

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

| | |
|--|----------------------|
| IN THE MATTER OF ALLEGED VIOLATIONS OF THE) | CAUSE NO. 1V |
| RULES AND REGULATIONS OF THE COLORADO) | |
| OIL AND GAS CONSERVATION COMMISSION BY) | DOCKET NO. 161000388 |
| ANTLER ENERGY, LLC MOFFAT COUNTY,) | TYPE: ENFORCEMENT |
| COLORADO) | ORDER NO. 1V-624 |

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. Antler Energy, LLC ("Antler") (Operator No. 10407) is the operator of record of the Moffat County 1-8 well (API No. 05-081-07455) ("Well") in Moffat County, Colorado.
2. Based on Form 7, Monthly Reports of Operations submitted by Antler, the Well was shut in December, 2012.
3. Antler returned the Well to production in 2015, but failed to conduct an MIT prior to returning the Well to production.
4. On December 2, 2015, Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") Staff issued a warning letter (Document No. 2193057) to Antler which required Antler to conduct a mechanical integrity test ("MIT"), or plug and abandon, the Well, and submit all required paperwork, by April 30, 2016.
5. On August 9, 2016, COGCC Staff issued Notice of Alleged Violation ("NOAV") No. 401082880 to Antler for an alleged violation of COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules") Rule 326.b. (Mechanical Integrity Testing/Shut-in Wells) for Antler's failure to timely conduct a MIT.
6. The NOAV required that Antler contact COGCC Staff to negotiate a compliance plan to resolve the issue.
7. On August 10, 2016, Antler contacted Staff to negotiate the compliance plan.
8. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Staff calculated a penalty of \$45,450 for these violations. The penalty calculation is based on the following:

| NOAV | Rule | Class, Impact | Daily Penalty | Start Date | End Date | Days | Total Penalty |
|------------------------------|--------|----------------|---------------|------------|-----------|------|---------------|
| 401082880 | 326.b. | Class 2, Minor | \$2,500 | 8/14/2015 | 8/10/2016 | 362 | \$60,600 |
| SETTLEMENT INDUCEMENT (-25%) | | | | | | | -\$15,150 |
| TOTAL PENALTY | | | | | | | \$45,450 |


- a. Penalty calculations beginning after the effective date of HB 14-1356 (June 6, 2014);
- b. Application of the Duration Matrix in the Enforcement Guidance and Penalty Policy;
- c. Days of violation calculated from one year prior to service of the NOAV to the date corrective actions were commenced to the Director's satisfaction;
- d. No aggravating factors;
- e. No mitigating factors;
- f. No pattern of violation or gross negligence/knowning 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 Antler agree to request that the Commission enter the Order set forth below.

RECOMMENDED this 20 day of January, 2017.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By 

Kyle W. Davenport, Assistant Attorney General

AGREED TO AND ACCEPTED this 16 day of February, 2017.

ANTLER ENERGY, LLC

By 
Signature of Authorized Company Representative

Clay J. Evans
Print Signatory Name and Title

ORDER

HAVING CONSIDERED the Findings and the Agreement between the Director and Antler to resolve the NOAV, the COMMISSION ORDERS:

1. Antler is found in violation of Rule 326.b., as described above.
2. Antler is assessed a penalty of \$45,450.
3. Antler will pay \$22,725 of the penalty. An initial payment of \$11,363 is due within 30 days after this Order is mailed by the Commission. One payment of \$5,681 is due by May 31, 2017 and one payment of \$5,681 is due by August 31, 2017.
4. The remaining \$22,725 is suspended provided that Antler remains in compliance with Rule 326 for two years after the approval date of this Order. If the requirements of this AOC are satisfied, the suspended portion of the penalty will be vacated. If the requirements are not satisfied, the suspended penalty will become due upon demand by the Director without further action by the Commission.
5. Compliance dates in this Order may be extended only for good cause, as determined at the Director's sole discretion. A request for extension must be made, in writing, at least 14 days prior to the pertinent compliance deadline or as soon as possible if 14 days prior notice is not feasible.
6. Failure to pay the penalty by the above deadline is an independent violation that may be subject to additional penalties.
7. Entry of this Order constitutes final agency action. This Order is effective as of the date it is mailed by the Commission.
8. 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 22nd day of May, 2017 as of the 30th day of January, 2017.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Peter J. Gowen, Acting Secretary

CERTIFICATE OF MAILING

On May 23rd, 2017, a true and accurate copy of Commission Order 1V-624 was mailed by first-class mail, return receipt requested to the following:

Antler Energy LLC
PO Box 104
Baggs, Wyoming 82321


Margaret Humecki