

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

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|--|---|----------------------|
| IN THE MATTER OF ALLEGED VIOLATIONS OF |) | CAUSE NO. 1V |
| THE RULES AND REGULATIONS OF THE |) | |
| COLORADO OIL AND GAS CONSERVATION |) | DOCKET NO. 170600305 |
| COMMISSION BY DELBERT KOCH, WASHINGTON |) | TYPE: ENFORCEMENT |
| COUNTY, COLORADO |) | ORDER NO. 1V-634 |

ADMINISTRATIVE ORDER BY CONSENT
(Pursuant to Rule 522.e.(1) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

1. Delbert Koch ("Koch") (Operator No. 10603) is the operator of record of the Sampson #1 Well (API 05-121-07295) ("Well") located in Washington County.
2. Pursuant to Order No. 1-17, entered March 19, 1991, Koch assumed operatorship of the well, for domestic purposes, posting \$1,500 in financial assurance.
3. By letter dated February 8, 2016, Koch informed that COGCC Staff that the Well was no longer usable, that he understood the Well needed to be plugged, and that he couldn't afford to plug the Well.
4. Following discussions with COGCC Staff, by letter dated February 12, 2016, Koch surrendered the financial assurance covering the Well, namely:

| | |
|---------------------------|------------------------|
| Surety ID: | 2015-0131 |
| Status: | CLAIMED |
| Operator Number: | 10603 |
| Bond Amount: | \$1,500.00 |
| Instrument: | CERTIFICATE OF DEPOSIT |
| Instrument Number: | 65136871 |
| Coverage: | INDIVIDUAL |
| Bond Type: | PLUGGING |
| Limitation: | 1 |
| Deposit Number: | 22798 |
| PDPA Number: | |
| Received Date: | 4/11/1991 |
| Approved Date: | 4/11/1991 |

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|------------------------------|------------------------|
| Maturity Expire Date: | |
| FA Provider Number: | 100138 |
| FA Provider Name: | BANK OF COLORADO AKRON |
| Deposit Date: | 12/30/2015 |
| Release Request Date: | N/A |
| Release Date: | 2/26/2016 |

5. On February 26, 2016, and in reliance on Koch's assertion that he couldn't afford to plug the Well, COGCC Staff foreclosed the financial assurance, along with accrued interest.

6. Both Koch and COGCC Staff agree that it is in the best interest of both parties to use the financial assurance to properly plug and abandon the Well.

AGREEMENT

The parties agree as follows:

1. Koch agrees that he is incapable of fulfilling the statutory duties imposed by the Oil and Gas Conservation Act.

2. Koch agreed to the foreclosure of the financial assurance, along with accrued interest, with the proceeds applied towards plugging and abandonment of the Well.

3. Koch agrees to surrender all equipment and appurtenances related to the Well for purposes of plugging and abandoning the Well. If requested, Koch agrees to assign all equipment and appurtenances related to the Well to the Commission or a third party to be determined by the Director. Any salvage value of the equipment and appurtenances related to the Well may be applied by the Commission towards the cost of plugging and abandonment of the Well.

4. Koch agrees to provide adequate access and otherwise fully cooperate with the Commission for purposes of allowing the Commission or its contractors to plug and abandon the Well.

RECOMMENDED this 25th day April, 2017.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By _____

Jeremy I. Ferrin, Enforcement Officer

AGREED TO AND ACCEPTED this 25 day April, 2017.

DELBERT KOCH

By 
Delbert Koch, Operator

ORDER

HAVING CONSIDERED the Agreement between the Director and Koch, the COMMISSION ORDERS:

1. The Commission ratifies COGCC Staff's decision to foreclose the financial assurance instrument, with accrued interest, referenced above.
2. The Director is authorized, but not required, to take any or all of the following actions:
 - a. Declare the Well "Orphaned," as defined in the 100-Series Rules;
 - b. Terminate Koch's Operator Number (No. 10603), rescind Koch's Form 1 (Doc. No. 2503119), and revoke Koch's right to operate the Well;
 - c. Use the foreclosed financial assurance and funds from the Oil and Gas Conservation and Environmental Response Fund to investigate, prevent, monitor, or mitigate conditions that threaten to cause, or that actually cause, significant adverse environmental impacts at the Well; and
 - d. Claim all equipment and appurtenances related to the Well as property of the Commission, provided that any proceeds from the disposition of the assets will be credited to the cost of plugging and abandonment of the Well and/or the Oil and Gas Conservation and Environmental Response Fund.
3. Koch shall provide adequate access and otherwise fully cooperate with the Commission for purposes of allowing the Commission or its contractors to plug and abandon the Well.
4. At the Director's request, Koch will assign all equipment and appurtenances related to the Well to the Commission or a third party to be determined by the Director.
5. In the event the Director determines, in the Director's discretion and

consistent with the Director's independent determination of operational priorities, that there is a need to use the Commission's Emergency Response appropriation (Long Bill), which is funded by the Oil and Gas Conservation and Environmental Response Fund, to remediate conditions that threaten to cause, or that actually cause, significant environmental impacts at wells or locations formerly operated by Koch, the Director will confer with the Commission regarding expenditure of Emergency Response appropriation funds at the earliest practical opportunity.

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

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

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ENTERED this 14th day of JUNE, 2017 as the 12th day of June, 2017.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Peter J. Gowen
Peter J. Gowen, Acting Secretary

CERTIFICATE OF MAILING

On June 15th, 2017, a true and accurate copy of Commission Order 1V-634 was mailed by first-class mail return receipt requested to the following:

Delbert Koch
46125 County Road GG
Akron, CO 80720

Margaret Hummel