

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. 170500004
COMMISSION BY ESTATE OF JOSEPH J.C.)	TYPE: ENFORCEMENT
PAINE, DBA PAINE PETROLEUM, LLC, ADAMS)	
COUNTY, COLORADO)	ORDER NO. 1V-630

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. Estate of Joseph J.C. Paine dba Paine Petroleum, LLC ("Paine Petroleum") (Operator No. 10317) is the operator of record of the Joseph J.C. Paine Anadarko No. 1 well ("Well") (API No. 05-001-09718) located in Adams County, Colorado.

2. Paine Petroleum has failed to submit Form 7s (Operator's Monthly Reports of Operations) for the Well since March 2012.

3. According to COGCC records, Paine Petroleum reported the first sale of oil from the Well in March 2010 but did not timely submit a Form 10 (Certificate of Clearance).

4. On October 27, 2016, Commission Staff issued a Notice of Alleged Violation ("NOAV") (No. 401128719) to Paine Petroleum citing violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules"):

- a. Rule 309 (COGCC Form 7. Operator's Monthly Report of Operations) for failing to submit Form 7s for the Well for all months from April 2012 to present; and
- b. Rule 312 (COGCC Form 10. Certificate of Clearance and/or Change of Operator) for failing to submit a Form 10 for the Well within 30 days after the initial sale of oil in March 2010.

5. On April 6, 2017, Paine Petroleum submitted the requisite Form 10 (Certificate of Clearance). (Doc. No. 2226406)

6. On April 11, 2017, Paine Petroleum submitted all delinquent Form 7s (Operator's Monthly Reports of Operations).

7. Following factual investigation and legal review of the violations alleged in the NOAV, Hearing Staff now asserts Paine Petroleum has committed the following violations of COGCC Rules:

Rule No.	Days of Violation	Start Date	End Date	Class	Impact	Daily Base Penalty	Total Penalty
309	526	11/2/2015	4/11/2017	1	Minor	\$200	\$4,338
312	521	11/2/2015	4/6/2017	1	Minor	\$200	\$4,332
SUBTOTAL							\$8,670
Settlement Discount (25%)							-\$2,168
TOTAL PENALTY							\$6,502

8. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings Staff calculated a penalty of \$8,670 for this violation. The penalty calculation is based on the following:

a. Rule 309;

i. Calculated days of violation limited by one-year statute of limitations (§34-60-115, C.R.S.), beginning on November 2, 2015, and ending on April 11, 2017, when Paine Petroleum submitted all delinquent Form 7s;

ii. Class 1, Minor impact;

iii. Daily base penalty of \$200;

b. Rule 312;

i. Calculated days of violation limited by one-year statute of limitations (§34-60-115, C.R.S.), beginning on November 2, 2015, and ending on April 6, 2017, when Paine Petroleum submitted all the requisite Form 10;

ii. Class 1, Minor impact;

iii. Daily base penalty of \$200;

c. Application of the Duration Matrix from the COGCC Enforcement Guidance and Penalty Policy January 2015 (corrected 4/8/2015);

d. Settlement discount of 25%;

e. No aggravating or mitigating factors; and

f. No pattern of violation, gross negligence, or knowing and willful misconduct.

AGREEMENT

NOW, THEREFORE, based on the Findings and pursuant to Rule 522.e.(1) and the Commission's Enforcement and Penalty Policy, the Director and Paine Petroleum request that the Commission approve the Order set forth below.


RECOMMENDED this 18th day of April, 2017.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By 
David A. Beckstrom, Enforcement Officer

AGREED TO AND ACCEPTED this ____ day of April, 2017.

ESTATE OF JOSEPH J.C. PAINE
DBA PAINE PETROLEUM, LLC

By 
Signature of Authorized Company Representative
BRIAN QUALLS
Print Signatory Name
Personal Representative
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Paine Petroleum to resolve the NOAV, the COMMISSION ORDERS:

1. Paine Petroleum is found in violation of Rules 309 and 312
2. Paine Petroleum is assessed a penalty of \$6,502.
3. Paine Petroleum will pay \$6,502 within 30 days after this approved AOC is mailed by the Commission.

4. This AOC does not relieve Paine Petroleum from undertaking and completing abatement or corrective actions that may be required by the Notice of Alleged Violation described in Finding No. 4, above, or any amendments or modifications thereto specified by the COGCC Staff.

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

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

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ENTERED this 1ST day of May, 2017 as of the 1st day of May, 2017.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Peter J. Gowen
Peter Gowen, Acting Secretary

CERTIFICATE OF MAILING

On May 4th, 2017, a true and accurate copy of Commission Order 1V- 630 was mailed by first-class mail return receipt requested to the following:

Estate of Joseph J.C. Paine, dba Paine Petroleum
Attn: Brian Qualls
3720 S. Lipan Street
Englewood, CO 80110

Margaret Humecki
Margaret Humecki