRED				
09/18/2008	200201486	PR	WO	ACTION REQUIRED				
03/21/2008	200201449	PR	WO	ACTION REQUIRED			Yes	
Inspector Comment: _____ _____								
Related Facilities:								
Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
292818	WELL	WO	04/10/2008	OW	059-06026	CHURCH RANCH 1W	WO	<input checked="" type="checkbox"/>
Equipment:								
Location Inventory								
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								
Lease Road:								
Type	Satisfactory/Action Required	comment	Corrective Action	Date				

Inspector Name: BURN, DIANA

Predrill

Location ID: 292818

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:**S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**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: 292818 Type: WELL API Number: 059-06026 Status: WO Insp. Status: WO

Inspector Name: BURN, DIANA

<u>Cement</u>	
<u>Cement Contractor</u>	
Contractor Name: _____	Contractor Phone: _____
<u>Surface Casing</u>	
Cement Volume (sx): _____	Circulate to Surface: _____
Cement Fall Back: _____	Top Job, 1" Volume: _____
<u>Intermediate Casing</u>	
Cement Volume (sxs): _____	Good Return During Job: _____
<u>Production Casing</u>	
Cement Volume (sx): _____	Good Return During Job: _____
<u>Plugging Operations</u>	
Depth Plugs(feet range): _____	Cement Volume (sx): _____
Good Return During Job: _____ Cement Type: _____	
Comment:	still had 320# on casing, blew down - tagged cement at 4056'; rolled hole and still had gas cut found wellhead was a Q92 and did not have correct flange or connector for BOP - Magna sought solution
<u>Environmental</u>	
<u>Spills/Releases:</u>	
Type of Spill: _____	Description: _____ Estimated Spill Volume: _____
Comment: _____	
Corrective Action: _____ Date: _____	
Reportable: _____	GPS: Lat _____ Long _____
Proximity to Surface Water: _____	Depth to Ground Water: _____
<u>Water Well:</u>	
DWR Receipt Num: _____	Owner Name: _____ GPS : _____ Lat _____ Long _____
<u>Field Parameters:</u>	
Sample Location: _____	
Emission Control Burner (ECB): _____	
Comment: _____	
Pilot: _____ Wildlife Protection Devices (fired vessels): _____	
<u>Reclamation - Storm Water - Pit</u>	
<u>Interim Reclamation:</u>	
Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____	
Land Use: _____	
Comment: _____	
1003a. Waste and Debris removed? _____	
CM _____	
CA _____ CA Date _____	

Inspector Name: BURN, DIANA

Unused or unneeded equipment onsite? _____	
CM _____	
CA _____	CA Date _____
Pit, cellars, rat holes and other bores closed? _____	
CM _____	
CA _____	CA Date _____
Guy line anchors marked? _____	
CM _____	
CA _____	CA Date _____
1003b. Area no longer in use? _____	Production areas stabilized ? _____
1003c. Compacted areas have been cross ripped? _____	
1003d. Drilling pit closed? _____	Subsidence over on drill pit? _____
Cuttings management: _____	
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____	
Production areas have been stabilized? _____	Segregated soils have been replaced? _____
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
Top soil replaced _____	Recontoured _____ 80% Revegetation _____
1003 f. Weeds Noxious weeds? _____	
Comment: <input style="width: 100%;" type="text"/>	
Overall Interim Reclamation	
Final Reclamation/ Abandoned Location:	
Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
Final Land Use: _____	
Reminder: _____	
Comment: <input style="width: 100%;" type="text"/>	
Well plugged _____	Pit mouse/rat holes, cellars backfilled _____
Debris removed _____	No disturbance /Location never built _____
Access Roads _____	Regraded _____ Contoured _____ Culverts removed _____
Gravel removed _____	
Location and associated production facilities reclaimed _____	Locations, facilities, roads, recontoured _____
Compaction alleviation _____	Dust and erosion control _____
Non cropland: Revegetated 80% _____	Cropland: perennial forage _____
Weeds present _____	Subsidence _____
Comment: <input style="width: 100%;" type="text"/>	
Corrective Action: <input style="width: 80%;" type="text"/>	Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

Inspector Name: BURN, DIANA


Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/A/V: _____ Corrective Date: _____						
Comment: _____						
CA: _____						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
677800006	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3912614

Inspector Name: HICKEY, MIKE

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: <u>06/29/2016</u> Document Number: <u>679600035</u> Overall Inspection: <u>ACTION REQUIRED</u>					
FIELD INSPECTION FORM								
Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:			
	<u>292818</u>	<u>324776</u>	<u>HICKEY, MIKE</u>	<input type="checkbox"/>				
Operator Information:								
OGCC Operator Number: <u>10236</u>								
Name of Operator: <u>PREMIER OIL & GAS INC</u>								
Address: <u>4570 W. SAHARA AVE #336</u>								
City: <u>LAS VEGAS</u> State: <u>NV</u> Zip: <u>89102</u>								
<input checked="" type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED								
Contact Information:								
Contact Name	Phone	Email	Comment					
Weems, Mark		mark.weems@state.co.us						
Burn, Diana		diana.burn@state.co.us						
Compliance Summary:								
QtrQtr:	<u>NWSW</u>	Sec:	<u>9</u>	Twp:	<u>2S</u>	Range:	<u>70W</u>	
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)	
11/20/2008	200201487	PR	WO	ACTION REQUIRED				
09/18/2008	200201486	PR	WO	ACTION REQUIRED				
03/21/2008	200201449	PR	WO	ACTION REQUIRED			Yes	
Inspector Comment:								
Plugging observation. Blew down 50 psi on tubing/100 psi on pr. csg. BdHd under water. Tripped out with bit & scraper. RIH w/ CIBP on WL to 8591.5 with 8-1/2 foot plug. Set at 8600'. ROH w/ WL. RIH w/ 2 sx dump bailer on WL and four shot perf gun. Dumped 2 sx on CIBP then came up hole to 4500' and shot 4 holes in one ft. Bubbles in conductor well.								
Related Facilities:								
Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
292818	WELL	WO	04/10/2008	OW	059-06026	CHURCH RANCH 1W	TA	<input checked="" type="checkbox"/>
Equipment:								
<u>Location Inventory</u>								
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								

Inspector Name: HICKEY, MIKE

<u>Lease Road:</u>				
Type	Satisfactory/Action Required	comment	Corrective Action	Date

<u>Signs/Marker:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Comment: _____

Corrective Action: _____

<u>Good Housekeeping:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Spills:</u>				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

<u>Fencing:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Equipment:</u>				
Type:	#	Satisfactory/Action Required:		
Comment				
Corrective Action				Date:

<u>Venting:</u>	
Yes/No	
Comment	

<u>Flaring:</u>			
Type	Satisfactory/Action Required		
Comment:			
Corrective Action:			Correct Action Date:

Inspector Name: HICKEY, MIKE

Predrill

Location ID: 292818

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:**S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**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: 292818 Type: WELL API Number: 059-06026 Status: WO Insp. Status: TA

Inspector Name: HICKEY, MIKE

Cement	
Cement Contractor	
Contractor Name: <u>Magna</u>	Contractor Phone: _____
Surface Casing	
Cement Volume (sx): _____	Circulate to Surface: _____
Cement Fall Back: _____	Top Job, 1" Volume: _____
Intermediate Casing	
Cement Volume (sxs): _____	Good Return During Job: _____
Production Casing	
Cement Volume (sx): _____	Good Return During Job: _____
Plugging Operations	
Depth Plugs(feet range): <u>8600</u>	Cement Volume (sx): <u>2</u>
Good Return During Job: _____	Cement Type: _____
Comment: <u>Dump bail 2 sx on WL.</u>	

Environmental	
Spills/Releases:	
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 _____

Field Parameters:	
Sample Location: _____	

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

Reclamation - Storm Water - Pit	
Interim Reclamation:	
Date Interim Reclamation Started: _____	Date Interim Reclamation Completed: _____
Land Use: _____	
Comment: _____	
1003a. Waste and Debris removed? _____	
CM _____	
CA _____	CA Date _____

Inspector Name: HICKEY, MIKE

Unused or unneeded equipment onsite? _____	
CM _____	
CA _____	CA Date _____
Pit, cellars, rat holes and other bores closed? _____	
CM _____	
CA _____	CA Date _____
Guy line anchors marked? _____	
CM _____	
CA _____	CA Date _____
1003b. Area no longer in use? _____	Production areas stabilized ? _____
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1003d. Drilling pit closed? _____	Subsidence over on drill pit? _____
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Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
Top soil replaced _____	Recontoured _____ 80% Revegetation _____
1003 f. Weeds Noxious weeds? _____	
Comment: _____	
Overall Interim Reclamation _____	
<u>Final Reclamation/ Abandoned Location:</u>	
Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
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Reminder: _____	
Comment: _____	
Well plugged _____	Pit mouse/rat holes, cellars backfilled _____
Debris removed _____	No disturbance /Location never built _____
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Non cropland: Revegetated 80% _____	Cropland: perennial forage _____
Weeds present _____	Subsidence _____
Comment: _____	
Corrective Action: _____	Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

Inspector Name: HICKEY, MIKE

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment:

CA:

Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT
--


COGCC Comments		
Comment	User	Date
Ongoing operations. plugging incomplete. Additional plugging ops required.	hickeymi	06/30/2016

Attached Documents

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

Document Num	Description	URL
679600035	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3891959

Inspector Name: HICKEY, MIKE

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: <u>06/30/2016</u> Document Number: <u>679600036</u> Overall Inspection: <u>SATISFACTORY w/ CMT or AR</u>																																
FIELD INSPECTION FORM																																			
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 15%;">Location Identifier</td><td style="width: 15%;">Facility ID</td><td style="width: 15%;">Loc ID</td><td style="width: 25%;">Inspector Name:</td><td style="width: 15%;">On-Site Inspection</td><td style="width: 10%;"></td></tr><tr><td></td><td><u>292818</u></td><td><u>324776</u></td><td><u>HICKEY, MIKE</u></td><td><input type="checkbox"/></td><td>2A Doc Num: _____</td></tr></table>				Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection			<u>292818</u>	<u>324776</u>	<u>HICKEY, MIKE</u>	<input type="checkbox"/>	2A Doc Num: _____																				
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Contact Name	Phone	Email	Comment																																
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Burn, Diana		diana.burn@state.co.us																																	
Compliance Summary:																																			
QtrQtr: <u>NWSW</u> Sec: <u>9</u> Twp: <u>2S</u> Range: <u>70W</u>																																			
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09/18/2008	200201486	PR	WO	ACTION REQUIRED																															
03/21/2008	200201449	PR	WO	ACTION REQUIRED			Yes																												
Inspector Comment:																																			
<p>Ongoing plugging observation. 350 Psi on prod csg. BdHd under water. Tripped 2-3/8 tbg back into hole. Prod casing blew gas cut water to surface to tank. Gas flowing from production casing. Rolled hole. Tried to pump plug at 4500'. Cement auger blew hydraulic line. No Cement. Reversed out of tubing. W/O Parts. Tanks full w/ water. W/o haul off. Still bubbling in conductor cellar.</p>																																			
Related Facilities:																																			
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><th>Facility ID</th><th>Type</th><th>Status</th><th>Status Date</th><th>Well Class</th><th>API Num</th><th>Facility Name</th><th>Insp Status</th></tr><tr><td>292818</td><td>WELL</td><td>WO</td><td>04/10/2008</td><td>OW</td><td>059-06026</td><td>CHURCH RANCH 1W</td><td>WO</td></tr></table>				Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	292818	WELL	WO	04/10/2008	OW	059-06026	CHURCH RANCH 1W	WO																
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Equipment:																																			
<u>Location Inventory</u>																																			
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Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____																																
Location																																			

Inspector Name: HICKEY, MIKE

<u>Lease Road:</u>				
Type	Satisfactory/Action Required	comment	Corrective Action	Date

<u>Signs/Marker:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Comment: _____

Corrective Action: _____

<u>Good Housekeeping:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Spills:</u>				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

<u>Fencing:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Equipment:</u>				
Type:	#	Satisfactory/Action Required:		
Comment				
Corrective Action				Date:

<u>Venting:</u>	
Yes/No	
Comment	

<u>Flaring:</u>			
Type	Satisfactory/Action Required		
Comment:			
Corrective Action:			Correct Action Date:

Inspector Name: HICKEY, MIKE

Predrill

Location ID: 292818

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:**S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**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: 0 Type: _____ API Number: - Status: _____ Insp. Status: _____

Environmental**Spills/Releases:**

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 _____

Inspector Name: HICKEY, MIKE

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Waste and Debris removed? _____

CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____

CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____

CM _____

CA _____ CA Date _____

Guy line anchors marked? _____

CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____

Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____

Recontoured _____

Perennial forage re-established _____

Non-Cropland

Top soil replaced _____

Recontoured _____

80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____


Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Inspector Name: HICKEY, MIKE

Date Final Reclamation Started: _____		Date Final Reclamation Completed: _____				
Final Land Use: _____						
Reminder: _____						
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Well plugged _____	Pit mouse/rat holes, cellars backfilled _____					
Debris removed _____	No disturbance /Location never built _____					
Access Roads _____	Regraded _____	Contoured _____	Culverts removed _____			
Gravel removed _____						
Location and associated production facilities reclaimed _____		Locations, facilities, roads, recontoured _____				
Compaction alleviation _____		Dust and erosion control _____				
Non cropland: Revegetated 80% _____		Cropland: perennial forage _____				
Weeds present _____		Subsidence _____				
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Corrective Action: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			Date _____			
Overall Final Reclamation _____		Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>			
Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/A/V: _____ Corrective Date: _____						
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
CA: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						
COGCC Comments						
Comment					User	Date
Ongoing operations. Plugging in progress. Additional activities required.					hickeymi	06/30/2016
Attached Documents						
You can go to COGCC Images (https://cogcc.state.co.us/weblink/) and search by document number:						
Document Num	Description	URL				
679600036	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3891960				

Inspector Name: HICKEY, MIKE

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: <u>07/01/2016</u> Document Number: <u>679600037</u> Overall Inspection: <u>SATISFACTORY w/ CMT or AR</u>				
FIELD INSPECTION FORM							
Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:		
	<u>292818</u>	<u>324776</u>	<u>HICKEY, MIKE</u>	<input type="checkbox"/>			
Operator Information:							
OGCC Operator Number: <u>10236</u>							
Name of Operator: <u>PREMIER OIL & GAS INC</u>							
Address: <u>4570 W. SAHARA AVE #336</u>							
City: <u>LAS VEGAS</u> State: <u>NV</u> Zip: <u>89102</u>							
<div style="display: flex; justify-content: space-between;"><div></div><div><input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED</div></div>							
Contact Information:							
Contact Name	Phone	Email	Comment				
Weems, Mark		mark.weems@state.co.us					
Burn, Diana		diana.burn@state.co.us					
Compliance Summary:							
QtrQtr:	<u>NWSW</u>	Sec:	<u>9</u>	Twp:	<u>2S</u>	Range:	<u>70W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/20/2008	200201487	PR	WO	ACTION REQUIRED			
09/18/2008	200201486	PR	WO	ACTION REQUIRED			
03/21/2008	200201449	PR	WO	ACTION REQUIRED			Yes
Inspector Comment:							
Ongoing plugging operation. Cementing is down for a broken hydraulic line on the cement auger. Scott from Magna (TP) only person on site when I arrived. Fixing hydraulic line. W/O PO from State. 10:54 D. Burn called me to inform that the PO is likely on Tuesday Morning July 5. Conductor cellar still bubbling.							
Related Facilities:							
Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
292818	WELL	WO	04/10/2008	OW	059-06026	CHURCH RANCH 1W	WO
Equipment:							
<u>Location Inventory</u>							
Special Purpose Pits:	Drilling Pits:	Wells:	Production Pits:				
Condensate Tanks:	Water Tanks:	Separators:	Electric Motors:				
Gas or Diesel Motors:	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							

Inspector Name: HICKEY, MIKE

<u>Lease Road:</u>				
Type	Satisfactory/Action Required	comment	Corrective Action	Date

<u>Signs/Marker:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Comment: _____

Corrective Action: _____

<u>Good Housekeeping:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Spills:</u>				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

<u>Fencing:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<u>Equipment:</u>				
Type:	#	Satisfactory/Action Required:		
Comment				
Corrective Action				Date:

<u>Venting:</u>	
Yes/No	
Comment	

<u>Flaring:</u>			
Type	Satisfactory/Action Required		
Comment:			
Corrective Action:			Correct Action Date:

Inspector Name: HICKEY, MIKE

Predrill

Location ID: 292818

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:**S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Comment:** _____**Staking:****On Site Inspection (305):**Surface Owner Contact Information:

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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: _____

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Summary of Operator Response to Landowner Issues:

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Facility

Facility ID: 0 Type: _____ API Number: - Status: _____ Insp. Status: _____

Environmental**Spills/Releases:**

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 _____

Inspector Name: HICKEY, MIKE

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Waste and Debris removed? _____

CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____

CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____

CM _____

CA _____ CA Date _____

Guy line anchors marked? _____

CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____

Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Inspector Name: HICKEY, MIKE












Date Final Reclamation Started: _____		Date Final Reclamation Completed: _____				
Final Land Use: _____						
Reminder: _____						
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Well plugged _____		Pit mouse/rat holes, cellars backfilled _____				
Debris removed _____		No disturbance /Location never built _____				
Access Roads	Regraded _____	Contoured _____	Culverts removed _____			
Gravel removed _____						
Location and associated production facilities reclaimed _____		Locations, facilities, roads, recontoured _____				
Compaction alleviation _____		Dust and erosion control _____				
Non cropland: Revegetated 80% _____		Cropland: perennial forage _____				
Weeds present _____		Subsidence _____				
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Corrective Action: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			Date _____			
Overall Final Reclamation _____		Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>			
Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/A/V: _____ Corrective Date: _____						
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
CA: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						
COGCC Comments						
Comment					User	Date
Plugging ops shut down for long weekend. Additional activities required.					hickeymi	07/02/2016
Attached Documents						
You can go to COGCC Images (https://cogcc.state.co.us/weblink/) and search by document number:						
Document Num	Description	URL				
679600037	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3893615				

Premier Bond Claim Enforcement Hearing

DN - 160800310

000042

COGIS - WELL Information

Scout Card  [Related](#)  [Insp.](#)  [1 Mile](#)  [MIT](#)  [NOAV](#)  [GIS](#)  [Doc](#)  [Review](#)  [COA](#)  [Wellbore](#)  [Orders](#)

Surface Location Data for API # 05-059-06027

Status: AL

1/5/2010

Well Name/No:

CHURCH RANCH #2W

(click well name for production)

Operator:

PREMIER OIL & GAS INC - 10236

Status Date:

1/5/2010

Federal or State Lease #:

County:

JEFFERSON #059

Location:

SWNW 9 2S70W 6 PM

Field:

WILDCAT - #99999

Elevation:

6,167 ft.

Planned Location 2020 FNL 655 FWL

Lat/Long: 39.89418/-105.23885

Lat/Long Source: Field Measured

Wellbore Data for Sidetrack #00

Status: AL

1/5/2010

Wellbore Permit

Permit #:

20087871

Expiration Date:

12/8/2009

Prop Depth/Form:

11000

Surface Mineral Owner Same:

Y

Mineral Owner:

FEE

Surface Owner:

FEE

Unit:

Unit Number:

Formation and Spacing:

Code: LYNS , Formation: LYONS , Order: , Unit Acreage: , Drill Unit:

Casing:

String Type: CONDUCTOR , Hole Size: 24, Size: 20, Top: , Depth: 60, Weight: 36

Cement:

Sacks: 55, Top: 0, Bottom: 60, Method Grade:

Casing:

String Type: SURF , Hole Size: 12.25, Size: 9.625, Top: , Depth: 1130, Weight: 36

Cement:

Sacks: 396, Top: 0, Bottom: 1130, Method Grade:

Casing:

String Type: 1ST , Hole Size: 7.875, Size: 5.5, Top: , Depth: 11000, Weight: 24

Cement:

Sacks: 2000, Top: 7000, Bottom: 11000, Method Grade:

Wellbore Completed

Completion Date:

N/A

Measured TD:

Measured PB depth:

True Vertical TD:

True Vertical PB depth:

Formation

Log Top

Log Bottom

Cored

DSTs

No additional interval records were found for sidetrack 00.

Staff's Exhibit 2

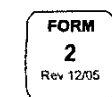
Premier Bond Claim Enforcement Hearing
DN - 160800310

000043

COGIS - Monthly Well Production

No Records Found.

Staff's Exhibit 2



State

02007113

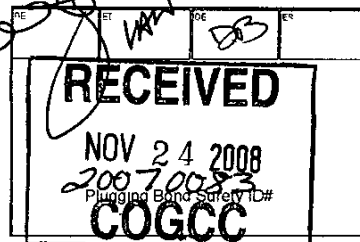
Oil and Gas Conservation Commission

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

APPLICATION FOR PERMIT TO

1 ☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

2 TYPE OF WELL
OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <input type="checkbox"/>
SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>

Refilling
Sidetrack ☒

3 Name of Operator Premier Oil & Gas, Inc	4 COGCC Operator Number 10236	Attachment Checklist	OP	COGCC
5 Address 2250 E Tropicana Ave #19-511	City Las Vegas State NV Zip 89119	APD Orig & 1 Copy		
6 Contact Name Allen Stout	Phone (702) 650-2825 Fax (702) 650-3505	Form 2A		
7 Well Name Church Ranch	Well Number 2W	Well location plat		
8 Unit Name (if appl)	Unit Number	Topo map		
9 Proposed Total Measured Depth 11,000'		Mineral lease map		
		Surface agrmt/Surety		
		30 Day notice letter		
		Deviated Drilling Plan		
		Exception Location Request		
		Exception Loc Waivers		
		H2S Contingency Plan		
		Federal Drilling Permit		

10 Qtr/Qt SW1/4NW1/4 Sec 9 Twp 2S Rng 70W Meridian 6

Latitude N39 89418 Longitude W105 23865

Footage At Surface 2020 N 655 W

11 Field Name Wildcat Field Number 99999

12 Ground Elevation 6167 13 County Jefferson

14 GPS Data

Date of Measurement 08-09-2007 PDOP Reading 2.40 Instrument Operator's Name Donald L Lambert

15 If well is ☐ Directional ☐ Horizontal (highly deviated), submit deviated drilling plan Bottomhole Sec Twp Rng

Footage At Top of Prod Zone ☐ At Bottom Hole ☐

16 Is location in a high density area (Rule 603b)? ☐ Yes ☒ No

17 Distance to the nearest building public road above ground utility or railroad 655'

18 Distance to Nearest Property Line 655' 19 Distance to nearest well permitted/completed in the same formation 1339'

20 LEASE, SPACING AND POOLING INFORMATION				
Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N2 SE/4 etc)
LYONS	LYNS			
21 Mineral Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian	Lease #			
22 Surface Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian				
23 Is the Surface Owner also the Mineral Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Surface Surety ID#			
23a If 23 is Yes Is the Surface Owner(s) signature on the lease? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
23b If 23 is No <input type="checkbox"/> Surface Owners Agreement Attached or <input type="checkbox"/> \$25,000 Blanket Surface Bond <input type="checkbox"/> \$2,000 Surface Bond <input type="checkbox"/> \$5,000 Surface Bond				
24 Using standard Qtr/Qt, Sec Twp Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer)				
W1/2 of W1/2 Sec 9 T2S R70W				
25 Distance to Nearest Mineral Lease Line 655'	26 Total Acres in Lease 150			

27 Is H2S anticipated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, attach contingency plan							
28 Will salt sections be encountered during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
29 Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
30 If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 28, 29 or 30 are "Yes" a pit permit may be required							
31 Mud disposal <input checked="" type="checkbox"/> Offsite <input type="checkbox"/> Onsite							
Method <input type="checkbox"/> Land Farming <input type="checkbox"/> Land Spreading <input checked="" type="checkbox"/> Disposal Facility <input type="checkbox"/> Other							
NOTE The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b) If air/gas drilling notify local fire officials							
String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Conductor	24"	20"	36#	60'	55	60'	Surface
Surface	12 1/4"	9 5/8"	36#	6630' / 1130	396	1130'	Surface
Prod. String	7 7/8"	5 1/2"	24#	11,000'	2000	11,000'	7,000
32 BOP Equipment Type <input checked="" type="checkbox"/> Annular Preventor <input checked="" type="checkbox"/> Double Ram <input checked="" type="checkbox"/> Rotating Head <input type="checkbox"/> None							
33 Comments Road built to drillsite - all conditions same as original permit							
34 Initial Rule 306 Consultation took place on (date) , was waived; or is not required Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation							
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED							
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete							
Signed Allen Stout				Print Name Allen Stout			
Title Consultant				Date 11/25/2008 Email allen@provideenergy.net			

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved

COGCC Approved David S. Nashin, Director of COGCC Date 12/9/2008

Permit Number

20087871

Expiration Date

12/8/2009

API NUMBER
05-059-06027-00

CONDITIONS OF APPROVAL, IF ANY

1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) Comply with Rule 317 and provide cement coverage from TD to a minimum of 200' above Niobrara Verify coverage with cement bond log 3) Comply with Rule 321 Run and submit Directional Survey from TD to base of surface casing Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well

Staff's Exhibit 2

**Colorado
Oil & Gas Conservation Commission****COGCC Results****Selected Items Report**

Oil and Gas Wells Selected					
Filter Results by Formation Include <input checked="" type="checkbox"/> NBRR <input type="button" value="Filter"/>					
WELL DESCRIPTION	LOCATION	WELL INFORMATION			
05-059-06022, MPIC-9-39 1 PLAINVIEW OIL & GAS INC	NWSW 9 2S -70W (6)	Sidetrack TD Formation Status DA			
05-059-06026, CHURCH RANCH 1W PREMIER OIL & GAS INC	NWSW 9 2S -70W (6)	Sidetrack TD Formation Status XX			
05-059-06027, CHURCH RANCH 2W PREMIER OIL & GAS INC	SWNW 9 2S -70W (6)	Sidetrack TD Formation Status XX			
05-059-06028, CHURCH RANCH 3 W PREMIER OIL & GAS INC	NWNW 9 2S -70W (6)	Sidetrack TD Formation Status XX			
05-059-06024, STATE 16-4 1 PROVIDE ENERGY LLC	NWNW 16 2S -70W (6)	Sidetrack TD Formation Status 00 9439 NBRR WO			

Facilities Selected			
FACILITY DESCRIPTION	LOCATION	PIT INFORMATION	
		Type	Unlined Status

Water Wells Selected From Map					
Filter Results by Depth Greater than <input checked="" type="checkbox"/> 0 <input type="button" value="Filter"/>					
WELL DESCRIPTION	LOCATION	WELL INFORMATION			
		Depth	Top Perf	Bottom Perf	Aquifer
Receipt=0018621, Permit=0018621-MH- US DEPT ENERGY/ROCKY FLATS	SE 3 2 S-70W	200	0	0	GW
Receipt=0000539A, Permit=1997067-AB- KK PUMP SYSTEMS INC	4 2 S-70W	1,200	0	0	GW
Receipt=9025113, Permit=0003338-- HOGAN ED J	SENE 5 2 S-70W	50	0	0	GW
Receipt=9024957, Permit=0002651-F- IDEALITE COMPANY	SWNE 5 2 S-70W	18	0	0	GW
Receipt=9029505, Permit=0042120-- DANIELS WILLIAM H	NENE 8 2 S-70W	200	0	0	GW
Receipt=0018537, Permit=0018537-MH- US DEPT ENERGY	NESE 9 2 S-70W	109	0	0	GW
Receipt=0023874, Permit=1994065-AB- US DEPT ENERGY	NESE 9 2 S-70W	29	0	0	GW
Receipt=0023875, Permit=1994064-AB- US DEPT ENERGY	NESE 9 2 S-70W	30	0	0	GW
Receipt=0496305, Permit=0242998-- MCKAY CHARLES C	NWSW 9 2 S-70W	1,400	0	0	GW
Receipt=9028253, Permit=0028915-- CHURCH MARCUS F	NWSW 9 2 S-70W	18	0	0	GW
Receipt=0032388H, Permit=0207713-- US FISH & WILDLIFE SERVICE	SESW 9 2 S-70W	70	52	67	GW

Premier Bond Claim Enforcement Hearing

DN - 160800310

000046

COGIS - WELL Information

Scout Card [Related](#) [Insp.](#) [1 Mile](#) [MIT](#) [NOAV](#) [GIS](#) [Doc](#) [Review](#) [COA](#) [Wellbore](#) [Orders](#)

Surface Location Data for API # 05-059-06028

Status: XX

9/6/2007

Well Name/No:

CHURCH RANCH #3W

(click well name for production)

Operator:

PREMIER OIL & GAS INC - 10238

Status Date:

9/6/2007

Federal or State Lease #:

County:

JEFFERSON #059

Location:

NWNW 9 2S70W 6 PM

Field:

WILDCAT - #99999

Elevation:

6,155 ft.

Planned Location: 681 FNL 680 FWL

Lat/Long: 39.89788/-105.23885

Lat/Long Source: Field Measured

Wellbore Data for Sidetrack #00

Status: XX

9/6/2007

Wellbore Permit

Permit #:

20068780

Expiration Date:

12/8/2009

Prop Depth/Form:

11000

Surface Mineral Owner Same:

Y

Mineral Owner:

FEE

Surface Owner:

FEE

Unit:

Unit Number:

Formation and Spacing:

Code: LYNS , Formation: LYONS , Order: , Unit Acresge: , Drill Unit:

Casing:

String Type: CONDUCTOR , Hole Size: 24, Size: 20, Top: , Depth: 60, Weight: 36

Cement:

Sacks: 55, Top: 0, Bottom: 60, Method Grade:

Casing:

String Type: SURF , Hole Size: 12.25, Size: 9.625, Top: , Depth: 1130, Weight: 36

Cement:

Sacks: 398, Top: 0, Bottom: 1130, Method Grade:

Casing:

String Type: 1ST , Hole Size: 7.875, Size: 5.5, Top: , Depth: 11000, Weight: 24

Cement:

Sacks: 2000, Top: 7000, Bottom: 11000, Method Grade:

Wellbore Completed

Completion Date:

N/A

Measured TD:

Measured PB depth:

True Vertical TD:

True Vertical PB depth:

Formation

Log Top

Log Bottom

Cored

DSTs

No additional interval records were found for sidetrack 00

Stair's EXHIBIT 2


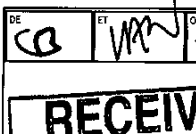
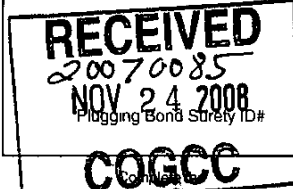
Premier Bond Claim Enforcement Hearing
DN - 160800310

000047

COGIS - Monthly Well Production

No Records Found.

Staff's Exhibit 2

FORM 2 Rev 12/05		State of Colorado Oil and Gas Conservation Comr 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone (303)894 2100 Fax (303)894 2109		01370320																																							
APPLICATION FOR PERMIT TO.																																											
1 <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate																																											
2 TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/> Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>																																											
3 Name of Operator <u>Premier Oil & Gas</u> COGCC Operator Number <u>10236</u>																																											
5 Address <u>575 Madison Ave Suite 1006</u> APD Orig & 1 Copy <u>4</u>																																											
City <u>New York</u> State <u>NY</u> Zip <u>10022</u> Form 2A <u>4</u>																																											
6 Contact Name <u>Jordan Bitterman</u> Phone <u>646-644-1645</u> Fax <u>702-650-3505</u> Well location plat <u>4</u>																																											
7 Well Name <u>Church Ranch</u> Well Number <u>3W</u> Topo map <u>4</u>																																											
8 Unit Name (if appl) _____ Unit Number _____ Mineral lease map <u>4</u>																																											
9 Proposed Total Measured Depth <u>11000'</u> Surface agrmt/Surety _____																																											
10 QtrQtr <u>N/4</u> Sec <u>9</u> Twp <u>2S</u> Rng <u>7W</u> Meridian <u>6</u> Latitude <u>N 39° 28' 86"</u> Longitude <u>W 105° 23' 65"</u> Footage At Surface <u>681'</u> <u>N</u> <u>660'</u> <u>W</u> 30 Day notice letter _____ Deviated Drilling Plan _____ Exception Location Request _____ Exception Loc Waivers _____ H2S Contingency Plan _____ Federal Drilling Permit _____																																											
11 Field Name _____ Field Number _____																																											
12 Ground Elevation <u>6155</u> 13 County <u>Jefferson</u>																																											
14 GPS Data Date of Measurement <u>8-09-07</u> PDOP Reading <u>1.40</u> Instrument Operator's Name <u>Donald Amberg</u>																																											
15 If well is <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated), <input type="checkbox"/> submit deviated drilling plan Bottomhole Sec Twp Rng _____ Footage At Top of Prod Zone _____ FNL/FSL _____ FEL/FWL _____ At Bottom Hole _____ FNL/FSL _____ FEL/FWL _____																																											
16 Is location in a high density area (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																											
17 Distance to the nearest building, public road, above ground utility or railroad <u>660'</u>																																											
18 Distance to Nearest Property Line <u>660'</u> 19 Distance to nearest well permitted/completed in the same formation <u>1339'</u>																																											
20 LEASE, SPACING AND POOLING INFORMATION																																											
<table border="1"><thead><tr><th>Objective Formation(s)</th><th>Formation Code</th><th>Spacing Order Number (s)</th><th>Unit Acreage Assigned to Well</th><th>Unit Configuration (N/2, SE/4, etc.)</th></tr></thead><tbody><tr><td><u>LYONS</u></td><td><u>LYNS</u></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>												Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)	<u>LYONS</u>	<u>LYNS</u>																									
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<u>LYONS</u>	<u>LYNS</u>																																										
21 Mineral Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian Lease # _____																																											
22 Surface Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian																																											
23 Is the Surface Owner also the Mineral Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Surface Surety ID# _____																																											
23a If 23 is Yes Is the Surface Owner(s) signature on the lease? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																											
23b If 23 is No <input type="checkbox"/> Surface Owners Agreement Attached or <input type="checkbox"/> \$25,000 Blanket Surface Bond <input type="checkbox"/> \$2,000 Surface Bond <input type="checkbox"/> \$5,000 Surface Bond																																											
24 Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer) <u>W/2 W/2 Sec 9 - 2S-70W</u>																																											
25 Distance to Nearest Mineral Lease Line <u>660'</u> 26 Total Acres in Lease <u>150.1</u>																																											
27 DRILLING PLANS AND PROCEDURES																																											
27 Is H2S anticipated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, attach contingency plan																																											
28 Will salt sections be encountered during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																											
29 Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																											
30 If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 28, 29 or 30 are "Yes" a pit permit may be required																																											
31 Mud disposal <input checked="" type="checkbox"/> Offsite <input type="checkbox"/> Onsite Method <input type="checkbox"/> Land Farming <input type="checkbox"/> Land Spreading <input checked="" type="checkbox"/> Disposal Facility <input type="checkbox"/> Other _____																																											
NOTE The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b) If air/gas drilling, notify local fire officials																																											
<table border="1"><thead><tr><th>String</th><th>Size of Hole</th><th>Size of Casing</th><th>Weight Per Foot</th><th>Setting Depth</th><th>Sacks Cement</th><th>Cement Bottom</th><th>Cement Top</th></tr></thead><tbody><tr><td><u>CONCRETE</u></td><td><u>24"</u></td><td><u>30"</u></td><td><u>36#</u></td><td><u>60'</u></td><td><u>55</u></td><td><u>60</u></td><td><u>SURFACE</u></td></tr><tr><td><u>SURFACE</u></td><td><u>12 1/4"</u></td><td><u>9 5/8"</u></td><td><u>36#</u></td><td><u>1130</u></td><td><u>396</u></td><td><u>1130</u></td><td><u>SURFACE</u></td></tr><tr><td><u>Prod String</u></td><td><u>7 7/8"</u></td><td><u>5 1/2"</u></td><td><u>24#</u></td><td><u>11,000</u></td><td><u>2000</u></td><td><u>11,000</u></td><td><u>7,000</u></td></tr></tbody></table>												String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top	<u>CONCRETE</u>	<u>24"</u>	<u>30"</u>	<u>36#</u>	<u>60'</u>	<u>55</u>	<u>60</u>	<u>SURFACE</u>	<u>SURFACE</u>	<u>12 1/4"</u>	<u>9 5/8"</u>	<u>36#</u>	<u>1130</u>	<u>396</u>	<u>1130</u>	<u>SURFACE</u>	<u>Prod String</u>	<u>7 7/8"</u>	<u>5 1/2"</u>	<u>24#</u>	<u>11,000</u>	<u>2000</u>	<u>11,000</u>	<u>7,000</u>
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32 BOP Equipment Type <input checked="" type="checkbox"/> Annular Preventor <input checked="" type="checkbox"/> Double Ram <input checked="" type="checkbox"/> Rotating Head <input type="checkbox"/> None																																											
33 Comments <u>all conditions are the same. The pad and roads are built.</u>																																											
34 Initial Rule 306 Consultation took place on (date) _____, was <u>waived</u> or is not required Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete Signed <u>Mel Richards</u> Print Name <u>Melvin Richards</u> Title <u>CONSULTANT</u> Date <u>11/24/08</u> Email <u>Mel@Providenceenergy.net</u>																																											
Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved																																											
COGCC Approved <u>David S. Neslin</u> Director of COGCC Date <u>12/9/2008</u>																																											
Permit Number <u>20087870</u> Expiration Date <u>12/8/2009</u>																																											
API NUMBER <u>05-059-06028-00</u> CONDITIONS OF APPROVAL, IF ANY																																											

1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) Comply with Rule 317 and provide cement coverage from TD to a minimum of 200' above Niobrara Verify coverage with cement bond log 3) Comply with Rule 321 Run and submit Directional Survey from TD to base of surface casing Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well

Staff's Exhibit 2

**Colorado
Oil & Gas Conservation Commission****COGCC Results****Selected Items Report**

Oil and Gas Wells Selected					
Filter Results by Formation Include <input checked="" type="checkbox"/> NBRR <input type="button" value="Filter"/>					
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Receipt=0032388H, Permit=0207713-- US FISH & WILDLIFE SERVICE	SESW 9 2 S-70W	70	52	67	GW



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES) CAUSE NO. 1V
AND REGULATIONS OF THE COLORADO OIL AND GAS)
CONSERVATION COMMISSION BY **PREMIER OIL & GAS, INC.**,) ORDER NO. 1V-362
JEFFERSON COUNTY, COLORADO)

ORDER FINDING VIOLATIONS

FINDINGS

1. According to the Colorado Secretary of State, Premier Oil & Gas, Inc. ("Premier") (Operator No. 10236) is a foreign corporation, located in Nevada. On February 25, 2008, Premier submitted a Form 1A, Designation of Agent, which lists Allen Stout and Melvin Richards as Consultants for Premier.

2. On or about December 24, 2007, Premier drilled and cased the Church Ranch #1W Well (API No. 05-059-06026) (the "Well"), which is located in the NW¼ SW¼ of Section 9, Township 2 South, Range 70 West, 6th P.M. Total depth for the Well of was reached on December 25, 2007, with the production casing planned run to approximately 11,000 feet below surface. Premier has posted a \$5,000 Individual Plugging Financial Assurance for the Well.

3. On December 24, 2009, COGCC Staff issued Notice of Alleged Violation ("NOAV") #1769738 for alleged violations of the following COGCC rules:

a. Rule 206., which requires operators from time to time to file accurate and complete reports containing such information and covering such geographic areas or periods as the Commission or Director shall require;

b. Rule 210.b.(1), which requires that within sixty (60) days after completion of a well, a permanent sign must be located at the wellhead and contain information to identify the well and provide its legal location;

c. Rule 309., which requires operators to file with the Commission, within forty-five (45) days after the month in which production occurs, a report on Operator's Monthly Production Report, Form 7, containing all information required by said form;

d. Rule 319.b.(1), which specifies that a well may be temporarily abandoned when completed, upon approval of the Director, for a period not to exceed six (6) months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. If an operator requests temporary abandonment status in excess of six (6) months the operator shall state the reason for requesting such extension and state plans for future operation. A Sundry Notice, Form 4, or other form approved by the Director, shall be submitted annually stating the method the well is closed to the atmosphere and plans for future operation;

e. Rule 326.b.(1), which requires that a mechanical integrity test must be performed on each shut-in well within two (2) years of the initial shut-in date;

f. Rule 604.d., which requires that all valves, pipes and fittings must be securely fastened, inspected at regular intervals, and maintained in good mechanical condition; and

g. Rule 706., which requires an operator, prior to commencing the drilling of a well, to provide financial assurance to the Commission to ensure the protection of the soil, the proper plugging and abandonment of the well, and the reclamation of the site in accordance with COGCC regulations which is Twenty Thousand dollars (\$20,000) per well for wells greater than or equal to 3,000 feet in total depth.

The NOAV required certain abatement or corrective actions to be taken by the operator by February 1, 2010. The actions required Premier to: submit a sundry notice to include a request for continued shut-in status detailing the reason for the extension and future plans for the Well; submit a Form 5, Drilling Completion Report; bring all production reports current; implement and maintain BMPs; and submit acceptable financial assurance to the COGCC per Rule 706. The Well was to be either: (1) put on production, (2) pass a mechanical integrity test, or (3) be properly plugged and abandoned by May 1, 2010.

4. As of November 30, 2010, Premier is delinquent in submitting a Drilling Completion Report, Form 5. There have been four requests by the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") Staff (the "Staff") for completion paperwork information. Additionally, Premier has not provided adequate financial assurance to COGCC for plugging and reclamation as is required by Rule 706. Further, the Well has been temporarily abandoned without the approval of the Director. Furthermore, Premier is delinquent in performing a mechanical integrity test on the Well, and has not posted a well sign or installed Best Management Practices ("BMPs") at the wellhead.

Staff's Exhibit 3

5. On November 29, 2010 and January 13, 2011, this matter came before the Commission for an Order Finding Violation hearing. Premier failed to appear and defend against the allegations made by the COGCC Staff.

6. Rule 523. specifies a base fine of One Thousand dollars (\$1,000) for each day of violation of Rules 206., 309., 319.b.(1), 326.b.(1), 604.d, and 706., and a base fine of Five Hundred dollars (\$500) for each day of violation of Rule 210.b.(1). Rule 523.a.(3) specifies that "the maximum penalty for any single violation shall not exceed Ten Thousand dollars (\$10,000) regardless of the number of days of such violation," unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare or the environment.

7. Rule 525.b. provides that whenever the Commission or the Director has evidence that an operator is responsible for a pattern of violation of any provision of the Oil and Gas Conservation Act (§34-60-101, *et seq.*) (the "Act"), or of any rule, permit or order of the Commission, the Director shall issue a notice to the operator to appear for a hearing before the Commission. If the Commission finds after such hearing, that a knowing and willful pattern of violation exists, it may issue an order which shall prohibit the issuance of any new permits to the operator.

8. Premier should be found in violation of Rules 206., 210.b.(1), 309., 319.b.(1), 326.b.(1), 604.d., and 706., for its oil and gas operations at the Well and pay a fine as prescribed by Rule 523. Further, Premier should be ordered to complete abatement or corrective actions set forth in the NOAVs, as may be amended or modified by Staff.

9. The Commission should authorize the Staff to foreclose the existing \$5,000 plugging bond, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to plug and abandon the Well and reclaim the Well site and associated facilities.

10. The Commission should find that a knowing and willful pattern of violation exists because Premier has violated a number of separate bonding, reporting, and maintenance requirements under the Rules; failed, for more than one year, to perform the abatement and corrective actions required by the NOAVs; and failed to respond to repeated communications from the COGCC Staff during this enforcement action. Until any fine assessed under this action is paid in full and all required abatement and corrective actions are performed by Premier for the Well, the Director should not approve any application for permit-to-drill, any Certificate of Clearance and/or Change of Operator, Form 10, or other permit for conducting oil and gas operations for Premier or any entity of which Allen Stout or Melvin Richards are principals, majority owners, operational or general managers, or in which Mr. Stout or Mr. Richards otherwise exercise control.

11. The Commission should assess the following fines based on the associated rule violations for Premier's operations at the Well:

Violation	Base Fine
Rule 206.	\$10,000
Rule 210.b.(1)	\$5,000
Rule 309.	\$10,000
Rule 319.b.(1)	\$10,000
Rule 326.b.(1)	\$10,000
Rule 604.d.	\$10,000
Rule 706.	\$10,000
Total Fines	\$65,000

12. Payment of the fine pursuant to this Order should not relieve the operator from its obligations to complete corrective actions set forth in the NOAV, as may be amended or modified by COGCC Staff.

13. Premier, or its successors or assigns, should be required to remain responsible for complying with this Order, in the event of any subsequent sale of property.

14. On January 13, 2011, this matter was considered by the Commission.

15. Due notice of the time, place and purpose of the hearing has been given in all respects as required by law.

16. The Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order pursuant to the Oil and Gas Conservation Act.

17. At hearing, COGCC Staff made an offer of proof in support of the proposed Order Finding Violation, summarizing the key factual findings described above, and proposing a total fine of Sixty Five Thousand dollars (\$65,000) payable within 30 days of the entry of the order.

18. The Commission should accept the recommendation of the COGCC Staff in this matter.

ORDER

NOW, THEREFORE, IT IS ORDERED, that Premier is in violation of Rules 206., 210.b.(1), 309., 319.b.(1), 326.b.(1), 604.d., and 706., for its oil and gas operations at the Church Ranch #1W Well, which is located in the NW¼ SW¼ of Section 9, Township 2 South, Range 70 West, 6th P.M., for those acts alleged in this Order.

IT IS FURTHER ORDERED, that Premier shall be assessed a total fine of **Sixty Five Thousand dollars (\$65,000)** for the Rule violations set forth above, which shall be payable within thirty (30) days of the date the order is approved by the Commission.

IT IS FURTHER ORDERED, that a knowing and willful pattern of violation exists because Premier has failed, for more than one year, to perform the abatement and corrective actions required by the NOAVs. Until any fine assessed under this action is paid in full and all required abatement and corrective actions are performed by Premier for the Well, the Director shall not approve any application for permit-to-drill, any Certificate of Clearance and/or Change of Operator, Form 10, or other permit for conducting oil and gas operations for Premier or any entity of which Allen Stout or Melvin Richards are principals, majority owners, operational or general managers, or in which Mr. Stout or Mr. Richards otherwise exercise control.

IT IS FURTHER ORDERED, that this Order does not relieve the operator from undertaking and completing abatement or corrective actions that may be required by the Notice of Alleged Violation described above, or any amendments or modifications thereto specified by the COGCC Staff.

IT IS FURTHER ORDERED, that the COGCC Staff is authorized to claim \$5,000 plugging/abandonment and reclamation bond posted by Premier to defray the expenses associated with plugging, abandoning and reclaiming the Well and well site.

IT IS FURTHER ORDERED, that the COGCC Staff shall plug and abandon the Well and perform any necessary reclamation of the well site, and supplement those costs associated with the plugging with funds from the Oil and Gas Conservation and Environmental Response Fund as may be necessary.

IT IS FURTHER ORDERED, that under the State Administrative Procedure Act the Commission considers this order to be final agency action for purposes of judicial review within 30 days after the date this order is mailed by the Commission.

IT IS FURTHER ORDERED, that an application for reconsideration by the Commission of this order is not required prior to the filing for judicial review.

IT IS FURTHER ORDERED, that the provisions contained in the above order shall become effective forthwith.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

ENTERED this 10th day of February, 2011, as of January 13, 2011.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln St.
Denver, Colorado 80203
February 10, 2011



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 1011-OV-15
COMMISSION BY PREMIER OIL & GAS,)	
INC., JEFFERSON COUNTY, COLORADO	)	ORDER NO. 1V-362 (ADDENDUM)

REPORT OF THE COMMISSION

The Commission heard this matter on July 29, 2013, at offices of the Colorado Oil and Gas Conservation Commission, 1120 Lincoln Street, Denver, Colorado, upon application for a modification to Order No. 1V-362, by acknowledging Premier Oil & Gas, Inc. is a bankrupt company and that Allen Stout and Melvin Richards, as Consultants to Premier, are unable, pursuant to Premier's filing for bankruptcy, to comply with Order 1V-362.

FINDINGS

The Commission finds as follows:

1. Premier Oil & Gas, Inc. ("Premier" or "Applicant"), as applicant herein, is an interested party in the subject matter of the above-referenced hearing.
2. Due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
3. The Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order pursuant to the Oil and Gas Conservation Act.
4. According to the Colorado Secretary of State, Premier Oil & Gas, Inc. ("Premier") (Operator No. 10236) is a foreign corporation, located in Nevada. On February 25, 2008, Premier submitted a Form 1A, Designation of Agent, which listed Allen Stout and Melvin Richards as Consultants for Premier.
5. On January 13, 2011, the Commission entered Order Finding Violation No. 1V-362 which, among other things, found Premier in violation of Rules 206., 210.b.(1), 309., 319.b.(1), 326.b.(1), 604.d., and 706., for its oil and gas operations at the Church Ranch #1W Well ("Well") located in the NW¼ SW¼ of Section 9, Township 2 South, Range 70 West, 6th P.M., and assessed a total fine of Sixty-Five Thousand Dollars (\$65,000).
6. The Commission further ordered, "that a knowing and willful pattern of violation exists because Premier has failed, for more than one year, to perform the abatement and corrective actions required by the NOAVs. Until any fine assessed under this action is paid in full and all required abatement and corrective actions are performed by Premier for the Well, the Director shall not approve any application for permit-to-drill, any Certificate of Clearance and/or Change of Operator, Form 10, or other permit for conducting oil and gas operations for Premier or any entity of which Allen Stout or Melvin Richards are principals, majority owners, operational or general managers, or in which Mr. Stout or Mr. Richards otherwise exercise control."

7. On July 9, 2013, Melvin Lloyd Richards and Allen Stout ("Payees"), by and through their attorneys, on behalf of Premier, filed with the Commission a verified application ("Application") for an order acknowledging Premier is a bankrupt company and the Commission was properly noticed and participated in collecting the fines levied pursuant to Order 1V-362, and Payees are unable, pursuant to Premier's filing for bankruptcy, to comply with Order 1V-362. Applicant stated that with exception to the above stated request, all terms and conditions of the original Order Finding Violation entered against Premier by Order 1V-362 shall remain in full force and effect.

8. On July 29, 2013, a full hearing on the matter was held before the Commission. Sworn written testimony and exhibits were submitted in support of the Application.

9. Tom Grant and Lee J. Morehead, attorneys for Payees, appeared in person before the Commission. Payees stated they were unable to comply with Order 1V-362 because Premier is a bankrupt company. Testimony stated the \$65,000 fine imposed by Order 1V-362 was not discharged in bankruptcy, but was deemed as "uncollectable" by the bankruptcy trustee. Testimony concluded by asking the Commission to modify Order 1V-362 by finding the \$65,000 fine against Premier as uncollectable pursuant to the Bankruptcy Code.

10. Payees, by their attorneys, on behalf of Premier, agreed to be bound by oral order of the Commission.

ORDER

IT IS HEREBY ORDERED:

1. By a unanimous vote of the Colorado Oil and Gas Conservation Commission, the request for modification of Order No. 1V-362, is hereby denied.

IT IS FURTHER ORDERED:

1. The provisions contained in the above order shall become effective immediately.
2. The Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.
3. Under the State Administrative Procedure Act the Commission considers this Order to be final agency action for purposes of judicial review within 30 days after the date this Order is mailed by the Commission.
4. An application for reconsideration by the Commission of this Order is not required prior to the filing for judicial review.

ENTERED this 3rd day of September, 2013, as of July 29, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By



Robert J. Frick, Secretary

Premier Bond Claim Enforcement Hearing

DN - 160800310 000056

COGIS - Company Detail

COMPANY DETAIL REPORT - Employee List  Doc

PREMIER OIL & GAS INC - #10236

4570 W. SAHARA AVE #336

LAS VEGAS , NV 89102

USA

PHONE (702) 650-2825 FAX (702) 650-3505 EMERGENCY (702) 575-3575 CELL (702) 308-9445

APPROVED OPERATION(S) - 2 record(s) returned.

Operation Type	Start Date
OPERATOR	9/6/2007
PRODUCER	9/6/2007

SURETY INFORMATION - 3 record(s) returned.

Surety ID	Status	Bond Type	Amount	Coverage	Received	Instrument	Inst.#
<u>2007-0083</u>	ACTIVE	PLUGGING	\$5,000.00	INDIVIDUAL	9/6/2007	CASH	660827959
<u>2007-0084</u>	CLAIMED	PLUGGING	\$5,000.00	INDIVIDUAL	9/6/2007	CASH	660827958
<u>2007-0085</u>	ACTIVE	PLUGGING	\$5,000.00	INDIVIDUAL	9/6/2007	CASH	660827960

Staff's Exhibit 4

Premier Bond Claim Enforcement Hearing

DN - 1608000067

COGIS - Surety Detail

COMPANY DETAIL REPORT for Surety ID: 2007-0083
PREMIER OIL & GAS INC - #10238
4570 W. SAHARA AVE #338
LAS VEGAS , NV 89102
USA

SURETY DETAIL INFORMATION

Surety ID:	2007-0083
Status:	ACTIVE
Operator Number:	10238
Bond Amount:	\$5,000.00
Instrument:	CASH
Instrument Number:	880827959
Coverage:	INDIVIDUAL
Bond Type:	PLUGGING
Limitation:	1
Deposit Number:	0813
PDPA Number:	CHURCH RANCH #2W
Received Date:	9/6/2007
Approved Date:	9/7/2007
Maturity Expire Date:	
FA Provider Number:	10238
FA Provider Name:	PREMIER OIL & GAS INC
Deposit Date:	9/14/2007
Release Request Date:	N/A
Release Date:	N/A

Staff's Exhibit 4



op # 10236
facts # 2007-0083
Surety prov # 10236

INDIVIDUAL PLUGGING BOND

499156243920 499157 REV2 08/04 813518044

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Washington Mutual Bank

OFFICIAL CHECK

16-3717/1220 660827959

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

WASHINGTON MUTUAL **5000.00**

*****Sep 5, 2007 FIVE THOUSAND DOLLARS AND 00 CENTS*****

PAY TO THE ORDER OF State of Colorado Oil and Gas Commission

DRAWER, Washington Mutual Bank

AUTHORIZED SIGNATURE
REMITTER
Premier Oil and Gas Inc.
CHURCH RANCH 2W

2061 107

Issued by Integrated Payment Systems Inc., Englewood, Colorado Wells Fargo Bank Ltd, N.A., Los Angeles, CA

⑈054086⑈ ⑆122037171⑆ 68000660827959⑈

Church Ranch #2w Well
SWNW 9-25-70W

Premier Bond Claim Enforcement Hearing

DN - 1608003059

COGIS - Surety Detail

COMPANY DETAIL REPORT for Surety ID: 2007-0084
PREMIER OIL & GAS INC - #10238
4570 W. SAHARA AVE #338
LAS VEGAS , NV 89102
USA

SURETY DETAIL INFORMATION

Surety ID:	2007-0084
Status:	CLAIMED
Operator Number:	10238
Bond Amount:	\$5,000.00
Instrument:	CASH
Instrument Number:	880827958
Coverage:	INDIVIDUAL
Bond Type:	PLUGGING
Limitation:	1
Deposit Number:	0812
PDPA Number:	CHURCH RANCH #1W
Received Date:	9/8/2007
Approved Date:	9/7/2007
Maturity Expire Date:	
FA Provider Number:	10238
FA Provider Name:	PREMIER OIL & GAS INC
Deposit Date:	9/14/2007
Release Request Date:	N/A
Release Date:	N/A

Staff's Exhibit 4



op # 10236
lots # 2007-0084
surety prov # 10236

INDIVIDUAL PLUGGING BOND

499156243920 499157 REV2 08/04 813518044

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Washington Mutual Bank

OFFICIAL CHECK

16-3717/1220 **660827958**

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

WASHINGTON MUTUAL

*****Sep 5, 2007 FIVE THOUSAND DOLLARS AND 00 CENTS*****

PAY TO THE ORDER OF **State of Colorado Oil and Gas Commission**

DRAWER **Washington Mutual Bank**

Thomas W. Barry

AUTHORIZED SIGNATURE
REMITTER
Premier Oil and Gas Inc
CHURCH RANCH I W

Issued by Integrated Payment Systems Inc., Englewood, Colorado Wells Fargo Bank Ltd, N A Los Angeles, CA

2061 107

⑈054086⑈ ⑆122037171⑆ 68000660827958⑈

Church Ranch #1W well
NWSW 9-25-70W

Premier Bond Claim Enforcement Hearing

DN - 160800000161

COGIS - Surety Detail

COMPANY DETAIL REPORT for Surety ID: 2007-0085
PREMIER OIL & GAS INC - #10238
4570 W. SAHARA AVE #338
LAS VEGAS , NV 89102
USA

SURETY DETAIL INFORMATION

Surety ID:	2007-0085
Status:	ACTIVE
Operator Number:	10238
Bond Amount:	\$5,000.00
Instrument:	CASH
Instrument Number:	880827980
Coverage:	INDIVIDUAL
Bond Type:	PLUGGING
Limitation:	1
Deposit Number:	0814
PDPA Number:	CHURCH RANCH #3W
Received Date:	9/8/2007
Approved Date:	9/7/2007
Maturity Expire Date:	
FA Provider Number:	10238
FA Provider Name:	PREMIER OIL & GAS INC
Deposit Date:	9/14/2007
Release Request Date:	N/A
Release Date:	N/A

Staff's Exhibit 4



op # 10236
yats # 2007-0085
surety prov # 10236

INDIVIDUAL PLUGGING BOND

499156243920 499157 REV2 06/04 813518044

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

Washington Mutual Bank

OFFICIAL CHECK

16-3717/1220 **660827960**

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

WASHINGTON MUTUAL **5000.00**

*****Sep 5, 2007 FIVE THOUSAND DOLLARS AND 00 CENTS*****

PAY TO THE ORDER OF **State of Colorado Oil and Gas Commission**

DRAWER **Washington Mutual Bank**

Thomas W. Long

AUTHORIZED SIGNATURE

REMITTER **Premier Oil and Gas Inc**

CHURCH RANCH 3W

2061 107

Issued by Integrated Payment Systems Inc, Englewood, Colorado Wells Fargo Bank Ltd, N.A., Los Angeles, CA

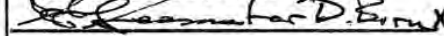
⑈054086⑈ ⑆122037171⑆ 68000660827960⑈

Church Ranch #3W Well
NW NW 9-2S-70W

Magna Energy Services, LLC
20661 Niobrara Blvd.
La Salle CO 80645

Bill To

Division of Oil & Gas Commission
1120 Lincoln St. Room 801
Denver CO 80203

Date: 7/22/2016**Approved for Payment****Project Manager: Diana Burn****Project Name: Premier BOND Church
Ranch #1W****FYE: 2016****Activity Code: PREM****Purchase Order: PHAA 2016-14473****Bond Amount: \$5,000****PRAW Amount: \$14,210****Special Assessment \$127.50****IS THIS THE FINAL INVOICE TO CLOSE
OUT THE PROJECT? YES****Invoice****#56718**

06/30/2016

Due Date: 07/30/2016**Invoice Summary**

P&A / Church Ranch #1W

Attention To

Diana Burn

Terms		API		PO Number		AFE		Location/Lease	
Net 30								Church Ranch #1W	
Username		RSO#		Routing Code		Unique #		CC/RFS/PID/SO/WBS	
Ticket Number	Date of Service	Quantity	U/M	Item		Rate	Amount		
	06/24/2016	1	Each	P&A the referenced well per bid, 5 days		\$14,760.00	\$14,760.00		
0514	06/28/2016	11	Hours	P&A extra rig time		\$275.00	\$3,025.00		
0514	06/28/2016	2	Hours	P&A: Crew Travel - Crew Travel		\$180.00	\$360.00		
208222	06/28/2016	4.5	Hours	P&A: Flatbed Truck - Flatbed Truck		\$80.00	\$360.00		
208487	06/29/2016	125	Barrel	P&A Water		\$0.74	\$92.50		
208487	06/29/2016	3.5	Hours	P&A: Hauling - Magna Trucks - Water Transport Truck		\$80.00	\$280.00		
208522	06/30/2016	5.75	Hours	P&A: Hauling - Magna Trucks - Water Transport Truck		\$80.00	\$460.00		
						Subtotal	\$19,337.50		
						Tax Total (7.65%)	\$0.00		
						Total	\$19,337.50		

Thank you for your business.

LaSalle, CO - (970) 284-5752 | Gillette, WY - (307) 682-4195 | Williston, ND - (701) 572-9019



MAGNA
ENERGY SERVICES

Task Times:		Job Steps "In Scope"	Task Times:	Job Steps "Out of Bid Scope"
6 am	7:30 am	Meeting in Lasalle yard.		
7:30 am	8:30 am	Crew Travel.		
:30 am	9 am	Safety meeting, start equipment.		
9 am		MI equipment, do some dirt work around wellhead to level up for base beam, spot in rig & pad up. spot in other equipment, ready for Monday morning, PU & secure location.		
	1 pm			
1 pm	2 pm	Crew Travel.		
Comments:		Comments:		

P&A Mangers Signature:

VP Operations Signature:

Staff's Exhibit 5



MAGNA
ENERGY SERVICES

Task Times:		Job Steps "In Scope"	Task Times:	Job Steps "Out of Bid Scope"
6 am	7 am	Paperwork w/HR in LaSalle yard.	7 am	Crew Travel.
			8 am	Safety Meeting, start equipment, check pressure, 150/320, blow well down, spot in Workstring & put up handrails.
			10 am	PU Bit & Scraper, PU TBG & Tally in @ 3700'
			12:30 pm	LUNCH, (while eating lunch well kicked off up CSG)
			1 pm	Circulate oil & gas out w/50 BBL's water.
			2 pm	finish picking up TBG & tally in 270 JTS @ 8700'
			4:30 pm	Circulate well w/140 BBL's water, SWI.
			6:30 pm	PU & secure location.
			7 pm	Crew Travel.
Comments:		Comments:		

VP Operations Signature:

Staff's Exhibit 5

Task Times:		Job Steps "In Scope"	Task Times:		Job Steps "Out of Bid Scope"
6 am	7 am		7 am	8 am	
		Finish paperwork for HR in LaSalle office.			Crew Travel.
			8 am	8:30 am	Safety meeting, start equipment.
			8:30 am	9:30 am	Check pressures, 50/100 psi, blow well down to tank.
			9:30 am	12:30 pm	TOOH w/TBG, standback 70 stands, LD 130 JTS on trailer.
12:30 pm		MIRU Magna WL, RIH w/10K CIBP set @ 8600', POOH, RIH w/CDB w/2 SXS on top of CIBP @ 8600', POOH @ 4500' & perforate, POOH, RDMO WL.			
	3 pm				
3 pm	4:30 pm	SWI, PU & secure location, clean off tool trailer of old debris.			
4:30 pm	5:30 pm	Crew Travel.			
Comments:		Comments:			

P&A Mangers Signature:

VP Operations Signature:

P&A Mangers Signature: _____

0514

970-284-5752 • FAX 970-284-5753

970-284-5752 • FAX 970-284-5753

Bill to: CDGCC

Well Project: Church Ranch # 1W

Address:

State: Colorado

County

Date 6/28/16

Job Completed YES / NO

Company Rep: Diana Burn

[illegible]

Staff's Exhibit 5

Work Ticket # 208222



Job Description:

Howl load of pipe and spot it to the rig

Company Information:
Date: 6-28-16
Supervisor Name: Wesley
Driver Name (Printed): Tomasz Komarski
Driver ID Number: 2178
Water Truck #: 2000
Winch Truck #: 2000

Customer Information:
Customer Name: PJA magna
Work Requested By: Scott
Foreman/Company Man:
AFE / PO# / WBS:

Location Information:
Well Name: Church Ranch
Well Number: 1W
Rig Name: Magna
Drilling Rig Number:
Workover Rig Number: 6
State / County: Weld/CO

[illegible]

Other:	Quantity:	Price	Total:
BBLS of Water			
BBLS of KCL			
Bags of Biocide			
Gallons of Claytreat			
BBLS of Brine			
TOTAL			

RECEIVED
JUN 29 2016
BY

Customer Signature _____

Company Name / Title _____

Staff's Exhibit 5



Job Description:

Will Two Trucks

Company Information:

Date: 6-25-16

Supervisor Name: _____

Driver Name (Printed): _____

Driver ID Number: _____

Water Truck #: _____

Winch Truck #:

Customer Information:

Customer Name:

Work Requested By:

Foreman/Company Man:

AFE / PO# / WBS:

Location Information:

Well Name: C

Well Number:

Rig Name:

Drilling Rig Number:

Workover Rig Number:

State / County:

[illegible]

Other:	Quantity:	Price	Total:
BBLs of Water	125	.74	92.50
BBLs of KCL			
Bags of Biocide			
Gallons of Clay/treat			
BBLs of Brine			
TOTAL			

RECEIVED
JUL 01 2016
BY:

Other	Water			80.00	92.50
TOTAL		175	3.5	40	3.50

Customer Signature _____

Company Name / Title _____

Company Name / Title_

Staff's Exhibit 5



Staff's Exhibit 5

Magna Energy Services, LLC
20661 Niobrara Blvd.
La Salle CO 80645

Date: 7/22/2016

Approved for Payment

[Signature] For D. Burn

Project Manager: Diana Burn

Project Name: Premier BOND

Church Ranch #1W

FYE: 2017

Activity Code: PREM

Purchase Order: PHAA 2017-1420

Bond Amount: \$0

PRAW Amount: \$25,661.03

**IS THIS THE FINAL INVOICE TO CLOSE
OUT THE PROJECT? Yes!**

Invoice

#56638

07/11/2016

Bill To

Division of Oil & Gas Commission
1120 Lincoln St. Room 801
Denver CO 80203

Due Date: 08/10/2016

Invoice Summary
P&A / Church Ranch #1W

Attention To
Diana Burn

Terms		API		PO Number		AFE		Location/Lease	
Net 30		05-590-06026						Church Ranch #1W	
Username		RSO#		Routing Code		Unique #		CC/RFS/PID/SO/WBS	
Ticket Number		Date of Service	Quantity	U/M	Item			Rate	Amount
		07/01/2016	1	Each	P&A the referenced well per bid, 5 days			\$14,760.00	\$14,760.00
208523		07/01/2016	5.5	Hours	P&A: Hauling - Magna Trucks - Water Transport Truck			\$80.00	\$440.00
11419717		07/01/2016	1	Each	P&A:Disposal of Fluids			\$3,679.20	\$3,679.20
103609		06/30/2016	1	Each	P&A:Disposal of Fluids			\$3,218.03	\$3,218.03
208807		07/11/2016	8	Hours	P&A: Hauling - Magna Trucks - Water Transport Truck			\$80.00	\$640.00
11419831		07/11/2016	1	Each	P&A:Disposal of Fluids OLD			\$3,525.00	\$3,525.00
		07/11/2016	1,503	Foot	Salvaged 36 joints 4-1/2"			(\$0.40)	(\$601.20)

Subtotal	\$25,661.03
Tax Total (7.65%)	\$0.00
Total	\$25,661.03

Thank you for your business.

LaSalle, CO - (970) 284-5752 | Gillette, WY - (307) 682-4195 | Williston, ND - (701) 572-9019



Task Times:		Job Steps "In Scope"	Task Times:	Job Steps "Out of Bid Scope"
6 am	7 am	Crew Travel.		
7 am	7:30 am	Safety meeting, start equipment.		
7:30 am	8 am	Check pressure 150 psi on CSG, blow well down to rig tank.		
8 am		TIH w/70 stands @ 4509', establish circulation, shut in CSG, set injection rate, mix & pump 50 SXS of 15.8 # CGC, displace w/16 BBL's water, release pressure on CSG, TOOH w/TBG, SWI, PU & secure location.		
	1:30 pm	Grease Backhoe and change oil in TBG tongs.		
	2:30 pm	Crew Travel.		
Comments:		Comments:		

P&A Mangers Signature:

VP Operations Signature:

Staff's Exhibit 5

Staff's Exhibit 5

P&A Managers Signature:

Company Name:	COGCC	Company Man:	Diana Burn	Today's Date:	7/7/2016
AFE or Project #:		Company Man Cell:	303-918-6320	Days on Well:	
API #	05-590-6024				
Well Name/Number:	Church Ranch #1W				
Section/Township/Range					
Rig #:	6				
Tool Pusher:	Scott Marez				
Operator:	Cody Scott				
Rig Hand:	Austin Jones				
Rig Hand:	Edgar Parra				
Rig Hand:					



Drive/Hrs	Ride/Hrs	Work/Hrs	Total/Hrs	Per Diem
2		10	12	
2		8	10	
	2	7.5	9.5	
	2	7.5	9.5	

Task Times:		Job Steps "In Scope"	Task Times:	Job Steps "Out of Bid Scope"
6 am	7 am	Crew Travel.		
7 am	7:30 am	Safety meeting, start equipment.		
7:30 am	8 am	Check Pressures, blow on CSG, 10 psi on surface CSG.		
8 am		NDWH, Try to UNLAND CSG, Call Craig for orders over		
		100,000 # Pull, in order to UNLAND CSG would need to pull @		
		150,000# Plus to UNLAND, Talked to Diana and we would cut		
		CSG while it was landed in wellhead. Wait on wireline.		
11:30 am	11:30 am	MIRU WL, RIH w/split shot, cut CSG collar @ 1506, POOH, RD.		
12:30 pm	12:30 pm	UNLAND CSG, Try Flange for Q92 wheadhead, and didn't fit,		
	2:30 pm	Land CSG & SWI, PU & Secure location.		
2:30 pm	3:30 pm	Crew Travel.		
3:30 pm	4 pm	Cody Scott dropped of Q92 flange		
3:30 pm		Scott Marez went to Basic, Leed, Big Sky, National, finally		
	6 pm	WB Supply to PU 9 5/8" WH		
Comments:			Comments:	

Staff's Exhibit 5

P&A Managers Signature:

VP Operations Signature:

Drive/Hrs	Ride/Hrs	Work/Hrs	Total/Hrs	Per Diem
2		10.5	12.5	
2		10.5	12.5	
	2	8	10	
	2	8	10	

Task Times:		Job Steps "In Scope"	Task Times:	Job Steps "Out of Bid Scope"
6 am	7 am	Crew Travel.		
7 am	7:30 am	Safety Meeting, Start Equipment.		
7:30 am		Check Pressure, 0 psi, UNLAND CSG, change out surface CSG wellhead, NU BOP's, RU 4.5" Handling equipment, LD CSG,		
		Recovered 36 JTS of 4.5" CSG @ 1506', Changeover to 2 3/8" handling equipment, TIH w/TBG @ 1573', establish circulation w/reused fluid out of work tank, mix & pump 30 SXS of 15.8 # CGC, displace w/5 BBL's water, LD TBG @ 1228', establish circulation, mix & pump 60 SXS of 15.8 # CGC, displace w/4 BBL's water, LD TBG, SWI, PU & secure location.		
3 pm	4 pm	Crew Travel, Sent Edgar & Austin to yard.		
4 pm	6:30 pm	Scott Marez & Cody Scott worked on pump, pull fluid end apart and cleaned it, put back together for Monday.		
Comments:		Comments:		

VP Operations Signature:

Today's Date: 7/11/2016
Days on Well:Company Name: COGCC
Company Man: Diana Burn
Company Man Cell: 303-918-6320Company Name: COGCC
AFE or Project #: 05-590-6024
API #: Church Ranch #1W

Well Name/Number: Church Ranch #1W

Section/Township/Range

Rig #:

6

Tool Pusher:

Scott Marez

Operator:

Cody Scott

Rig Hand:

Jesus Caudillo

Rig Hand:

Austin Jones

Rig Hand:



Drive/Hrs	Ride/Hrs	Work/Hrs	Total/Hrs	Per Diem
2		12	14	
1		10.5	11.5	
	1	10.5	11.5	
	2	8	10	

Task Times:		Job Steps "In Scope"		Task Times:		Job Steps "Out of Bid Scope"	
6 am	7 am	Crew Travel.					
7 am	7:30 am	Safety Meeting, start equipment.					
7:30 am		Check Pressure, 0 PSI, TIH w/TBG & tag TOC @ 1023', LD					
		TBG @ 615', Establish circulation, mix & pump 40 SXS of 15.8#					
		CGC, displace w/1.5 BBL's water, LD TBG @ 32', establish					
		circulation, mix & pump 12 SXS of 15.8 # CGC to surface, LD					
		TBG, RD P&A equipment, dig well up, cut & cap 5' from ground					
	8 pm	surface, backfill, P&A complete.					
3 pm	4 pm	sent Austin home					
4 pm	5:30 pm	Cody & Chuy brought cementer & BOP's to yard.					
4 pm		Scott Marez stayed to help Geraldo & Jeff to cut & cap &					
	8 pm	Backfill, bring CSG tongs to yard.					
Comments:				Comments:			

P&A Managers Signature:

VP Operations Signature:

Staff's Exhibit 5



MAGNA ENERGY SERVICES, LLC
LASALLE: 970-284-5752
GILLETTE: 307-682-4195

Work Ticket # 208523

RECEIVED
JUL 05 2016

Job Description:

HAVE STACKED OUT LOAD FROM YARD TO
WASTE MANAGEMENT DISPOSAL 2HR WAIT TO UNLOAD
AND WASH TRILER INSIDE

Company Information:

Date: 7-1-16
 Supervisor Name: TREVOR
 Driver Name (Printed): JUAN BUTIERREZ
 Driver ID Number: 140
 Trailer Truck #: 2045
 Winch Truck #: 2115

Customer Information:

Customer Name: Magna P+A
 Work Requested By: STEVEN
 Foreman/Company Man: _____
 AFE / PO# / WBS: _____

Location Information:

Well Name: CHARCH RANCH
Well Number: 1-16
Rig Name: MARENA
Drilling Rig Number: _____
Workover Rig Number: # 6
State / County: _____

[illegible]

RECEIVED
JUL 05 2016
BY:

Customer Signature

Company Name / Title

Staff's Exhibit 5



11419717

CSI
41800 E. 88th Ave.
Bennett, CO, 80102
Ph: (303) 644-4335

Original
Ticket# 137487

Customer Name MAGNAENERGYSERVICES MAGNA ENE Carrier Magna Magna Energy Services
Ticket Date 07/01/2016 Vehicle# 130BBL VAC Volume
Payment Type Credit Account Container
Manual Ticket# Driver JUAN
Hauling Ticket# Check#
Route Billing # 0001593
State Waste Code Gen EPA ID
Manifest 017190 Grid
Destination
PO
Profile 114674CO (EMP DRILLING MUD, CEMENT, NON REGULATED LIQUID)
Generator 125-MAGNAENERGYSERVICES23275LA MAGNA ENERGY SERVICES (23295 HWY 85)

Time Scale Operator Inbound Gross
In 07/01/2016 07:36:36 MANUAL Wt. Operator
Out 07/01/2016 07:36:36 Operator
Comments Tare
Net
Tons



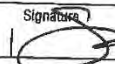
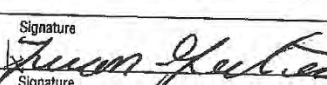
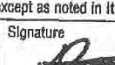
Product	LD%	Qty	UOM	Rate	Fee	Amount	Origin
1 WM-Special Liquid- 100		5040.00	Gal				
2 FUEL-Fuel Surcharg 100			%				
3 EVF-L-Standard Env 100		1	Load				
4 RCR-P-Regulatory C 100			%				
5 WD-Washout Fee / F 100		1	Each				

Total Fees
Total Ticket

river's Signature ^{403WM-N} Juan Gutierrez



CWM/

NON-HAZARDOUS WASTE MANIFEST		1. Generator ID Number N / A	2. Page 1 of 1	3. Emergency Response Phone (800) 424-9300	4. Waste Tracking Number 017190
5. Generator's Name and Mailing Address MAGNA ENERGY SERVICES 23295 US HWY 85 LA SALLE CO 80645					
Generator's Site Address (if different than mailing address)					
Generator's Phone: (970) 284-5752					
6. Transporter 1 Company Name MAGNA					
U.S. EPA ID Number					
7. Transporter 2 Company Name					
U.S. EPA ID Number					
8. Designated Facility Name and Site Address Conservation Services, Inc 41800 East 88th Avenue Bennett CO 80102					
U.S. EPA ID Number					
Facility's Phone: (303) 644-4335					
9. Waste Shipping Name and Description		10. Containers		11. Total Quantity	12. Unit WL/Vol.
1. NON REGULATED SOLID (E&P DRILLING MUD, CEMENT)		No.	Type		
114674CO		1	20 BBL		NONE
			5040 GALS		
2.					
3.					
4.					
13. Special Handling Instructions and Additional Information					
Customer Acct #: CSI 1593 Customer Name: MAGNA ENERGY SERVICES					
14. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and governmental regulations.					
Generator's/Offor's Printed/Typed Name Scott Moroz					
Signature 					
Month Day Year 6 29 16					
15. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: Date leaving U.S.:					
16. Transporter Acknowledgement of Receipt of Materials					
Transporter 1 Printed/Typed Name JUAN GUTIERREZ					
Signature 					
Month Day Year 7 1 16					
Transporter 2 Printed/Typed Name					
Signature					
Month Day Year					
17. Discrepancy					
17a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection					
17b. Alternate Facility (or Generator) Manifest Reference Number: U.S. EPA ID Number					
Facility's Phone:					
17c. Signature of Alternate Facility (or Generator)					
Month Day Year					
Landfill TICKET# 137487 Location: EL 5331 1031 S 1-205 W109 30.145					
18. Designated Facility Owner or Operator: Certification of receipt of materials covered by the manifest except as noted in Item 17a					
Printed/Typed Name Dan Sh...					
Signature 					
Month Day Year 7 1 16					

169-BLC-O 6 10498 (Rev. 9/11)

Staff's Exhibit 5



Fuzion Field Services, LLC

PO Box 200638
Evans, CO 80620
(970) 673-5376
(970) 673-5385
AR@fuzionfs.com

Invoice

Invoice Date	Invoice #
6/30/2016	103609

Bill To

Magna Energy Services
23295 US 85
LaSalle, CO 80645

CHURCH RANCH #1W

ORIGINAL

Ticket #	Service Date	Company Man	Rig #	AFE / WO / PO	Due Date
13624	6/30/2016			76880	7/30/2016
Quantity	Description	Rate	Amount		
5.5	Fluid Transfer - Hauled mud	85.00	467.50		
1	Third Party	2,750.53	2,750.53		
			Total	\$3,218.03	

Staff's Exhibit 5



PO Box 200638 Evans, CO 80620 Phone: 970-539-4201

Customer <i>Magna</i>		Customer Rep Nº 13624	
Well Name <i>Church Ranch</i>		Well Number <i>#1 W</i>	
Driver	Helper	Rig	AFE/PO/WO <i>76880</i>
Date <i>6/30/16</i>			
Service Sector <input type="checkbox"/> Drilling <input type="checkbox"/> Construction <input type="checkbox"/> Completions <input type="checkbox"/> Production <input type="checkbox"/> Maintenance			
Location Type <input type="checkbox"/> Pipeline <input type="checkbox"/> Tank Battery <input type="checkbox"/> Traffic Control <input type="checkbox"/> Work Over Rig <input type="checkbox"/> House/Shop <input type="checkbox"/> Frac <input type="checkbox"/> Drilling Rig <input type="checkbox"/> Other			
Fluid Transport			
Service	Unit #	Hours	Type
Transport			
Transport			
Production Water			
Time in <i>7:00 am</i>	Time Out <i>12:30 pm</i>	Tank #	Bottom
Hours	Top	Kolor Kut	
Comments $5\frac{1}{2} \times 85.00 = 467.50$ 2750.53 $\underline{\hspace{1cm}}$ 3218.03			
Sanitation			
Service	Quantity	Price	Total
Toilet Delivery/Trade Out			
Toilet on a Trailer			
Toilet Service			
Trash Trailer			
10 Yard Dumpster			
15 Yard Dumpster			
22 Yard Dumpster			
30 Yard Dumpster			
Potable Water			
Potable Water (Trip Charge/Hourly)			
Sewage Removal			
Sewage Removal (Trip Charge/Hourly)			
Grand Total			
Driver Use Only			
Toilet Number(s)			
Dumpster Number(s)			
Office Use Only			
Caller Info:		Dispatch Date:	Dispatch Page:
White Copy: Office Yellow Copy: Customer Pink Copy: Driver			
DO NOT PAY FROM THIS TICKET, INVOICE TO FOLLOW			

Staff's Exhibit 5

SITE		TICKET #		CELL
TOWER LANDFILL 720-590-4040		1202344		
8480 Tower Road Commerce City, CO 80022		WEIGHMASTER		
CUSTOMER		IN - Martin R		DATE/TIME OUT David C.
989881		6/30/16 10:18 am		6/30/16 11:09 am
KINETIC ENERGY SERVICES LLC		VEHICLE		CONTAINER
PO BOX 1625		REFERENCE		
LOVELAND, CO 80538		147866		
Contract:5126147866		2097724/1085		
Generator:KINETIC ENERGY SERVICES LLC DBA KINETIC		BILL OF LADING		

QTY.	UNIT	DESCRIPTION	RATE	EXTENSION	TAX	TOTAL
5215.00	GL	Tracking QTY	\$0.50	\$2,607.50	\$0.00	\$2,607.50
5215.00	gl	SW-E&P LIQUIDS	\$15.00	\$15.00	\$0.00	\$15.00
1.00		ENVIRONMENTAL FEE 1	4.91%	\$128.03	\$0.00	\$128.03
1.00		FUEL RECOVERY FEE				
SCALE IN GROSS WEIGHT 85,480 NET TONS 23.47						
SCALE OUT TARE WEIGHT 38,540 NET WEIGHT 46,940						
INBOUND INVOICE						

Thank you for your business!	
Payment (\$)	
NET AMOUNT	\$2,750.53
TENDERED	
CHANGE	\$0.00
CHECK#	

The undersigned individual signing this document on behalf of Customer acknowledges that he or she has read and understands the terms and conditions on the reverse side and that he or she has the authority to sign this document on behalf of the customer.

RS-F042UPR (07/12)

SIGNATURE _____

Staff's Exhibit 5

**REPUBLIC
SERVICES****NON-HAZARDOUS SPECIAL WASTE & ASBESTOS MANIFEST**

2097724

If waste is asbestos waste, complete Sections I, II, III and IV
If waste is **NOT** asbestos waste, complete Sections I, II and III

#1085

I. GENERATOR (Generator completes Ia-r)

a. Generator's US EPA ID Number		b. Manifest Document Number		c. Page 1 of	
d. Generator's Name and Location:			e. Generator's Mailing Address:		
f. Phone:			g. Phone:		
If owner of the generating facility differs from the generator, provide:			i. Owner's Phone No.:		
h. Owner's Name:		i. Owner's Phone No.:			
j. Waste Profile #	k. Exp. Date	l. Waste Shipping Name and Description	m. Containers No. Type		n. Total Quantity
					5215
GENERATOR'S CERTIFICATION: I hereby certify that the above named material is not a hazardous waste as defined by 40 CFR 261 or any applicable state law, has been properly described, classified and packaged, and is in proper condition for transportation according to applicable regulations; AND, if this waste is a treatment residue of a previously restricted hazardous waste subject to the Land Disposal Restrictions, I certify and warrant that the waste has been treated in accordance with the requirements of 40 CFR 268 and is no longer a hazardous waste as defined by 40 CFR 261.					
p. Generator Authorized Agent Name (Print)		q. Signature		r. Date	

II. TRANSPORTER (Generator completes IIa-b and Transporter completes IIc-e)

a. Transporter's Name and Address:		
b. Phone:		
c. Driver Name (Print)	d. Signature	e. Date

III. DESTINATION (Generator complete IIIa-c and Destination Site completes IIId-g)

a. Disposal Facility and Site Address:	c. US EPA Number	d. Discrepancy Indication Space:
b.		
I hereby certify that the above named material has been accepted and to the best of my knowledge the foregoing is true and accurate.		
e. Name of Authorized Agent (Print)	f. Signature	g. Date

IV. ASBESTOS (Generator completes IVa-f and Operator complete IVg-i)

a. Operator's Name and Address:		c. Responsible Agency Name and Address:
b. Phone:		d. Phone:
e. Special Handling Instructions and Additional Information:		
f. <input type="checkbox"/> Friable <input type="checkbox"/> Non-Friable <input type="checkbox"/> Both % Friable % Non-Friable		
OPERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations.		
g. Operator's Name and Title (Print)		
h. Signature		i. Date
*Operator refers to the company which owns, leases, operates, controls, or supervises the facility being demolished or renovated, or the demolition or renovation operation or both		



Work Ticket # 208807

ENERGY SERVICES

Job Description:

Pulled and bottomed out rig, tank for marine Bu 6 per Scott Jr. After unloading at CST, ended up doing a wash out on tank. had to open all hatches on tank to flush out.

Customer Information:

Customer Name: Wagner P/A
Work Requested By: _____
Foreman/Company Man: Scott H.
AFE / PO# / WBS: _____

Well Name: _____
Well Number: _____
Rig Name: _____
Drilling Rig Number: _____
Workover Rig Number: _____
State / County: Mississippi

Other:	Quantity:	Price	Total:
BBLS of Water			
BBLS of KCL			
Bags of Biocide			
Gallons of Claytreat			
BBLS of Brine			
TOTAL			

Other

TOTAL

JUL 1 2 2008

Customer Signature _____

Company Name / Title_

Staff's Exhibit 5



CSI
41800 E. 88th Ave.
Bennett, CO, 80102
Ph: (303) 644-4335

11419831

Original
Ticket# 137609

Customer Name MAGNAENERGYSERVICES MAGNA ENE Carrier Magna Magna Energy Services
Ticket Date 07/11/2016 Vehicle# 130bbbs Volume
Payment Type Credit Account Container
Manual Ticket# Driver Miguel
Hauling Ticket# Check#
Route Billing # 0001593
State Waste Code Gen EPA ID
Manifest 017191 Grid
Destination
PO
Profile 114674CD (EMP DRILLING MUD, CEMENT, NON REGULATED LIQUID)
Generator 125-MAGNAENERGYSERVICES23275LA MAGNA ENERGY SERVICES (23295 HWY 85)

Time Scale Operator Inbound Gross
In 07/11/2016 14:37:40 TARE TARE
Out 07/11/2016 14:37:40 TARE TARE
Comments REPLACEMENT TICKET FOR TARE # 137609
TARE TARE



Product	LD%	Qty	UDM	Rate	Fee	Amount	Origin
1 WM-Special Liquid-	100	4700.00	Gal				
2 FUEL-Fuel Surcharg	100		%				
3 EVF-L-Standard Env	100	1	Load				
4 RCR-P-Regulatory C	100		%				
5 WD-Washout Fee / F	100	1	Each				

Miguel Gonzalez

Total Fees
Total Ticket

403WM-N
Driver's Signature



CWMH

NON-HAZARDOUS WASTE MANIFEST		1. Generator ID Number N / A	2. Page 1 of 1	3. Emergency Response Phone (800) 424-9300	4. Waste Tracking Number 017191
5. Generator's Name and Mailing Address MAGNA ENERGY SERVICES 23295 US HWY 85 LA SALLE CO 80645					
Generator's Site Address (if different than mailing address)					
Generator's Phone: (970) 284-5752					
6. Transporter 1 Company Name					
U.S. EPA ID Number					
7. Transporter 2 Company Name					
U.S. EPA ID Number					
8. Designated Facility Name and Site Address Conservation Services, Inc 41800 East 88th Avenue Bennett CO 80102					
U.S. EPA ID Number					
Facility's Phone: (303) 644-4335					
9. Waste Shipping Name and Description		10. Containers		11. Total Quantity	12. Unit Wt./Vol.
1. NON REGULATED SOLID (E&P DRILLING MUD, CEMENT)		No.	Type		
11467400				4700 gal	NONE
2.					
3.					
4.					
13. Special Handling Instructions and Additional Information					
Customer Acct #: CSI 1593 Customer Name: MAGNA ENERGY SERVICES					
14. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and governmental regulations.					
Generator's/Officer's Printed/Typed Name <i>Scott Kline</i>					
Signature <i>[Signature]</i>					
Month Day Year 7 11 16					
15. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit:					
Transporter Signature (for exports only): Date leaving U.S.:					
16. Transporter Acknowledgement of Receipt of Materials					
Transporter 1 Printed/Typed Name <i>Miguel Gonzalez</i>					
Signature <i>[Signature]</i>					
Month Day Year 7 11 16					
Transporter 2 Printed/Typed Name					
Signature					
Month Day Year					
17. Discrepancy					
17a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection					
17b. Alternate Facility (or Generator) Manifest Reference Number: U.S. EPA ID Number					
Facility's Phone:					
17c. Signature of Alternate Facility (or Generator)					
Month Day Year 7 11 16					
18. Designated Facility Owner or Operator: Certification of receipt of materials covered by the manifest except as noted in Item 17a					
Printed/Typed Name <i>Kumfekar</i>					
Signature <i>[Signature]</i>					
Month Day Year 7 11 16					

169-BLC-O 6 10498 (Rev. 9/11)

Staff's Exhibit 5



P.O. BOX 2155
GILLETTE, WY, 82717
N LUDWAR (307) 680-8124

The above estimated charges and data shown are subject to change by Magna Energy Services, LLC. Payment terms are net 30 Days.

**MAGNA ENERGY SERVICES, LLC****WIRELINE**

P.O. BOX 2155
GILLETTE, WY, 82717
RYAN LUDWAR (307) 680-8124

Company Name: MES / COGCC		Company Address:		Field Ticket Number: 30001485 In Bid	
CHURCH RANCH #1W		Date: 6/29/2016	Wireline Unit # 222	Rig Name & Number: MAGNA # 6	
County: JEFFERSON	State: COLORADO	Field:	Engineer: J. JOHNSON	Operator: D. SHEAHAN	Operator: J. BLOCKBERGER

RUN	TIME	QTY	CODE	DATE	DESCRIPTIONS	UNIT PRICE	AMOUNT
1	Job Time: 11:30 Shop Time: 7:00	1	1000-001		Set Up Charge Cased Hole Unit		
	Leave Shop: 9:30 Arrive At Loc: 10:15	1	3000-001		Packoff Operation Charge 0#-1000#		
	Begin Rig Up: 12:30 Finish Rig up: 12:45	1	2000-003		API Type 6BX, 5,000 lb. WP 13-3/8" and smaller		
2	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
3	Time In: 12:50 Time Out: 1:40	8600	8000-001		Bridge Plug Depth Charge		
	From: 0 To: 8600'	1	8000-002		Bridge Plug Operation Charge		
	Service: SET 4.5" CIBP @ 8600'	1	8000-015		Setting Tool Rental, per tool		
4	Time In: 1:50 Time Out: 2:30						
	From: 0 To: 8600'	8600	7000-006		Dump Bailer Depth Charge		
	Service: DUMP 2 SX ON CIBP @ 8600'	1	7000-007		Dump Bailer Operation Charge		
5	Time In: 1:50 Time Out: 2:30						
	From: 0:00 To: 4500'	6000	6200-000		Hollow Carrier Depth Charge (Expendable)		
	Service: PERF 4 SPF 1F @ 4500'	40	6400-000		Scalloped Gun Carriers, per shot		
6	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
7	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
8	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
9	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
10	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
11	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
					SUB TOTAL	\$	-
					LESS DISCOUNT		
					NON-DISCOUNTED ITEMS	UNIT PRICE	AMOUNT
12	Time In: _____ Time Out: _____						
	From: _____ To: _____	1	8000-014		Standard Set Power Charge		
	Service: _____	1	8100-000		Cast Iron Bridge Plug		
13	Time In: _____ Time Out: _____						
	From: _____ To: _____						
	Service: _____						
OWEN 10K CIBP 3.5" OD							
SETTING RANG .9.5#-16.6# 4.5" CASING							
					SUBTOTAL		
					TAX		
					GRAND TOTAL		

Customer Signature:	Customer Name Printed:	Magna Representative Signature:
----------------------------	-------------------------------	--

The above estimated charges and data shown are subject to change by Magna Energy Services, LLC. Payment terms are net 30 Days.

Staff's Exhibit 5

**Magna Energy Services, LLC
20661 Niobrara Blvd.
LaSalle, Colorado 80645
(970) 284-8142
Fax (970) 284-5753**

Job Log

Date: 7/11/16
Operator: COGCC
Well Name: Church Ranch #1W
Legal Location: NWSW Sec 9 T2S R70W
API# 05-590-06026
Jefferson County, Colorado

6/24/16: MI P&A Equipment.

6/27/16: RU P&A Equipment, Check Pressures, 420 CSG, 420 Surface CSG, Blow well down, MIRU Magna WL, RIH w/10K CIBP, stacked out @ 3230', POOH, RDMO WL, SWI.

6/28/16: Check pressure, 150/320, Blow well down, PU Bit & Scraper, PU & Tally TBG 8700', Circulate well w/140 BBL's water, SWI.

6/29/16: Check pressure, 50/100, blow well down, TOOH w/TBG, MIRU Magna WL, RIH w/10K CIBP set @ 8600', POOH, RIH w/CDB w/2 SXS @ 8600', POOH, RIH w/SQ Gun & perforate @ 4500', POOH, RDMO WL, SWI.

6/30/16: Check pressure, 350 PSI, blow well down, TIH w/TBG @ 4509', circulate well w/50 BBL's water, get injection rate, start pumping cement @ 10 SXS and blew hydraulic hose on cementer, reverse circulate w/70 BBL's water, TOOH, SWI.

7/5/16: Check pressure, 150 psi, blow well down, TIH w/TBG @ 4509', establish circulation, shut in CSG, set injection rate, mix & pump 50 SXS of 15.8 # CGC, displace w/16 BBL's water, release pressure on CSG, TOOH w/TBG, SWI.

7/6/16: Check pressure, 320/50, blow well down, TIH w/TBG & tag TOC @ 4056', Circulate well to get oil & gas out, TOOH w/TBG, SWI.

7/7/16: MIRU Magna WL, RIH w/split shot, Cut CSG collar @ 1506', POOH, RDMO WL, SWI.

7/8/16: UNLAND CSG, NU BOP's, LD CSG, Recovered 36 JTS of 4.5 # CSG @ 1506', TIH w/TBG @ 1573', establish circulation, mix & pump 30 SXS of 15.8 # CGC, displace w/5 BBL's water, LD TBG @ 1228', establish circulation, mix & pump 60 SXS of 15.8 # CGC, displace w/4 BBL's water, TOOH, SWI.

Staff's Exhibit 5

7/11/16: TIH w/TBG, Tag TOC @ 1023', LD TBG @ 615', establish circulation, mix & pump 40 SXS of 15.8 # CGC, displace w/1.5 BBL's water, LD TBG @ 32', establish circulation, mix & pump 12 SXS of 15.8 # CGC to surface, LD TBG, RD P&A equipment, dig well up, cut & cap 5' from ground surface, backfill, P&A complete.

*** All cement used is Class "G" Neat 15.8 # ***

Cementing Contractor: Magna Energy Services, LLC

Cementing Contractor Supervisor: Scott Marez

Operator Supervisor: Diana Burn

COGCC Representative: Diana Burn

Wireline Contractor: Magna Energy Services, LLC

- a. Drilling compressors (air or gas) shall be located at least one hundred twenty five (125) feet from the wellbore and in a direction away from the air or gas discharge line.
- b. The air or gas discharge line shall be laid in as nearly as a straight line as possible from the wellbore and be a minimum of one hundred fifty (150) feet in length. The line shall be securely anchored.
- c. A pilot flame shall be maintained at the end of the air or gas discharge line at all times when air, gas, mist drilling, or well testing is in progress.
- d. All combustible material shall be kept at least one hundred (100) feet away from the air and gas discharge line and burn pit.
- e. The air line from the compressors to the standpipe shall be of adequate strength to withstand at least the maximum discharge pressure of the compressors used, and shall be checked daily for any evidence of damage or weakness.
- f. Smoking shall not be allowed within seventy-five (75) feet of the air and gas discharge line and burn pit.
- g. All operations associated with the drilling, completion or production of a well shall be subject to the Colorado Air Quality Control Act, Section 25-7-101, C.R.S.

607. HYDROGEN SULFIDE GAS

- a. When well servicing operations take place in zones known to contain at or above one hundred (100) ppm hydrogen sulfide gas, as measured in the gas stream, the operator shall file a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990).
- b. When proposing to drill a well in areas where hydrogen sulfide gas in excess of one hundred (100) ppm can reasonably be expected to be encountered, the operator shall submit as part of the Form 2, Application-for-Permit-to-Drill, a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990).
- c. Any gas analysis indicating the presence of hydrogen sulfide gas shall be reported to the Commission and the local governmental designee.

FINANCIAL ASSURANCE AND ENVIRONMENTAL RESPONSE FUND

701. SCOPE

The rules in this series pertain to the provision of financial assurance by operators to ensure the performance of certain obligations imposed by the Oil and Gas Conservation Act (the Act), §34-60-106 (3.5), (11), (12) and (17) C.R.S., as well as the use of the Environmental Response Fund (ERF), §34-60-124 C.R.S., as a mechanism to plug and abandon orphan wells, perform orphaned site reclamation, and remediation, and to conduct other authorized environmental activities.

702. General. Operators are required to provide financial assurance to the Commission to demonstrate that they are capable of fulfilling the obligations imposed by the Act, as described in this series. Except as otherwise specified herein, a surety bond, in a form and from a company acceptable to the Commission, is an approved method of providing financial assurance. Any other method of providing financial assurance identified in §34-60-106(B), C.R.S., shall be submitted to the Commission for approval, and shall be equivalent to the protection provided by a surety bond and may require detailed Commission review on an ongoing basis, including the use of third party consultants, the reasonable expense for which shall be charged to the operator proposing such alternative financial assurance.

- a. When the Director has reasonable cause to believe that the Commission may become burdened with the costs of fulfilling the statutory obligations described herein because an operator has demonstrated a pattern of non-compliance with oil and gas regulations in this or other states, because special geologic, environmental, or operational circumstances exist which make the plugging and abandonment of particular wells more costly, or due to other special and unique circumstances, the Director may petition the Commission for an increase in any individual or blanket financial assurance required in this series.
- b. The requirements of this series do not apply to situations where financial assurance has been provided to federal or indian agencies for operations regulated solely by such agencies.

703. Surface owner protection. Operators shall provide financial assurance to the Commission, prior to commencing any operations with heavy equipment, to protect surface owners who are not parties to a lease, surface use or other relevant agreement with the operator from unreasonable crop loss or land damage caused by such operations. The determination that crop loss or land damage is unreasonable shall be made by the Commission after the affected surface owner has filed an application in accordance with the 500 Series rules. Financial assurance for the purpose of surface owner protection shall not be required for operations conducted on state lands when a bond has been filed with the State Board of Land Commissioners.

The financial assurance required by this section shall be in the amount of two thousand dollars (\$2,000) per well for non-irrigated land, or five thousand dollars (\$5,000) per well for irrigated land. In lieu of such individual amounts, operators may submit statewide, blanket financial assurance in the amount of twenty five thousand dollars (\$25,000).

704. Centralized E&P waste management facilities. An operator which makes application for an offsite, centralized E&P waste management facility shall, upon approval and prior to commencing construction, provide to the Commission financial assurance in the amount of fifty thousand dollars (\$50,000) to ensure the proper reclamation, closure and abandonment of such facility. This section does not apply to underground injection wells and multi-well pits covered under Rules 706. and 707.

705. Seismic operations. Any operator submitting a Notice of Intent to Conduct Seismic Operations, Form 20, shall, prior to commencing such operations, provide financial assurance to the Commission in the amount of twenty five thousand dollars (\$25,000) statewide blanket financial assurance to ensure the proper plugging and abandonment of any shot holes and any necessary surface reclamation.

706. Soil protection and plugging and abandonment. Prior to commencing the drilling of a well, an operator shall provide financial assurance to the Commission to ensure the protection of the soil and the proper plugging and abandonment of the well in accordance with the 300 Series of drilling regulations, the 900 Series of E&P waste management, the 1000 Series of reclamation regulations, and the 1100 Series of flowline regulations. The financial assurance required by this section shall be in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells, or one hundred thousand dollars (\$100,000) for the drilling and operation of one hundred (100) or more wells.

707. Inactive wells

- a. To the extent that an operator's inactive well count exceeds such operator's financial assurance amount divided by five thousand dollars (\$5,000), such additional wells shall be considered "excess inactive wells". For each excess inactive well, an operator's required financial assurance amount under Rule 706. shall be increased by five thousand dollars (\$5,000). This requirement shall be modified or waived if the Commission approves a plan submitted by the operator for reducing such additional financial assurance requirement, for returning wells to production in a timely manner, or for plugging and abandoning such wells on an acceptable schedule.

In determining whether such plan is acceptable, the Commission shall take into consideration such factors as: the number of excess inactive wells; the cost to plug and abandon such wells; the proportion of such wells to the total number of wells held by the operator; any business reason the operator may have for shutting-in or temporarily abandoning such wells; the extent to which such wells may cause or have caused a significant adverse environmental impact; the financial condition of the operator, the capability of the operator to manage such plan in an orderly fashion; and the availability of plugging and abandonment services. If an increase in financial assurance is ordered pursuant to this subsection, the operator may, at its option and in compliance with these 700 Series rules, submit new financial assurance or supplement its existing financial assurance.

- b. Operators shall identify and list any shut-in or temporarily abandoned wells on their monthly production/ injection report. In addition, when equipment is removed from a well so as to render it temporarily abandoned, operators shall file a Sundry Notice, Form 4, with the Commission within thirty (30) days describing such activity.
- c. Any person, other than the operator, who causes equipment from a well to be removed so as to render temporarily abandoned shall, prior to conducting such activity, file a notice of intent to remove equipment and receive the approval of the Director. The Director may condition such approval on concurrent plugging and abandonment of the well or on provision of the financial assurance required of operators in this series.

708. Public health, safety and welfare. All operators shall maintain general liability insurance coverage for property damage and bodily injury to third parties in the minimum amount of five hundred thousand dollars (\$500,000) per occurrence. Operators with wells or production facilities located in "high density areas" as defined in Rule 603.b. shall maintain such coverage in the minimum amount of one million dollars (\$1,000,000) per occurrence. Such policies shall include the Commission as a "certificate holder" so that the Commission may receive advance notice of cancellation.

709. Financial assurance. All financial assurance provided to the Commission pursuant to this Series shall remain in-place until such time as the Director determines an operator has complied with the statutory obligations described herein, or until such time the Director determines a successor-in-interest has filed satisfactory replacement financial assurance, at which time the Director shall provide written approval for release of such financial assurance. Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance.

- a. Operators and third party providers of financial assurance shall be served with a copy of such application pursuant to Rule 503. and shall be accorded an opportunity to be heard thereon. Any third party provider of financial assurance which subsequently fails to comply with a Commission order to make such financial assurance available shall be considered an unacceptable provider of any new financial assurance to operators in Colorado, until such time as it applies for and receives an order of reinstatement. This provision shall be stayed by the filing of a judicial appeal. In addition, the Commission may institute suit to recover such monies.
- b. If an operator's financial assurance is called or foreclosed by the Commission, the called or foreclosed amount shall be deposited in the Environmental Response Fund to be expended by the Director for the purposes referenced in Rule 701., and an overhead recovery fee of ten percent (10%) of the funds expended by the Director as direct costs shall be charged against any excess of the financial assurance over such costs. Any remainder of such financial assurance after such cost recovery shall be returned to its provider. In no circumstances will the liability of a third party provider of financial assurance exceed the face amount of such financial assurance.
- c. If an operator's financial assurance is called or foreclosed by the Commission, such operator's Certificates of Clearance, Form 10, are forthwith suspended and no sales of gas or oil shall be allowed, except as may be allowed by the Commission order, until such time as the operator's

financial assurance has been replaced or restored.

710. Environmental Response Fund. It is the intent of the Commission that an Environmental Response Fund (ERF) "emergency reserve" of unobligated funds be maintained in the amount of one million dollars (\$1,000,000), which may be used in accordance with the Act and Rule 701.

711. Natural gas gathering, natural gas processing and underground natural gas storage facilities. Operators of natural gas gathering, natural gas processing, or underground natural gas storage facilities shall be required to provide statewide blanket financial assurance to ensure compliance with the 900 Series rules in the amount of fifty thousand dollars (\$50,000), or in an amount voluntarily agreed to with the Director, or in an amount to be determined by order of the Commission. Operators of small systems gathering or processing less than five (5) MMSCFD may provide individual financial assurance in the amount of five thousand dollars (\$5,000).

AESTHETIC AND NOISE CONTROL REGULATIONS

801. INTRODUCTION

The rules and regulations in this section are promulgated to control aesthetics and noise impacts during the drilling, completion and operation of oil and gas wells and production facilities. Any Colorado county, home rule or statutory city, town, territorial charter city or city and county may, by application to the Commission, seek a determination that the rules and regulations in this section, or any individual rule or regulation, shall not apply to oil and gas activities occurring within the boundaries, or any part thereof, of any Colorado county, home rule or statutory city, town, territorial charter city or city and county, such determination to be based upon a showing by any Colorado county, home rule or statutory city, town, territorial charter city or city and county that, because of conditions existing therein, the enforcement of these rules and regulations is not necessary within the boundaries of any Colorado county, home rule or statutory city, town, territorial charter city or city and county for the protection of public health, safety and welfare.

802. NOISE ABATEMENT

- a. The goal of this rule is to identify noise sources related to oil and gas operations that impact surrounding landowners and to implement cost-effective and technically-feasible mitigation measures to bring oil and gas facilities into compliance with the allowable noise levels identified in subsection c. Operators should be aware that noise control is most effectively addressed at the siting and design phase, especially with respect to centralized compression and other downstream "gas facilities" (see definition in the 100 Series of these rules).
- b. Oil and gas operations at any well site, production facility or gas facility, shall comply with the following maximum permissible noise levels. Operations involving pipeline or gas facility installation or maintenance, the use of a drilling rig, completion rig, workover rig, or stimulation is subject to the maximum permissible noise levels for industrial zones. The type of land use of the surrounding area shall be determined by the Commission in consultation with the local governmental designee taking into consideration any applicable zoning or other local land use designation.
- c. In the hours between 7:00 a.m. and the next 7:00 p.m. the noise levels permitted below may be increased ten (10) db(A) for a period not to exceed fifteen (15) minutes in any one (1) hour period. The allowable noise level for periodic, impulsive or shrill noises is reduced by five (5) db(A) from the levels shown.

ZONE	7:00 am to next 7:00 pm	7:00 pm to next 7:00 am
Residential/Agricultural/ Rural Construction commencing after	55 db(A) 50db(A)	50 db(A) 45 db(A)

Cite as C.R.S. § 34-60-105

History. L. 51: p. 655, § 7. CSA: C. 118, § 68(7). CRS 53: § 100-6-5. C.R.S. 1963: § 100-6-5. L. 81: (2) repealed, p. 1690, § 3, effective May 21.

Case Notes:

ANNOTATION

Law reviews. For article, "Conservation of Oil Resources -- Colorado's Position Today", see 22 Rocky Mt. L. Rev. 489 (1950).

This act is a comprehensive statute intended to be exclusive means of regulating development, production, and utilization of gas and oil; whether conflict exists between local regulation and statutory scheme is irrelevant in determining validity of local regulation. *Oborne v. County Comm'rs of Douglas Cty.*, 764 P.2d 397 (Colo. App. 1988), cert. denied, 778 P.2d 1370 (Colo. 1989).

General assembly has power to delegate to commission certain powers and authority with reference to the administration of any legislation concerning oil and gas. *Union P. R. R. v. Oil & Gas Conservation Comm'n*, 131 Colo. 528, 284 P.2d 242 (1955).

Rule of commission preempted county regulation imposing financial requirements on operators, where county regulation created an operational conflict with the commission's bonding and fine assessment procedures. *Gunnison County Bd. of County Comm'rs v. BDS Int'l, LLC*, 159 P.3d 773 (Colo. App. 2006).

The commission reasonably construed this ambiguous statute as not giving it jurisdiction to interpret a contract between a landowner and an operator. *Chase v. Colo. Oil & Gas Conservation Comm'n*, 2012 COA 94M, 241 P.3d 161.

§ 34-60-106. Additional powers of commission - rules - repeal.

Colorado Statutes

Title 34. MINERAL RESOURCES

OIL AND NATURAL GAS

Conservation and Regulation

Article 60. Oil and Gas Conservation

Staff's Exhibit 7

Current through Chapter 420 of the 2014 Legislative Session

§ 34-60-106. Additional powers of commission - rules - repeal

- (1) The commission also has authority to require:
 - (a) Identification of ownership of oil and gas wells, producing leases, tanks, plants, and structures;
 - (b) The making and filing with the commission of copies of well logs, directional surveys, and reports on well location, drilling, and production; except that logs of exploratory or wildcat wells marked "confidential" shall be kept confidential for six months after the filing thereof, unless the operator gives written permission to release such logs at an earlier date;
 - (c) The drilling, casing, operation, and plugging of seismic holes or exploratory wells in such manner as to prevent the escape of oil or gas from one stratum into another, the intrusion of water into oil or gas stratum, the pollution of fresh water supplies by oil, gas, salt water, or brackish water; and measures to prevent blowouts, explosions, cave-ins, seepage, and fires;
 - (d) (Deleted by amendment, L. 94, p. 1980 § 6, effective June 2, 1994.)
 - (e) That every person who produces, sells, purchases, acquires, stores, transports, refines, or processes oil or gas in this state shall keep and maintain within this state, for a period of five years, complete and accurate records of the quantities thereof, which records, or certified copies thereof, shall be available for examination by the commission, or its agents, at all reasonable times within said period and that every such person shall file with the commission such reasonable reports as it may prescribe with respect to such oil or gas or the products thereof;
 - (f) That no operations for the drilling of a well for oil and gas shall be commenced without first giving to the commission notice of intention to drill and without first obtaining a permit from the commission, under such rules and regulations as may be prescribed by the commission, and paying to the commission a filing and service fee to be established by the commission for the purpose of paying the expense of administering this article as provided in section 34-60-122 , which fee may be transferable or refundable, at the option of the commission, if such permit is not used; but no such fee shall exceed two hundred dollars;
 - (g) That the production from wells be separated into gaseous and liquid hydrocarbons and that each be accurately measured by such means and standards as prescribed by the commission;
 - (h) The operation of wells with efficient gas-oil and water-oil ratios, the establishment of these ratios, and the limitation of the production from wells with inefficient ratios;

Staff's Exhibit 7

- (i) Certificates of clearance in connection with the transportation and delivery of oil and gas or any product; and
 - (j) Metering or other measuring of oil, gas, or product in pipelines, gathering systems, loading racks, refineries, or other places.
- (2) The commission has the authority to regulate:
 - (a) The drilling, producing, and plugging of wells and all other operations for the production of oil or gas;
 - (b) The shooting and chemical treatment of wells;
 - (c) The spacing of wells; and
 - (d) Oil and gas operations so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, including protection of the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility.
- (3) The commission also has the authority to:
 - (a) Limit the production of oil or gas, or both, from any pool or field for the prevention of waste, and to limit and to allocate the production from such pool or field among or between tracts of land having separate ownerships therein, on a fair and equitable basis so that each such tract will be permitted to produce no more than its just and equitable share from the pool and so as to prevent, insofar as is practicable, reasonably avoidable drainage from each such tract which is not equalized by counter-drainage; and
 - (b) Classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this article.
- (3.5) The commission shall require the furnishing of reasonable security with the commission by lessees of land for the drilling of oil and gas wells, in instances in which the owner of the surface of lands so leased was not a party to such lease, to protect such owner from unreasonable crop losses or land damage from the use of the premises by said lessee. The commission shall require the furnishing of reasonable security with the commission, to restore the condition of the land as nearly as is possible to its condition at the beginning of the lease and in accordance with the owner of the surface of lands so leased.
- (4) The grant of any specific power or authority to the commission shall not be construed in this article to be in derogation of any of the general powers and authority granted under this article.

- (5) The commission shall also have power to make determinations, execute waivers and agreements, grant consent to delegations, and take other actions required or authorized for state agencies by those laws and regulations of the United States which affect the price and allocation of natural gas and crude oil, including the federal "Natural Gas Policy Act of 1978", 15 U.S.C. sec. 3301 et seq., including the power to give written notice of administratively final determinations.
- (6) The commission has the authority, as it deems necessary and convenient, to conduct any hearings or to make any determinations it is otherwise empowered to conduct or make by means of an appointed hearing officer, but recommended findings, determinations, or orders of any hearing officer shall not become final until adopted by the commission. Upon appointment by the commission, a member of the commission may act as a hearing officer.
- (7) The commission has the authority to establish, charge, and collect docket fees for the filing of applications, petitions, protests, responses, and other pleadings. No such fees shall exceed two hundred dollars for any application, petition, or other pleading initiating a proceeding nor one hundred dollars for any protest or other responsive pleadings, and any party to any commission proceeding shall pay no more than one such fee for each proceeding in which it is a party. All such fees shall be deposited in the oil and gas conservation and environmental response fund established by section 34-60-122 and shall be subject to appropriations by the general assembly for the purposes of this article.
- (8) The commission shall prescribe special rules and regulations governing the exercise of functions delegated to or specified for it under the federal "Natural Gas Policy Act of 1978", 15 U.S.C. sec. 3301 et seq., or such other laws or regulations of the United States which affect the price and allocation of natural gas and crude oil in accordance with the provisions of this article.
- (9) Notwithstanding the provisions of section 34-60-120 or any other provision of law, the commission, as to class II injection wells defined in 40 CFR 144.6b , shall also have the power to perform all acts for the purpose of protecting underground sources of drinking water in accordance with state programs authorized by 42 U.S.C. sec. 300f et seq. and regulations thereunder in effect or as may be amended.
- (10) The commission shall promulgate rules and regulations to protect the health, safety, and welfare of any person at an oil or gas well; except that the commission shall not adopt such rules and regulations with regard to parties or requirements regulated under the federal "Occupational Safety and Health Act of 1970".
- (11)
 - (a) By July 16, 2008, the commission shall:
 - (l)
 - (A) Promulgate rules to establish a timely and efficient procedure for the review of applications for a permit to drill and applications for an order

establishing or amending a drilling and spacing unit.

(B) Repealed.

(II) Promulgate rules, in consultation with the department of public health and environment, to protect the health, safety, and welfare of the general public in the conduct of oil and gas operations. The rules shall provide a timely and efficient procedure in which the department has an opportunity to provide comments during the commission's decision-making process. This rule-making shall be coordinated with the rule-making required in section 34-60-128(3) (d) so that the timely and efficient procedure established pursuant to this subsection (11) is applicable to the department and to the division of parks and wildlife.

- (b) (I) The general assembly shall review the rules promulgated pursuant to paragraph (a) of this subsection (11) acting by bill pursuant to section 24-4-103 , C.R.S., and reserves the right to alter or repeal such rules.
- (II) By January 1, 2008, the commission shall promulgate rules to ensure the accuracy of oil and gas production reporting by establishing standards for wellhead oil and gas measurement and reporting. At a minimum, the rules shall address engineering standards, heating value, specific gravity, pressure, temperature, meter certification and calibration, and methodology for sales reconciliation to wellhead meters. The rules shall be consistent with standards established by the American society for testing and materials, the American petroleum institute, the gas processors association, or other applicable standards-setting organizations, and shall not affect contractual rights or obligations.

(12) The commission, in consultation with the state agricultural commission and the commissioner of agriculture, shall promulgate rules to ensure proper reclamation of the land and soil affected by oil and gas operations and to ensure the protection of the topsoil of said land during such operations.

(13) The commission shall require every operator to provide assurance that it is financially capable of fulfilling any obligation imposed under subsections (11), (12), and (17) of this section. For purposes of this subsection (13), references to "operator" shall include an operator of an underground natural gas storage cavern and an applicant for a certificate of closure under subsection (17) of this section. In complying with this requirement, an operator may submit for commission approval, without limitation, one or more of the following:

- (a) A guarantee of performance where the operator can demonstrate to the

commission's satisfaction that it has sufficient net worth to guarantee performance of any obligation imposed by rule under subsections (11), (12), and (17) of this section. Such guarantee and demonstration of net worth shall be annually reviewed by the commission.

- (b) A certificate of general liability insurance in a form acceptable to the commission which names the state as an additional insured and which covers occurrences during the policy period of a nature relevant to an obligation imposed by rule under subsections (11), (12), and (17) of this section;
 - (c) A bond or other surety instrument;
 - (d) A letter of credit, certificate of deposit, or other financial instrument;
 - (e) An escrow account or sinking fund dedicated to the performance of any obligation imposed by rule under subsections (11), (12), and (17) of this section;
 - (f) A lien or other security interest in real or personal property of the operator. Such lien or security interest shall be in a form and priority acceptable to the commission in its sole discretion and shall be reviewed annually by the commission.
- (14) Before an operator commences operations for the drilling of any oil or gas well, such operator shall evidence its intention to conduct such operations by giving the surface owner written notice describing the expected date of commencement, the location of the well, and any associated roads and production facilities. Unless excepted by the commission due to exigent circumstances or waived by the surface owner, such notice of drilling shall be mailed or delivered to the surface owner not less than thirty days prior to the date of estimated commencement of operations with heavy equipment. The notice of drilling shall also be provided to the local government in whose jurisdiction the well is located if such local government has registered with the commission for receipt thereof.
- (15) The commission may, as it deems appropriate, assign its inspection and monitoring function, but not its enforcement authority, through intergovernmental agreement or by private contract; except that no such assignment shall allow for the imposition of any new tax or fee by the assignee in order to conduct such assigned inspection and monitoring, and no such assignment shall provide for compensation contingent on the number or nature of alleged violations referred to the commission by the assignee. No local government may charge a tax or fee to conduct inspections or monitoring of oil and gas operations with regard to matters that are subject to rule, regulation, order, or permit condition administered by the commission. Nothing in this subsection (15) shall affect the ability of a local government to charge a reasonable and nondiscriminatory fee for inspection and monitoring for road damage and compliance with local fire codes, land use permit conditions, and local building codes.
- (15) The commission shall use a risk-based strategy for inspecting oil and gas locations that

- 5) targets the operational phases that are most likely to experience spills, excess emissions, and other types of violations and that prioritizes more in-depth inspections. The commission shall:
- (a)
 - (I) Submit a report by February 1, 2014, to the general assembly's joint budget committee and the senate's and house of representatives' committees of reference with jurisdiction over energy that includes findings, recommendations, and a plan, including staffing and equipment needs.
 - (II) This paragraph (a) is repealed, effective September 1, 2014.
 - (b) Implement the systematic risk-based strategy by July 1, 2014. The commission may use a pilot project to test the risk-based strategy.
- (16) The commission has the authority to establish, charge, and collect fees for services it provides, including but not limited to the sale of computer disks and tapes.
- (17)
 - (a) The commission has exclusive authority to regulate the public health, safety, and welfare aspects, including protection of the environment, of the termination of operations and permanent closure, referred to in this subsection (17) collectively as "closure", of an underground natural gas storage cavern.
 - (b) No underground natural gas storage cavern may be closed unless the operator has secured a certificate of closure from the commission. The commission shall issue a certificate of closure if the applicant demonstrates that its closure plan protects public health, safety, and welfare, including protection of the environment.
 - (c) Before submitting its application, an applicant for a certificate of closure must, to the extent such owners are reasonably identifiable from public records, notify all owners of property, both surface and subsurface, occupied by and immediately adjacent to the underground natural gas storage cavern of the applicant's intent to submit a closure plan. "Immediately adjacent to" means contiguous to the boundaries of the underground natural gas storage cavern. The notice shall advise the owners of a location where a full copy of the closure plan may be inspected, that written comments may be submitted to the commission, and that they may participate in the public hearing required by this subsection (17). The applicant shall notify the owners of the date, time, and place of the public hearing. Contemporaneously with notifying the owners, the applicant shall send a copy of the notice to registered homeowners' associations that have submitted a written request for such notice prior to the filing of the application with the commission and the board of county commissioners in the county where the underground natural gas storage cavern is located.
 - (d) The commission shall provide the public with notice and an opportunity to

comment on an application filed under this subsection (17) for a certificate of closure pursuant to the procedures set forth in section 34-60-108(7) . The applicant shall attend the public hearing and shall be available at other reasonable times as the director may request to respond to comments and questions.

- (e) The director may consult with other state agencies possessing expertise in matters related to closure of underground natural gas storage caverns in the areas of the jurisdiction of such agencies, including, but not limited to, safety, environmental protection, public health, water resources, and geology. Agencies consulted under this subsection (17) may include, but are not limited to, the public utilities commission, the division of reclamation, mining, and safety, the Colorado geological survey, the division of water resources, and the department of public health and environment. Any agency consulted shall provide advice and assistance with respect to matters within its expertise.
- (f) The commission may attach conditions to its certificate of closure, including requiring reasonable recovery of residual natural gas, if the commission determines that such conditions are technically feasible and necessary to ensure compliance with the requirements of this subsection (17), taking into consideration cost-effectiveness. If the closure application requires the abandonment of wells and reclamation of well sites associated with the underground natural gas storage cavern, the commission shall attach conditions to its certificate of closure requiring that such well abandonment and reclamation occur in a manner consistent with applicable commission rules.
- (g) The commission may, subject to the limitations contained in paragraph (f) of this subsection (17), attach conditions to its certificate of closure requiring:
 - (I) Reasonable post-closure monitoring and site security at a closed underground natural gas storage cavern; and
 - (II) That the applicant for the certificate of closure will perform post-closure corrective actions consistent with this subsection (17), including, but not limited to, the limitations contained in paragraph (f) of this subsection (17) if any such post-closure monitoring establishes that the closure does not protect public health, safety, or welfare, including protection of the environment.
- (h) The commission shall require that the applicant for a certificate of closure provide reasonable assurance that it is financially capable of fulfilling any obligation imposed under this subsection (17) including, but not limited to, post-closure corrective action required by paragraph (g) of this subsection (17), in accordance with subsection (13) of this section.

- (i) The applicant for a certificate of closure under this subsection (17) shall reimburse the commission's reasonable and necessary costs of reviewing and acting on the application. Such reimbursement shall include:
 - (I) Reimbursement to the commission, its staff, and any agencies consulted under this subsection (17) for the reasonable cost of the time required to review the application, at a rate commensurate with the hourly compensation of the staff employee performing the actual work, but not to exceed the hourly compensation of the highest paid commission staff employee, based on the employee's annual salary divided by two thousand eighty hours; and
 - (II) Reimbursement of the reasonable cost to the commission of hiring one or more private consultants to review the application and provide advice to the commission as a result of such review, if the applicant consents in writing to the scope and expected range of costs of the activities to be undertaken by each such private consultant. If the commission and applicant cannot agree on the scope or expected range of costs and if the commission determines a private consultant is necessary in the review of the application, then the commission may hire a private consultant at its own expense.

Cite as C.R.S. § 34-60-106

History. Amended by 2013 Ch. 274, §2, eff. 5/24/2013.

L. 51: p. 660, § 11. CSA: C. 118, § 68(11). CRS 53: § 100-6-15. L. 55: p. 654, § 8. C.R.S. 1963: § 100-6-15. L. 64: p. 509, § 1. L. 73: p. 1071, § 1. L. 77: (3.5) added, p. 1565, § 1, effective July 1. L. 79: (5) to (8) added, p. 1320, § 2, February 16. L. 81: (9) added, p. 1339, § 4, effective July 1; (9) amended, p. 2034, § 53, effective July 14. L. 85: (10) and (11) added, p. 1129, § 1, effective July 1. L. 86: (12) added, p. 1073, § 1, effective April 3. L. 91: (1)(f) and (9) amended, p. 1415, § 3, effective April 19. L. 94: (1)(d), (2)(d), (11), and (12) amended and (13), (14), (15), and (16) added, p. 1980, § 6, effective June 2. L. 96: (15) amended, p. 346, § 1, effective April 17. L. 2001: IP(13), (13)(a), (13)(b), and (13)(e) amended and (17) added, pp. 1303, 1304, §§ 2, 3, effective June 5; (14) amended, p. 491, § 6, effective July 1. L. 2005: (7) amended, p. 733, § 3, effective July 1. L. 2006: (17)(e) amended, p. 218, § 16, effective August 7. L. 2007: (2)(d) and (11) amended, pp. 1358, 1359, §§ 4, 6, effective May 29; (11) amended, p. 1344, § 1, effective May 29. L. 2008: IP(11)(a), (11)(a)(II), and (11)(b)(I) amended, p. 1033, § 1, effective May 21; (11)(a)(II) amended, p. 1912, § 122, effective August 5.

Related Legislative Provision: See 2013 Ch. 274, §4.

Editor's Note:

(1) Amendments to subsection (11)(a)(II) by House Bill 08-1379 and House Bill 08-1412 were harmonized.

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)
JEFFERSON COUNTY, COLORADO) TYPE: ENFORCEMENT

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.f., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff ("Staff") will apply to the Commission at its August 29-30, 2016, hearing for authorization to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance.

Premier is the operator of the Church Ranch 3W Well (API No. 05-059-06028), Church Ranch 1W Well (API No. 05-059-06026), and Church Ranch 2W Well (API No. 05-059-06027) (collectively, the "Wells"), located in Jefferson County, Colorado.

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things, found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well, assessed a total fine of Sixty-Five Thousand Dollars (\$65,000), and foreclosed Premier's financial assurance at this well.

On July 29, 2013, the Commission amended Order No. 1V-362 noting, among other things, that the \$65,000 fine would not be paid because Premier is a bankrupt company.

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

The COGCC continues to hold two financial assurance instruments (instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells.

Staff requests that the Commission authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites.

Staff also requests that Premier's Operator Number (No. 10236) be revoked,

Premier's Form 1 (Document No. 1232506) be rescinded, and Premier's right to conduct oil and gas operations in the state of Colorado be terminated.

Last, Staff requests that the Commission impose other relief as the Commission deems necessary and appropriate.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

Please contact Margaret Humecki at (303) 894-2100 ext. 5139 prior to the hearing if any party requires special accommodations as a result of a disability. Special accommodations will be provided in accordance with the Americans with Disabilities Act.

At the Commission's August 29-30, 2016 meeting, the Commission will enter orders as it deems appropriate to protect public health, safety, and welfare, including the environment and wildlife resources, and to carry out the purposes of the Act and Commission rules, orders, or permits.

A party meeting the requirements for a protestant or intervenor may file a written protest or intervention in accordance with Rule 509. One electronic, one original and two copies of any protest or intervention must be filed with the Commission no later than August 15, 2016. A party who files a protest or intervention must be able to participate in a prehearing conference during the week of August 15, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

Dated: July 20, 2016

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

STATE OF COLORADO

DEPARTMENT OF NATURAL RESOURCES
Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203-2136

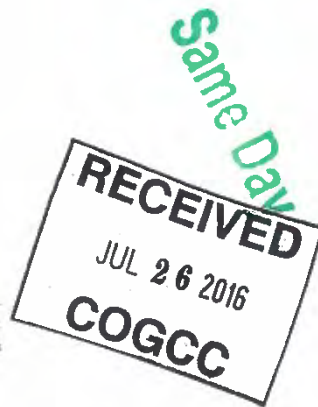
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PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS

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UNCLAIMED
PARCEL TO FORWARD
BC: 80203213701 *0320-01361-21-46

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A. Signature	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Restricted Delivery	
Domestic Return Receipt	
4062 2208 1000 0251 5102	
2. Article Number (Transfer from service label) 9590 9403 0001 0406 09	
1. Article Addressed to: PREMIER OIL & GAS INC ATTN: ALLEN STOUT 2250 E TROPICANA AVE #19-511 LAS VEGAS, NV 89119	

PS Form 3811, July 1, 1981 PSN 7530-02-000-9053



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Desk/Reception

DENVER, CO 80203

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July 25, 2016 , 11:34 pm	Departed USPS Facility	DENVER CO 80266
July 25, 2016 , 6:55 pm	Arrived at USPS Facility	DENVER CO 80266
July 24, 2016 , 5:37 pm	Departed USPS Facility	LAS VEGAS, NV 89199
July 23, 2016 , 8:11 am	Undeliverable as Addressed	LAS VEGAS, NV 89102
July 22, 2016 , 8:42 pm	Arrived at USPS Facility	LAS VEGAS, NV 89199
July 22, 2016 , 5:05 am	Departed USPS Facility	DENVER CO 80266
July 21, 2016 , 11:03 pm	Arrived at USPS Facility	DENVER CO 80266

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<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
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COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

August 25, 2016

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
2250 E TROPICANA AVE #19-511
LAS VEGAS, NV 89119

Mr. Stout,
The COGCC has commenced an action to foreclose Premier's existing financial assurance and revoke Premier's right to conduct oil and gas operations in the State of Colorado. Enclosed please find a notice of hearing, a continuance to the October 24-25, 2016, hearing, Staff's prehearing statement and a proposed order for additional information.

If Premier wishes to participate in this proceeding please contact me immediately.

Sincerely,

Jeremy I Ferrin
Enforcement Officer

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc

Commissioners: Andrew L. Spielman - Chairman, Ashley L. Ager, John H. Benton,
James W. Hawkins, Tommy Holton, Kent Jolley, W. Perry Pearce, Robert W. Randall, Dr. Larry Wolk
John W. Hickenlooper, Governor | Robert W. Randall, Executive Director, DNR | Matthew J. Lepore, Director



Staff's Exhibit 8

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)
JEFFERSON COUNTY, COLORADO) TYPE: ENFORCEMENT

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.f., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff ("Staff") will apply to the Commission at its August 29-30, 2016, hearing for authorization to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance.

Premier is the operator of the Church Ranch 3W Well (API No. 05-059-06028), Church Ranch 1W Well (API No. 05-059-06026), and Church Ranch 2W Well (API No. 05-059-06027) (collectively, the "Wells"), located in Jefferson County, Colorado.

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things, found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well, assessed a total fine of Sixty-Five Thousand Dollars (\$65,000), and foreclosed Premier's financial assurance at this well.

On July 29, 2013, the Commission amended Order No. 1V-362 noting, among other things, that the \$65,000 fine would not be paid because Premier is a bankrupt company.

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

The COGCC continues to hold two financial assurance instruments (instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells.

Staff requests that the Commission authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites.

Staff also requests that Premier's Operator Number (No. 10236) be revoked,

Premier's Form 1 (Document No. 1232506) be rescinded, and Premier's right to conduct oil and gas operations in the state of Colorado be terminated.

Last, Staff requests that the Commission impose other relief as the Commission deems necessary and appropriate.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.


Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

Please contact Margaret Humecki at (303) 894-2100 ext. 5139 prior to the hearing if any party requires special accommodations as a result of a disability. Special accommodations will be provided in accordance with the Americans with Disabilities Act.

At the Commission's August 29-30, 2016 meeting, the Commission will enter orders as it deems appropriate to protect public health, safety, and welfare, including the environment and wildlife resources, and to carry out the purposes of the Act and Commission rules, orders, or permits.

A party meeting the requirements for a protestant or intervenor may file a written protest or intervention in accordance with Rule 509. One electronic, one original and two copies of any protest or intervention must be filed with the Commission no later than August 15, 2016. A party who files a protest or intervention must be able to participate in a prehearing conference during the week of August 15, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

Dated: July 20, 2016

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS)	CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO)	TYPE: ENFORCEMENT

Order for Continuance

This matter is presently set for hearing as follows:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

At the request of Staff, and for good cause shown, this matter is hereby continued to:


Date: Monday, October 24, 2016
Tuesday, October 25, 2016

Time: 9:00 a.m.

Place: Northeastern Junior College
Hayes Student Center Ballroom
100 College Avenue
Sterling, CO 80751

Dated: August 25, 2016

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO



James P. Rouse, Hearing Officer

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

CERTIFICATE OF SERVICE

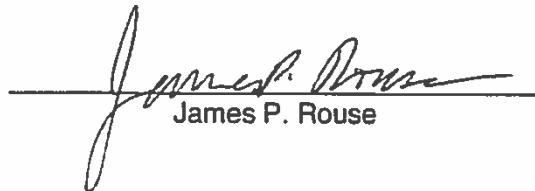
On August 25, 2016, a true and correct copy of the foregoing *Order for Continuance* was sent by electronic mail to the following:

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Jeremy Ferrin
COGCC Enforcement Officer
jeremy.ferrin@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitterman
President
PREMIER OIL & GAS INC
akasas@aol.com


James P. Rouse

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	

STAFF'S PREHEARING STATEMENT

The Staff of the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") respectfully requests that the Commission enter Staff's proposed Order authorizing Staff to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or well-sites, and other remedies permitted by law.

STATEMENT OF THE FACTS

Premier is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things:

1. found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well;
2. assessed a total fine of Sixty-Five Thousand Dollars (\$65,000);
3. found that Premier had engaged in a pattern of violations;
4. imposed personal sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, at the Church Ranch 2W Well, Premier has never filed a Form 7, violating Rule 309. Premier also failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

At the Church Ranch 3W Well, Premier has also failed to file Form 7s, violating Rule 309. Similarly, Premier failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Id.).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance, doing so would not be a good use of Staff resources.

The \$5,000 financial assurance claimed pursuant to Order 1V-362 remained unspent until June and July of 2016 when Staff spent \$44,998.53 plugging the Church Ranch 1W Well, leaving a \$39,998.53 deficit. (Exhibit 4 – Financial Assurance Information; Exhibit 5 – 1W Invoices).

Plugging the well was necessary because the unattended well lacked mechanical integrity and was actively leaking hydrocarbons. Staff's actions were necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2).

The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

LEGAL CLAIMS ASSERTED

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

In fact, the version of Rule 709 in effect in 2007 (and now) states that "[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in-

place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance." (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not living up to its obligations. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is "financially capable of fulfilling any obligation" with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis and, therefore, the Commission is not limited in its authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. compliance issues) at one particular well.

Because of Premier's bankruptcy, its failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the COGCC paid \$39,998.53 to plug the Church Ranch 1W Well. (Exhibit 5). Plugging the well was necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2). As discussed above, the Commission holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. (Exhibit 4). Staff would like to apply these funds to correct any compliance issues at these two locations and Staff is currently working with the surface owner of these locations to see what work may be required. Once that work, if any, is complete Staff will return these locations to the surface owner. Any money remaining after that will be used to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.

Absent an order permitting Staff to take these actions, Staff would be left refunding the two financial assurance instruments, despite the \$39,998.53 debt owed, and COGCC would then need to sue in District Court should the Commission wish to pay down the debt. The Rules and the Act do not require that sort of inflexible adherence to form over substance and neither should this Commission.

RELIEF REQUESTED

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, Staff requests that the Commission authorize it to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of Staff's proposed order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;

- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites; and
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960), should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

STAFF PRESENTATION AT THE HEARING

A. *Witness List*

Diana Burn, COGCC Engineering Supervisor, may testify regarding Premier's wells/locations, the plugging of the Church Ranch 1W Well by COGCC Staff, and her interactions with the surface owner.

B. *Exhibit List*

- Staff Exhibit 1. Maps
- Staff Exhibit 2. Order 1V-362, Plus Addendum
- Staff Exhibit 3. Well Files
- Staff Exhibit 4. Financial Assurance Information
- Staff Exhibit 5. Invoices
- Staff Exhibit 6. Historic Rules
- Staff Exhibit 7. Section 34-60-106, C.R.S.
- Staff Exhibit 8. Notice of Hearing and Proof of Service
- Staff Exhibit 9. Notice of Hearing, Proof of Publication, Denver Daily Journal
- Staff Exhibit 10. Notice of Hearing, Proof of Publication, Lakewood Sentinel

C. Estimated Time Required for Case Presentation

Staff anticipates its case presentation to require 15 minutes. Staff reserves the right to rebut Premier's evidence and witnesses. Staff respectfully requests the consideration of Rules 527.h.(5) and 528.f. in determining time allocations for the parties.

Respectfully submitted this 10th day of August, 2016,

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By


Jeremy I. Ferrin, Enforcement Officer

CERTIFICATE OF SERVICE

On August 10, 2016, a true and correct copy of the foregoing *Prehearing Statement* was sent by electronic mail to the following:

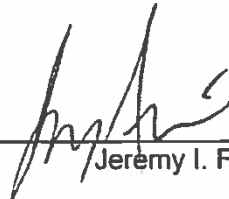
James Rouse
COGCC Hearing Officer
james.rouse@state.co.us

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitternman
President
PREMIER OIL & GAS INC
akosas@aol.com

dnr_cogccenforcement@state.co.us



Jeremy I. Ferrin

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	
	)	ORDER NO. 1V-592

ORDER

The Colorado Oil and Gas Conservation Commission ("Commission"), having reviewed the administrative record and being fully advised on the premises, enters this Order pursuant to the Rules and Regulations of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1("Rule" or "Rules"), and finds and states as follows:

A. Factual Findings

Premier Oil & Gas Inc. (Operator No. 10236) ("Premier") is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

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1. found Premier in violation of multiple COGCC Rules at the Church Ranch 1W Well;
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3. found that Premier had engaged in a pattern of violations;
4. imposed sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, Premier failed to maintain and/or reclaim the access road initially installed to the Church Ranch 2W and 3W Wells, even though the permits to drill the respective wells expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance at the Wells, doing so would not be a good use of Staff resources.

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The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

On August 10, 2016, Staff filed a Prehearing Statement requesting, among other things, authorization to foreclose Instrument Nos. 660827959 and 660827960 and apply those funds to correct any compliance issues at the Church Ranch 2W and 3W Wells. Once that work, if any, is complete Staff will return these locations to the surface owner. Staff further requested authorization to use any money remaining to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.

The Commission heard this matter at its August 29-30, 2016 hearing. The Commission heard a Staff summary of the materials in the record. No representative of Premier appeared.

Due notice of the time, place and purpose of the hearing has been given in all respects, as required by law. (Exhibit 8 – Notice and Proof of Service; Exhibit 9 – Proof of Publication/Denver Daily Journal; Exhibit 10 – Proof of Publication/Lakewood Sentinel).

B. Legal Findings

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or

Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

Additionally, the version of Rule 709 in effect in 2007 (and now) states that "[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance." (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not complying. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is "financially capable of fulfilling any obligation" with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis.

Therefore, the Commission finds that it has the authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. statutory or regulatory compliance issues) at one particular well.

ORDER

NOW, THEREFORE, the COMMISSION ORDERS:

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, Premier's failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the Commission authorizes COGCC Staff to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of this Order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;
- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund to:
 - i. investigate, prevent, monitor, or mitigate conditions that threaten to cause, or that actually cause, significant adverse environmental impacts at oil and gas locations operated by Premier;

- ii. Plug and abandon any wells operated by Premier; and
- iii. Reclaim all well sites and associated facilities operated by Premier;
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960) to correct any compliance issues at the Church Ranch 2W and 3W Wells. Should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, use the foreclosed funds to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well; and
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

The Commission orders Premier, or its successors or assigns, to repay any funds expended by the Commission from the Oil and Gas Conservation and Environmental Response Fund for any work undertaken by COGCC Staff.

Premier, or its successors or assigns, shall be responsible for complying with this Order, and Order No. 1 V-362, in the event Premier is revived or recapitalized or there is a sale of any well sites or associated facilities operated by Premier.

This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.

The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above Order.

=====

ENTERED this ____ day of _____, 2016 as of the ____ day of August, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

CERTIFICATE OF MAILING

On _____, 2016, a true and correct copy of the foregoing *Order* was sent by US Mail, Return Receipt Requested, to the following:

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS, NV 89102

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
2250 E TROPICANA AVE #19-511
LAS VEGAS, NV 89119



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

August 25, 2016

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS , NV 89102

Mr. Stout,

The COGCC has commenced an action to foreclose Premier's existing financial assurance and revoke Premier's right to conduct oil and gas operations in the State of Colorado, among other relief. For additional information, enclosed please find a notice of hearing, a continuance to the October 24-25, 2016, hearing, Staff's prehearing statement and a proposed order.

If Premier wishes to participate in this proceeding please contact me immediately.

Sincerely,

Jeremy I Ferrin
Enforcement Officer
303.894.2100 x5186
jeremy.ferrin@state.co.us



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)
JEFFERSON COUNTY, COLORADO) TYPE: ENFORCEMENT

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.f., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff ("Staff") will apply to the Commission at its August 29-30, 2016, hearing for authorization to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance.

Premier is the operator of the Church Ranch 3W Well (API No. 05-059-06028), Church Ranch 1W Well (API No. 05-059-06026), and Church Ranch 2W Well (API No. 05-059-06027) (collectively, the "Wells"), located in Jefferson County, Colorado.

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things, found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well, assessed a total fine of Sixty-Five Thousand Dollars (\$65,000), and foreclosed Premier's financial assurance at this well.

On July 29, 2013, the Commission amended Order No. 1V-362 noting, among other things, that the \$65,000 fine would not be paid because Premier is a bankrupt company.

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

The COGCC continues to hold two financial assurance instruments (instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells.

Staff requests that the Commission authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites.

Staff also requests that Premier's Operator Number (No. 10236) be revoked,

Premier's Form 1 (Document No. 1232506) be rescinded, and Premier's right to conduct oil and gas operations in the state of Colorado be terminated.

Last, Staff requests that the Commission impose other relief as the Commission deems necessary and appropriate.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

Please contact Margaret Humecki at (303) 894-2100 ext. 5139 prior to the hearing if any party requires special accommodations as a result of a disability. Special accommodations will be provided in accordance with the Americans with Disabilities Act.

At the Commission's August 29-30, 2016 meeting, the Commission will enter orders as it deems appropriate to protect public health, safety, and welfare, including the environment and wildlife resources, and to carry out the purposes of the Act and Commission rules, orders, or permits.

A party meeting the requirements for a protestant or intervenor may file a written protest or intervention in accordance with Rule 509. One electronic, one original and two copies of any protest or intervention must be filed with the Commission no later than August 15, 2016. A party who files a protest or intervention must be able to participate in a prehearing conference during the week of August 15, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

Dated: July 20, 2016

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS)	CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO)	TYPE: ENFORCEMENT

Order for Continuance

This matter is presently set for hearing as follows:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

At the request of Staff, and for good cause shown, this matter is hereby continued to:


Date: Monday, October 24, 2016
Tuesday, October 25, 2016

Time: 9:00 a.m.

Place: Northeastern Junior College
Hayes Student Center Ballroom
100 College Avenue
Sterling, CO 80751

Dated: August 25, 2016

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO


James P. Rouse, Hearing Officer

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

CERTIFICATE OF SERVICE

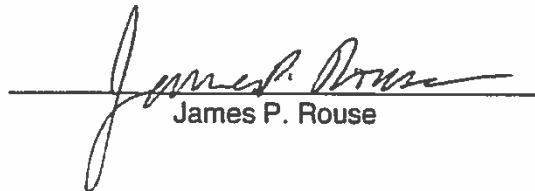
On August 25, 2016, a true and correct copy of the foregoing *Order for Continuance* was sent by electronic mail to the following:

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Jeremy Ferrin
COGCC Enforcement Officer
jeremy.ferrin@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitterman
President
PREMIER OIL & GAS INC
akasas@aol.com


James P. Rouse

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	

STAFF'S PREHEARING STATEMENT

The Staff of the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") respectfully requests that the Commission enter Staff's proposed Order authorizing Staff to foreclose Premier Oil & Gas Inc.'s (Operator No. 10236) ("Premier") existing financial assurance, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or well-sites, and other remedies permitted by law.

STATEMENT OF THE FACTS

Premier is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things:

1. found Premier in violation of multiple COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") at the Church Ranch 1W Well;
2. assessed a total fine of Sixty-Five Thousand Dollars (\$65,000);
3. found that Premier had engaged in a pattern of violations;
4. imposed personal sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, at the Church Ranch 2W Well, Premier has never filed a Form 7, violating Rule 309. Premier also failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

At the Church Ranch 3W Well, Premier has also failed to file Form 7s, violating Rule 309. Similarly, Premier failed to maintain and/or reclaim the access road initially installed to the location, even though the permit to drill the subject well expired in 2009, violating Rules 1002 and 1004. (Id.).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance, doing so would not be a good use of Staff resources.

The \$5,000 financial assurance claimed pursuant to Order 1V-362 remained unspent until June and July of 2016 when Staff spent \$44,998.53 plugging the Church Ranch 1W Well, leaving a \$39,998.53 deficit. (Exhibit 4 – Financial Assurance Information; Exhibit 5 – 1W Invoices).

Plugging the well was necessary because the unattended well lacked mechanical integrity and was actively leaking hydrocarbons. Staff's actions were necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2).

The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

LEGAL CLAIMS ASSERTED

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

In fact, the version of Rule 709 in effect in 2007 (and now) states that "[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in-

place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance." (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not living up to its obligations. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is "financially capable of fulfilling any obligation" with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis and, therefore, the Commission is not limited in its authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. compliance issues) at one particular well.

Because of Premier's bankruptcy, its failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the COGCC paid \$39,998.53 to plug the Church Ranch 1W Well. (Exhibit 5). Plugging the well was necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2). As discussed above, the Commission holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. (Exhibit 4). Staff would like to apply these funds to correct any compliance issues at these two locations and Staff is currently working with the surface owner of these locations to see what work may be required. Once that work, if any, is complete Staff will return these locations to the surface owner. Any money remaining after that will be used to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.

Absent an order permitting Staff to take these actions, Staff would be left refunding the two financial assurance instruments, despite the \$39,998.53 debt owed, and COGCC would then need to sue in District Court should the Commission wish to pay down the debt. The Rules and the Act do not require that sort of inflexible adherence to form over substance and neither should this Commission.

RELIEF REQUESTED

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, Staff requests that the Commission authorize it to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of Staff's proposed order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;

- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites; and
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960), should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

STAFF PRESENTATION AT THE HEARING

A. *Witness List*

Diana Burn, COGCC Engineering Supervisor, may testify regarding Premier's wells/locations, the plugging of the Church Ranch 1W Well by COGCC Staff, and her interactions with the surface owner.

B. *Exhibit List*

- Staff Exhibit 1. Maps
- Staff Exhibit 2. Order 1V-362, Plus Addendum
- Staff Exhibit 3. Well Files
- Staff Exhibit 4. Financial Assurance Information
- Staff Exhibit 5. Invoices
- Staff Exhibit 6. Historic Rules
- Staff Exhibit 7. Section 34-60-106, C.R.S.
- Staff Exhibit 8. Notice of Hearing and Proof of Service
- Staff Exhibit 9. Notice of Hearing, Proof of Publication, Denver Daily Journal
- Staff Exhibit 10. Notice of Hearing, Proof of Publication, Lakewood Sentinel

C. Estimated Time Required for Case Presentation

Staff anticipates its case presentation to require 15 minutes. Staff reserves the right to rebut Premier's evidence and witnesses. Staff respectfully requests the consideration of Rules 527.h.(5) and 528.f. in determining time allocations for the parties.

Respectfully submitted this 10th day of August, 2016,

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By


Jeremy I. Ferrin, Enforcement Officer

CERTIFICATE OF SERVICE

On August 10, 2016, a true and correct copy of the foregoing *Prehearing Statement* was sent by electronic mail to the following:

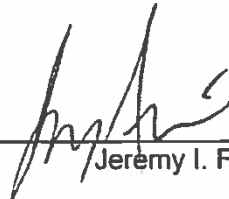
James Rouse
COGCC Hearing Officer
james.rouse@state.co.us

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitternman
President
PREMIER OIL & GAS INC
akasas@aol.com

dnr_cogccenforcement@state.co.us



Jeremy I. Ferrin

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	
	)	ORDER NO. 1V-592

ORDER

The Colorado Oil and Gas Conservation Commission ("Commission"), having reviewed the administrative record and being fully advised on the premises, enters this Order pursuant to the Rules and Regulations of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1("Rule" or "Rules"), and finds and states as follows:

A. Factual Findings

Premier Oil & Gas Inc. (Operator No. 10236) ("Premier") is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things:

1. found Premier in violation of multiple COGCC Rules at the Church Ranch 1W Well;
2. assessed a total fine of Sixty-Five Thousand Dollars (\$65,000);
3. found that Premier had engaged in a pattern of violations;
4. imposed sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, Premier failed to maintain and/or reclaim the access road initially installed to the Church Ranch 2W and 3W Wells, even though the permits to drill the respective wells expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance at the Wells, doing so would not be a good use of Staff resources.

The \$5,000 financial assurance claimed pursuant to Order 1V-362 remained unspent until June and July of 2016 when Staff spent \$44,998.53 plugging the Church Ranch 1W Well, leaving a \$39,998.53 deficit. (Exhibit 4 – Financial Assurance Information; Exhibit 5 – 1W Invoices).

Plugging the well was necessary because the unattended well lacked mechanical integrity and was actively leaking hydrocarbons. Staff's actions were necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2).

The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

On August 10, 2016, Staff filed a Prehearing Statement requesting, among other things, authorization to foreclose Instrument Nos. 660827959 and 660827960 and apply those funds to correct any compliance issues at the Church Ranch 2W and 3W Wells. Once that work, if any, is complete Staff will return these locations to the surface owner. Staff further requested authorization to use any money remaining to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well.

The Commission heard this matter at its August 29-30, 2016 hearing. The Commission heard a Staff summary of the materials in the record. No representative of Premier appeared.

Due notice of the time, place and purpose of the hearing has been given in all respects, as required by law. (Exhibit 8 – Notice and Proof of Service; Exhibit 9 – Proof of Publication/Denver Daily Journal; Exhibit 10 – Proof of Publication/Lakewood Sentinel).

B. Legal Findings

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or

Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

Additionally, the version of Rule 709 in effect in 2007 (and now) states that "[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance." (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not complying. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is "financially capable of fulfilling any obligation" with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis.

Therefore, the Commission finds that it has the authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. statutory or regulatory compliance issues) at one particular well.

ORDER

NOW, THEREFORE, the COMMISSION ORDERS:

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, Premier's failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the Commission authorizes COGCC Staff to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of this Order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;
- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund to:
 - i. investigate, prevent, monitor, or mitigate conditions that threaten to cause, or that actually cause, significant adverse environmental impacts at oil and gas locations operated by Premier;

- ii. Plug and abandon any wells operated by Premier; and
- iii. Reclaim all well sites and associated facilities operated by Premier;
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960) to correct any compliance issues at the Church Ranch 2W and 3W Wells. Should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, use the foreclosed funds to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well; and
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

The Commission orders Premier, or its successors or assigns, to repay any funds expended by the Commission from the Oil and Gas Conservation and Environmental Response Fund for any work undertaken by COGCC Staff.

Premier, or its successors or assigns, shall be responsible for complying with this Order, and Order No. 1 V-362, in the event Premier is revived or recapitalized or there is a sale of any well sites or associated facilities operated by Premier.

This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.

The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above Order.

=====

ENTERED this ____ day of _____, 2016 as of the ____ day of August, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

CERTIFICATE OF MAILING

On _____, 2016, a true and correct copy of the foregoing *Order* was sent by US Mail, Return Receipt Requested, to the following:

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS, NV 89102

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
2250 E TROPICANA AVE #19-511
LAS VEGAS, NV 89119



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

August 25, 2016

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS , NV 89102

Mr. Stout,

The COGCC has commenced an action to foreclose Premier's existing financial assurance and revoke Premier's right to conduct oil and gas operations in the State of Colorado, among other relief. For additional information, enclosed please find a notice of hearing, a continuance to the October 24-25, 2016, hearing, Staff's prehearing statement and a proposed order.

If Premier wishes to participate in this proceeding please contact me immediately.

Sincerely,

Jeremy I Ferrin
Enforcement Officer
303.894.2100 x5186
jeremy.ferrin@state.co.us

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P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc
Commissioners: Andrew L. Spielman - Chairman, Ashley L. Ager, John H. Benton,
James W. Hawkins, Tommy Holton, Kent Jolley, W. Perry Pearce, Robert W. Randall, Dr. Larry Wolk
John W. Hickenlooper, Governor | Robert W. Randall, Executive Director, DNR | Matthew J. Lepore, Director



Staff's Exhibit 8

10/4/2016

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PUBLIC NOTICES

CITY AND COUNTY OF DENVER
DEPARTMENT OF PUBLIC WORKS
NOTICE OF REQUEST FOR QUALIFICATIONSDENVER COUNTY JAIL BUILDING 24 LEVELS 6 AND 7 BUILD OUT
CONSTRUCTION MANAGER GENERAL CONTRACTOR
(CM/GC) SERVICES

The Department of Public Works, City and County of Denver, has issued a Request for Qualifications (the "RFQ") for Construction Management General/Contractor (CM/GC) services for the project named above. A link to the RFQ documents can be found at www.workdenver.com. RFQ documents will be available for download at www.dcnmcdm.com. Bid Document No. 4566998 at the cost of \$10.00.

General Statement of Work: This RFQ is for CM/GC Services required to construct the Denver County Jail Building 24 levels 6 and 7 build out. The scope of this project consists of providing Design Phase and Construction Phase Services (CM/GC) for the Denver County Jail Building 24 levels 6 and 7 build out.

A Pre-Submittal Meeting will be held at 801 W. Colfax Ave., Denver, CO 80202, local time, 8:00 p.m., August 11, 2016, in Conference Room 1.D.1., Wellington E. Webb Building, 801 West Colfax Avenue, Denver, CO 80202. Interested firms are encouraged to attend. Firms are responsible for any information conveyed at this meeting.

Deadline to submit questions: August 18, 2016 at 2:00 p.m.

Printed Responses are due at 10:00 a.m. local time, August 31, 2016, delivered to Public Works Finance and Administration, Attn: Debby Gibson, 201 W. Colfax, Dept. 014, Denver, CO 80202.

The Construction goal of 10% Minority and Women Business Enterprise (M/WBE) Participation must be met with certified participants as set forth in Section 28-60(b). The successful proposer must be prepared to submit a Compliance Plan after the conclusion of the solicitation process, as a component of CM/GC contract negotiations and award.

Prequalification Requirements: Each proposer must be pre-qualified in the Work Category of 2A-Buildings and with a Financial Limit of Six Million dollars (\$6,000,000). If not already prequalified, prime contractor must have submitted a prequalification application a minimum of ten (10) calendar days prior to the submittal due date. Prequalification applications must be submitted to the Department of Public Works, Prequalification Section, 201 West Colfax Avenue, Dept. 014, Denver, Colorado 80202. To view the Rules and Regulations and to obtain a prequalification application, please visit our website at www.denvergov.org/prequalification or call 720-865-4508 for prequalification information ONLY.

Prevailing Wage: Contracts for construction, reconstruction, and remodeling are subject to the City prevailing wage rate requirements established pursuant to Section 20-76, D.R.M.C.

As the City's best interests may appear, the Executive Director of Public Works reserves the right to waive informalities in, and to reject any or all, submittals.

Publication Dates: August 1, 2 & 3, 2016
Published in The Daily Journal

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO
NOTICE AND APPLICATION FOR HEARING
DOCKET NO. 160800310

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN
Pursuant to Rule 522, the Colorado Oil and Gas Conservation Commission Staff has applied to the Commission for an Order against Premier Oil & Gas Inc. (Operator No. 10236).

Staff requests that the Commission authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undischarged, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites.

Staff also requests that Premier's Operator Number (No. 10236) be revoked, Premier's Form 1 (Document No. 1232500) be rescinded, and Premier's right to conduct oil and gas operations in the state of Colorado be terminated.

Last, Staff requests that the Commission impose other relief as the Commission deems necessary and appropriate.

NOTICE IS HEREBY GIVEN, pursuant to §§ 24-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: August 29-30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

The Notice and Application for Hearing and related information is available at <http://appcs.state.co.us/new/html/hearings> by scrolling to the appropriate Docket month and locate "Enf.Docket" link.

Publication Date: August 1, 2016
Published in The Daily Journal

FOR LEGAL NOTICES IN
THE DAILY JOURNAL

Call us at 877-260-3621
daily.journal@construction.com

JUVENILE COURT
CITY AND COUNTY OF DENVER
STATE OF COLORADO

550 W. Colfax Ave.
Denver, CO 80204
Case Number: 15JV1301
Xref Case: 15JV0185, 15JV0705
Courtroom: 8H Division: H

The People of the State of Colorado in the Interest of
Child: ANAYA NEVAH SANDOVAL
Petitioner: The Denver Department of Human Services
Respondents: MELISSA LYNN SANDOVAL, TINO ABEL QUINTANA, JOHN DOE AND ALL OTHERS CLAIMING INTEREST IN SAID CHILD

Attorney for Petitioner:
Name: Wyatt S. Lemmer
Assistant City Attorney

Address:
c/o Denver Department of Human Services
1200 Federal Boulevard

Denver, CO 80204

DENVER CITY ATTORNEY

Phone Number: (720) 944-6181

FAX Number: (720) 944-6459

E-mail: wyatt.lemmer@denvergov.org

Atty Reg : #47602

DEPENDENCY SUMMONS

This summons is initiated pursuant to Rule 4 of the Colorado Rules of Civil Procedure and §19-3-503 of the Colorado Revised Statutes (C.R.S. 2016).

TO THE RESPONDENTS: You are hereby notified that a petition has been filed which alleges that the above named child is dependent or neglected as per the facts set forth in paragraph six of the Dependency or Neglect Petition, a copy of which is attached hereto.

A hearing has been set for September 8, 2016 at 9:00 a.m. in Denver Juvenile Court, Courtroom 2H, in the City and County of Denver, State of Colorado, on the second floor of the Lindsay-Planigan Courthouse, 520 W. Colfax Ave., Denver Colorado, 80204.

Your presence before this Court is required to defend against the claims in this petition. **IF YOU FAIL TO APPEAR, THE COURT WILL PROCEED IN YOUR ABSENCE, WITHOUT FURTHER NOTICE, TO CONDUCT AN ADJUDICATORY HEARING AND MAY ENTER A JUDGMENT BY DEFAULT THEREBY ADJUDICATING YOUR CHILD A DEPENDENT OR NEGLECTED CHILD.**

You have the right to request a trial by jury at the adjudicatory stage of this petition. You have the right to a hearing before a judge in all stages of this proceeding, with the exception of detention hearings held pursuant to §19-3-403, C.R.S. (2016). If you waive your right to a hearing before a judge, you will be bound by the findings and recommendations of the magistrate, subject to a request for review. If you fail to request a hearing before the judge at the time the hearing is set, or within five days of receiving notice that a hearing has been set before the magistrate, your right to a hearing before the judge will be deemed waived. You also have the right to legal representation at every stage of the proceedings by counsel of your own choosing or, if you are without sufficient financial means, appointment of counsel by the Court. Termination of your parent-child legal relationship to free your child for adoption is a possible remedy in this proceeding. If that remedy is pursued, you are entitled to a hearing before a Judge. You also have the right, if you are indigent, to have the Court appoint, at no expense to you, one expert witness of your own choosing at any hearing on the termination of your parent-child legal relationship. If you are a minor, you have the right to the appointment of a guardian ad litem to represent your best interests.

This summons is being initiated by the Denver Department of Human Services through its counsel, the Denver City Attorney's Office.

Done this 2nd day of December, 2016.

Wyatt S. Lemmer, #47602

Assistant City Attorney representing the
Denver Department of Human Services
1200 Federal Boulevard
Denver, Colorado 80204
720-944-6481

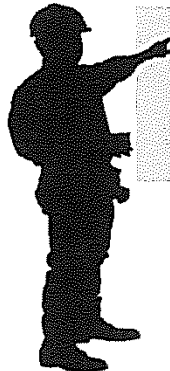
Witness by signature and seal of the Court on December 3, 2016

Clerk of the Juvenile Court

By: Phyllis Ruybal, Deputy Clerk

Published: August 1, 2016 in The Daily Journal

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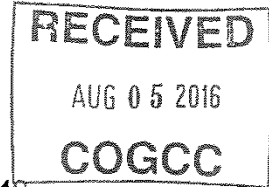
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DODGE
DATA & ANALYTICS

Staff's Exhibit 9



AFFIDAVIT



Invoice #: A40004049
Account #: A30026954
Invoice Date: 8/1/2016
Inquiries to: Tel: 866-260-9240
Fax: 855-323-9871

BILL TO:
COLORADO OIL & GAS CONSERVATION
MARGARET HUMECKI
1120 LINCOLN ST STE 801
DENVER, CO 80203

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PUBLICATION: Denver Daily Journal Legal

STATE OF COLORADO
COUNTY OF DENVER

I, DOROTHY MONTANTI, OF THE COUNTY OF MERCER, STATE OF NEW JERSEY, HAVING DULY BEEN SWORN, DEPOSES AND SAYS:
I AM NOW AND AT ALL TIMES HERINAFTER MENTIONED A CITIZEN OF THE UNITED STATES OF AMERICA, OVER TWENTY-ONE YEARS OF AGE, AND COMPETENT TO BE A WITNESS ON THE HEARING OF THE MATTERS MENTIONED IN THE ANNEXED PRINTED COPY NOTICE HERINAFTER SET FORTH; I HAVE NO INTEREST WHATSOEVER IN ANY OF THE SAID MATTERS; I AM NOW AND DURING ALL TIMES EMBRACED IN THE PUBLICATION HERIN MENTIONED AS THE CHIEF CLERK OF THE NEWSPAPER, A NEWSPAPER OF GENERAL CIRCULATION PRINTED AND PUBLISHED IN SAID COUNTY; AS CHIEF CLERK DURING ALL TIMES MENTIONED IN THE AFFIDAVIT I HAVE HAD AND STILL HAVE CHARGE OF ALL ADVERTISEMENT AND NOTICES PUBLISHED IN SAID NEWSPAPER; THAT SAID LEGAL NOTICE OF WHICH THE ANNEXED IS A TRUE PRODUCTION COPY OF THE PRINTED PAGE IN WHICH THE ADVERTISEMENT WAS PUBLISHED IN THE ABOVE NAMED NEWSPAPER ON THE FOLLOWING DAYS TO WIT:

8/1/16; BEFORE THE OIL & GAS CONSERVATION COMMISSION; DOCKET NO. 160800310

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

SIGNED,

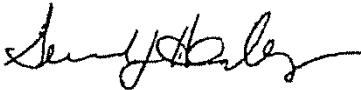
CHIEF CLERK

Staff's Exhibit 9

**Proof of Publication
THE LAKEWOOD SENTINEL**

722 Washington Ave., Unit 210, Golden, CO 80401

1. I, Gerard J. Healey am the agent of The Lakewood Sentinel, newspaper printed and published in the city of Lakewood, County of Jefferson and State of Colorado, and has personal knowledge of all the facts set forth in this affidavit;
2. That the said newspaper is printed and published once each week on Thursday, and that it has a general circulation in the City of Lakewood and in the County of Jefferson and elsewhere, delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to the accustomed mode of business in this office;
3. That the said newspaper was established and has been printed and published in the said City of Lakewood and the County of Jefferson uninterrupted and continuously during a period of at least 52 consecutive weeks next prior to the first issue thereof containing said publication, a copy of which is hereto attached;
4. That the said newspaper is a weekly newspaper of general circulation, and is printed and published in whole or in part in the City of Lakewood and the said County of Jefferson in which said publication is required by law to be published, a copy of which is hereunto attached;
5. That the said newspaper is a weekly newspaper qualified to publish legal notices, as defined by the Statutes of the State of Colorado;
6. That said newspaper had, prior to January 1, 1936, and has ever since that date, been admitted to the United States mail as second class matter under the provisions of the Act of March 3, 1979, or any amendments thereto;
7. That the said annexed publication was published in the regular and entire edition of the Lakewood Sentinel, a duly qualified weekly newspaper for that purpose, within the terms and means of the Statutes of the State of Colorado;
8. That the said annexed publication is a full, true, and correct copy of the original which was regularly published in each of the regular and entire issues of the Lakewood Sentinel, a legally qualified paper for that purpose, once each week, on the same day of each week, for 1 weeks, by 1 Insertions, and that the first publication thereof was in the August 4, 2016; and that the last publication was in the August 4, 2016.



For the Lakewood Sentinel

State of Colorado)
County of Douglas) ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on the 19th day of August A.D., 2016. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.

20154048391-712350

Heather L. Crompton
Notary Public

My commission ends December 18, 2019

HEATHER L. CROMPTON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154048391
Commission expiration date:
December 18, 2019

NOTICE

**BEFORE THE COLORADO
OIL AND GAS
CONSERVATION COMMISSION**

**NOTICE AND APPLICATION
FOR HEARING**

DOCKET NO. 160800310

**TO ALL INTERESTED PARTIES
AND TO WHOM IT MAY
CONCERN:**

Pursuant to Rule 522 e, the Colorado Oil and Gas Conservation Commission Staff has applied to the Commission for an Order against Premier Oil & Gas Inc. (Operator No. 10236)

Staff requests that the Commission authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to perform any work necessary at any of Premier's Wells or Well-Sites.

Staff also requests that Premier's Operator Number (No. 10236) be revoked, Premier's Form 1 (Document No. 1232606) be rescinded and Premier's right to conduct oil and gas operations in the state of Colorado be terminated.

Last, Staff requests that the Commission impose other relief as the Commission deems necessary and appropriate.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S., and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: August 29-30, 2016
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

The Notice and Application for Hearing and related information is available at <http://cogcc.state.co.us/reg.html#hearings> by scrolling to the appropriate Docket month and locate 'Entl_Docket' link.

Published August 4, 2016
Publisher: Lakewood Sentinel

Staff's Exhibit 10

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF	)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION	)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO	)	TYPE: ENFORCEMENT
)	
	)	ORDER NO. 1V-592

ORDER

The Colorado Oil and Gas Conservation Commission ("Commission"), having reviewed the administrative record and being fully advised on the premises, enters this Order pursuant to the Rules and Regulations of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1("Rule" or "Rules"), and finds and states as follows:

A. Factual Findings

Premier Oil & Gas Inc. (Operator No. 10236) ("Premier") is the operator of the Church Ranch 1W Well (API No. 05-059-06026), the Church Ranch 2W Well (API No. 05-059-06027), and the Church Ranch 3W Well (API No. 05-059-06028) (collectively, the "Wells"), located in Jefferson County, Colorado. (Exhibit 1 – Maps; Exhibit 2 – Well Files).

On January 13, 2011, the Commission entered Order Finding Violation No. 1 V-362 which, among other things:

1. found Premier in violation of multiple COGCC Rules at the Church Ranch 1W Well;
2. assessed a total fine of Sixty-Five Thousand Dollars (\$65,000);
3. found that Premier had engaged in a pattern of violations;
4. imposed sanctions against Premier's managers; and
5. authorized Staff to foreclose on Premier's \$5,000 financial assurance at the Church Ranch 1W Well (Instrument No. 660827958). (Exhibit 3 – Order 1V-362, with addendum).

On July 29, 2013, the Commission denied an application to amend Order No. 1V-362, filed by Premier, to acknowledge that Premier was a bankrupt company and was therefore unable to comply with Order 1V-362. (Id.).

Since that time, Premier has remained non-compliant with multiple COGCC Rules and Orders.

For example, Premier failed to maintain and/or reclaim the access road initially installed to the Church Ranch 2W and 3W Wells, even though the permits to drill the respective wells expired in 2009, violating Rules 1002 and 1004. (Exhibit 1; Exhibit 2 – Well Files).

While Staff could have issued multiple NOAVs for Premier's continuing non-compliance at the Wells, doing so would not be a good use of Staff resources.

The \$5,000 financial assurance claimed pursuant to Order 1V-362 remained unspent until June and July of 2016 when Staff spent \$44,998.53 plugging the Church Ranch 1W Well, leaving a \$39,998.53 deficit. (Exhibit 4 – Financial Assurance Information; Exhibit 5 – 1W Invoices).

Plugging the well was necessary because the unattended well lacked mechanical integrity and was actively leaking hydrocarbons. Staff's actions were necessary in order to prevent continued significant adverse environmental impacts. (Exhibit 2).

The COGCC holds two financial assurance instruments (Instrument Nos. 660827959 and 660827960) covering the Church Ranch 2W and 3W Wells. These two instruments were posted on an individual well basis. (Exhibit 4).

On August 10, 2016, Staff filed a Prehearing Statement requesting, among other things, authorization to foreclose Instrument Nos. 660827959 and 660827960 and apply those funds to correct any compliance issues at the Church Ranch 2W and 3W Wells. Once that work, if any, is complete Staff will return these locations to the surface owner. Staff further requested authorization to use any money remaining to pay down the \$39,998.53 deficit incurred plugging the Church Ranch 1W Well.

The Commission heard this matter at its August 29-30, 2016 hearing. The Commission heard a Staff summary of the materials in the record. No representative of Premier appeared.

Due notice of the time, place and purpose of the hearing has been given in all respects, as required by law. (Exhibit 8 – Notice and Proof of Service; Exhibit 9 – Proof of Publication/Denver Daily Journal; Exhibit 10 – Proof of Publication/Lakewood Sentinel).

B. Legal Findings

The version of Rule 706 in effect in 2007 when Instrument Nos. 660827959 and 660827960 were filed permitted operators to file financial assurance "in the amount of five thousand dollars (\$5,000) per well. In lieu of such individual amount, an operator may submit statewide blanket financial assurance in the amount of thirty thousand dollars (\$30,000) for the drilling and operation of less than one hundred (100) wells. . . ." (Exhibit 6 – Historic Rules, 700 Series). While, Staff treats financial assurance filed on a well-by-well basis as though each instrument is tied to a specific well for administrative convenience, and did so here, nothing in the Oil and Gas Conservation Act (the "Act") or

Rules requires that. (Exhibit 4). Rule 706 simply sets forth a counting mechanism; it does not tie a particular financial assurance instrument directly to an individual well. (Exhibit 6).

Additionally, the version of Rule 709 in effect in 2007 (and now) states that “[a]ll financial assurance provided to the Commission pursuant to this Series shall remain in-place until such time as the Director determines an operator has complied with the statutory obligations described herein . . . Whenever an operator fails to fulfill any statutory obligation described herein, and the Commission undertakes to expend funds to remedy the situation, the Director shall make application to the Commission for an order calling or foreclosing the operator's financial assurance.” (Id.). Rule 709 speaks in terms of an operator's global responsibility to comply with the Act and the Rules and permits the Commission to foreclose all posted financial assurance where an operator is not complying. The Act similarly speaks in terms of an operator's global responsibility as it requires assurance that an operator is “financially capable of fulfilling any obligation” with no limitation to specific well sites. (Exhibit 7 - Section 34-60-106, C.R.S.). Moreover, no provision is made for foreclosure on a well-by-well basis.

Therefore, the Commission finds that it has the authority to foreclose all of an Operator's financial assurance in order to pay down a debt incurred addressing statutory obligations (i.e. statutory or regulatory compliance issues) at one particular well.

ORDER

NOW, THEREFORE, the COMMISSION ORDERS:

In order to best protect the interests of the State and People of Colorado in light of Premier's bankruptcy, Premier's failure to comply with Order 1V-362, and Premier's failure to actively manage its Wells, the Commission authorizes COGCC Staff to take the following measures should Premier fail to pay all penalties assessed, pay the Commission \$39,998.53 for work performed at the Church Ranch 1W Well and return to compliance within 35 days of the approval of this Order:

- a. Terminate Premier's Operator Number (No. 10236);
- b. Rescind Premier's Form 1 (Document No. 1232506);
- c. Revoke Premier's right to conduct oil and gas operations in Colorado;
- d. Authorize Staff to foreclose Premier's existing financial assurance and claim both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund to:
 - i. investigate, prevent, monitor, or mitigate conditions that threaten to cause, or that actually cause, significant adverse environmental impacts at oil and gas locations operated by Premier;

- ii. Plug and abandon any wells operated by Premier; and
- iii. Reclaim all well sites and associated facilities operated by Premier;
- e. Use foreclosed funds from Premier's two existing financial assurance instruments (Instrument Nos. 660827959 and 660827960) to correct any compliance issues at the Church Ranch 2W and 3W Wells. Should any funds remain once the Church Ranch 2W and 3W Wells are returned to compliance, use the foreclosed funds to pay down the \$39,998.53 deficient incurred plugging the Church Ranch 1W Well; and
- f. Claim all equipment, saleable product, and appurtenances related to Premier's operations, if any, as property of the Commission should COGCC Staff initiate any of the activities described above, provided that any proceeds from the disposition of the assets will be applied to any work undertaken by the Commission.

The Commission orders Premier, or its successors or assigns, to repay any funds expended by the Commission from the Oil and Gas Conservation and Environmental Response Fund for any work undertaken by COGCC Staff.

Premier, or its successors or assigns, shall be responsible for complying with this Order, and Order No. 1 V-362, in the event Premier is revived or recapitalized or there is a sale of any well sites or associated facilities operated by Premier.

This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.

The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above Order.

=====

ENTERED this ____ day of _____, 2016 as of the ____ day of August, 2016.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Julie Murphy, Secretary

CERTIFICATE OF MAILING

On _____, 2016, a true and correct copy of the foregoing *Order* was sent by US Mail, Return Receipt Requested, to the following:

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
4570 W. SAHARA AVE #336
LAS VEGAS, NV 89102

PREMIER OIL & GAS INC
ATTN: ALLEN STOUT
2250 E TROPICANA AVE #19-511
LAS VEGAS, NV 89119

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS)	CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO)	TYPE: ENFORCEMENT

CASE MANAGEMENT ORDER

Hearing Officer James Rouse held an initial prehearing conference in this matter on July 28, 2016. This matter is currently set for hearing before the Commission on August 29-30, 2016. The parties may request or the Hearing Officer may schedule another prehearing conference at any time before the hearing.

If the parties execute a Stipulated Order, this Case Management Order will be vacated as to all subsequent deadlines. Until a Stipulated Order is received by the Hearing Officer, all deadlines remain in effect.

On or before August 10, 2016, the parties shall file prehearing statements, proposed exhibits, and a proposed final prehearing order. Each proposed exhibit is to be submitted electronically to the Hearing Officer as its own separate pdf document. Objections to prehearing statements, witnesses, and exhibits shall be filed no later than August 12, 2016. The parties shall file one hard copy of the admitted exhibits, one pdf of the admitted exhibits as one document, and a proposed order for the Commission's consideration on or before August 15, 2016.

DEFINITIONS AND INSTRUCTIONS:

All of the deadlines must be met before 5:00 p.m. (Mountain Daylight Time) on the listed day. These deadlines will only be extended for good cause.

In the above deadlines, "file" means received by the Hearing Officer by that date – either electronically or by hard copy. All pleadings should be sent electronically to the other party, the Hearing Officer, and to dnr_cogccenforcement@state.co.us. Additionally, an original and two paper copies should be mailed to the Commission shortly thereafter pursuant to Rule 503.h. However, proposed exhibits will only be electronically filed with the Hearing Officer and must be appropriately labeled as described below at the time of filing. Only those exhibits that are admitted will be included in the Commissioners' portfolio.

"Serve" means exchanges only between the parties. Service will be complete upon electronic service pursuant to Rule 521.b., unless previously objected to by a party. Any documents that are only required to be served on the other party (and not filed) will not be maintained in the Commission's hearing files or included in the

Commissioners' portfolio.

All filings are limited to 10 pages single-spaced, excluding the certificate of service and any attached exhibits. If the parties can demonstrate hardship or prejudice due to this limitation, they may petition the Hearing Officer for additional pages. If motions are filed, the Hearing Officer will not grant leave to file a reply unless good cause for the reply is demonstrated by the moving party.

Prehearing statements must contain the following:

1. A specific statement of the legal and factual claims asserted;
2. Witness list with a brief description of testimony, including the expected time necessary for the testimony of each witness and resumes of any expert witness;
3. Exhibit list and attached (electronic) exhibits;

COGCC Staff will label its exhibits numerically. The operator will label its exhibits alphabetically.

The Hearing Officer will make a final determination of the exhibits admitted in the hearing before the Commission.

The parties will both be given an electronic copy of the final Commissioners' portfolio before the hearing and are encouraged to reference the Bates numbered pages of that portfolio.

4. A statement of the relief requested; and
5. Estimated time required for case presentation at hearing.

The Hearing Officer will determine the final time allocations for each party to present its case after consideration of the prehearing statements.

The Hearing Officer will determine the order of case presentation. The hearing will be conducted pursuant to Rule 528.c. unless otherwise determined by the Hearing Officer.

Notwithstanding the above, the parties must comply with the Colorado Oil and Gas Conservation Act, Commission Rules, and the State Administrative Procedure Act. The parties are also expected to comply with the Rules of Civil Procedure to the extent that they are not inconsistent with this Order.

Any questions concerning this Order or any other aspect of the case may be addressed to the Hearing Officer by email (james.rouse@state.co.us), with copy to the other party.

Dated: July 28, 2016

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO


James P. Rouse, Hearing Officer

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

CERTIFICATE OF SERVICE

On July 28, 2016, a true and correct copy of the foregoing *Case Management Order* was sent by electronic mail to the following:


Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Jeremy Ferrin
COGCC Enforcement Officer
jeremy.ferrin@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitternman
President
PREMIER OIL & GAS INC
akasa@aol.com

dnr_cogccenforcement@state.co.us


James P. Rouse

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS)	CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)	
COLORADO OIL AND GAS CONSERVATION)	DOCKET NO. 160800310
COMMISSION BY PREMIER OIL & GAS INC,)	
JEFFERSON COUNTY, COLORADO)	TYPE: ENFORCEMENT

FINAL PREHEARING ORDER

Hearing Officer James Rouse held an initial prehearing conference in this matter on July 28, 2016. The prehearing conference was attended by Mr. Rouse and Peter Gowen, Enforcement Supervisor at the COGCC. No representative of Premier Oil & Gas Inc. ("Premier") attended the prehearing conference, despite receiving prior notice. Following the prehearing conference, Mr. Rouse entered a Case Management Order setting forth multiple filing deadlines, including the following:

On or before August 10, 2016, the parties shall file prehearing statements, proposed exhibits, and a proposed final prehearing order. . . . Objections to prehearing statements, witnesses, and exhibits shall be filed no later than August 12, 2016. The parties shall file one hard copy of the admitted exhibits, one pdf of the admitted exhibits as one document, and a proposed order for the Commission's consideration on or before August 15, 2016.

As of today's date, Premier has failed to comply with the Case Management Order in the following ways:

- Premier failed to file a prehearing statement, proposed exhibits, and a proposed final prehearing order;
- Premier failed to file an objection to Staff's prehearing statement, witnesses, and exhibits; and
- Premier failed to file a proposed order for the Commission's consideration.

Given, Premier's failure to respond or otherwise participate in this matter a final prehearing conference is deemed unnecessary. Therefore, the Hearing Officer enters the following order regarding disputed issues, exhibits, witnesses, and time and order of case presentation.

I. Disputed Issues

Staff submitted a Prehearing Statement, proposed exhibits, and a proposed final prehearing order by the August 10, 2016, deadline required by the Case Management Order. Premier failed to submit a prehearing statement and failed to respond to Staff's prehearing statement.

Therefore, the Hearing Officer finds that the facts and relief requested in Staff's prehearing statement are undisputed.

II. Exhibits

Staff submitted proposed exhibits by the August 10, 2016, deadline required by the Case Management Order. Premier failed to file any exhibits or object to Staff's proposed exhibits.

Therefore, the Hearing Officer finds that Staff Exhibits 1-10 are authentic and admitted before the Commission.

III. Witnesses

Staff submitted a Prehearing Statement listing potential witnesses by the August 10, 2016, deadline required by the Case Management Order. Premier failed to submit a prehearing statement listing potential witnesses or object to Staff's potential witnesses.

Because of Premier's failure to plead or otherwise defend, Premier will not be permitted to call witnesses to testify at hearing.

IV. Time and Order of Case Presentation

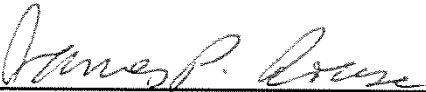
Staff will have 15 minutes to present its case-in-chief, consisting of a presentation before the Commission. The Commission will then make a determination regarding whether to grant the relief requested by Staff.

Notwithstanding the above, the parties must comply with the Colorado Oil and Gas Conservation Act, Commission Rules, and the State Administrative Procedure Act. The parties are also expected to comply with the Rules of Civil Procedure to the extent that they are not inconsistent with this Order.

This Prehearing Order is binding on the parties pursuant to Commission Rule 527.k. Any questions concerning this Order or any other aspect of the case may be addressed to the Hearing Officer by email (james.rouse@state.co.us), with copy to the other party.

Dated: August 15, 2016

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO


James P. Rouse, Hearing Officer

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

CERTIFICATE OF SERVICE


On August 15, 2016, a true and correct copy of the foregoing *Final Prehearing Order* was sent by electronic mail to the following:

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Jeremy Ferrin
COGCC Enforcement Officer
jeremy.ferrin@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com

Jordan Gitternman
President
PREMIER OIL & GAS INC
akasas@aol.com


James P. Rouse

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS) CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 160800310
COMMISSION BY **PREMIER OIL & GAS INC,**)
JEFFERSON COUNTY, COLORADO) TYPE: ENFORCEMENT

Order for Continuance

This matter is presently set for hearing as follows:

Date: Monday, August 29, 2016
Tuesday, August 30, 2016

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

At the request of Staff, and for good cause shown, this matter is hereby continued to:


Date: Monday, October 24, 2016
Tuesday, October 25, 2016

Time: 9:00 a.m.

Place: Northeastern Junior College
Hayes Student Center Ballroom
100 College Avenue
Sterling, CO 80751

Dated: August 25, 2016

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO



James P. Rouse, Hearing Officer

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

CERTIFICATE OF SERVICE

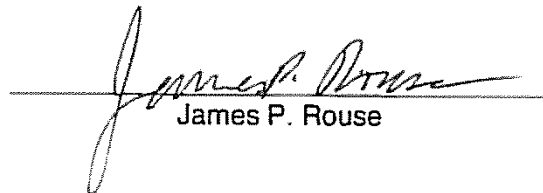
On August 25, 2016, a true and correct copy of the foregoing *Order for Continuance* was sent by electronic mail to the following:

Peter Gowen
COGCC Enforcement Supervisor
peter.gowen@state.co.us

Jeremy Ferrin
COGCC Enforcement Officer
jeremy.ferrin@state.co.us

Ronald Halterman
Executive VP/Director
PREMIER OIL & GAS INC
ronaldhalterman@msn.com,

Jordan Gitterman
President
PREMIER OIL & GAS INC
akasas@aol.com


James P. Rouse