

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 ) DOCKET NO. 170100002  
COLORADO OIL AND GAS CONSERVATION ) ORDER NO. 1V-620  
COMMISSION BY FRITZLER RESOURCES, INC., )  
WASHINGTON COUNTY, COLORADO ) TYPE: ENFORCEMENT

**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. Fritzler Resources, Inc. ("Fritzler") (Operator No. 21357) is the operator of record for the Agnas Friendly 1 well ("Well") (API 05-121-11023) in Washington County, Colorado.
2. Fritzler did not timely submit Form 7s, Monthly Reports of Operations, for the Well for the months of January 2016 until one month after it was properly abandoned.
3. On January 20, 2016, Fritzler submitted a Form 6, Notice of Intent to Abandon, for the Well; Staff approved the Form 6 on February 26, 2016 (Doc. No. 22115055)
4. On March 8, 2016, Fritzler submitted a Form 42, Field Operations Notice, stating its intent to plug the Well on March 10, 2016. (Doc. No. 401002098)
5. On March 10, 2016 and March 18, 2016, COGCC Staff observed Fritzler conduct plugging operations of the Well. (Doc Nos. 67312873 and 6731037) On April 4, 2016, COGCC Staff inspected the Well and observed that it had been abandoned.
6. Fritzler did not submit the requisite Form 6, Subsequent Report of Abandonment, within 30 days of plugging and abandoning the Well.
7. On October 27, 2016, COGCC Staff issued NOAV No. 401083039 ("NOAV") to Fritzler for violations of the following COGCC Rules of Practice and Procedure, 2. C.C.R. 404-1 ("Rule" or "Rules"):
  - a. Rule 309 (Operator's Monthly Report of Operations) for failing to submit Form 7s, Operator's Monthly Reports of Operations, for the Well for the months of January 2016 until one month after it was properly abandoned; and

- b. Rule 311 (Well Abandonment Report) for failing to timely submit a Form 6, Subsequent Report of Abandonment, after abandoning the Well.

8. On November 24, 2016, Fritzler submitted its Answer (Doc. No. 401156076) to the NOAV which attached Form 7s, Operator's Monthly Reports of Operations, for the months of January through August 2016 and a Form 6, Subsequent Report of Abandonment, for the Well.

9. Following factual investigation and legal review of the violations alleged in the NOAV, Hearing Staff now asserts Fritzler has committed a 252-day violation of Rule 309 and a 206-day violation of Rule 311.

Rule No.	Class	Impact	Daily Base Penalty	Start Date	End Date	Days of Violation	Penalty
309	1	Minor	\$200	3/17/2016	11/24/2016	252	\$3,806
311	1	Minor	\$200	5/2/2016	11/24/2016	206	\$3,668
					Subtotal	458	\$7,474

Settlement Inducement (25%)      \$1,869

Final Penalty      \$5,606

10. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings Staff calculated a penalty of \$5,606 for these violations. The penalty calculation is based on the following:

- a. Rule 309;
  - i. Start date March 17, 2016, 46 days after the Form 7 was due for the Well for the month of January 2016;
  - ii. End date November 24, 2016, day that Form 7s submitted;
  - iii. Class 1;
  - iv. Minor Impact;
  - v. Daily base penalty of \$200;
- b. Rule 311;
  - i. Start date May 2, 2016, 31 days after Fritzler abandoned the Well;
  - ii. End date November 24, 2016, day that Form 6, Subsequent Report of Abandonment submitted;

- iii. Class 1;
- iv. Minor Impact;
- v. 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. No aggravating factors or mitigating factors; and
- e. No pattern of violation, gross negligence, or knowing and willful misconduct.

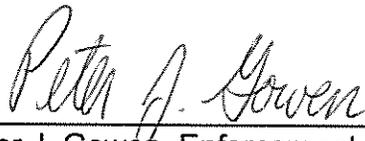
11. Without admission, Fritzler agrees to this AOC only for the purpose of expeditiously resolving this matter without a contested hearing. Fritzler reserves the right to contest the findings of this AOC in any proceeding before any agency, court, or other tribunal, except for a proceeding to enforce the terms of this AOC. The findings and any action undertaken by Fritzler pursuant to this AOC shall not constitute evidence of fault or liability by Fritzler with respect to any third-party claim against Fritzler.

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 Fritzler request that the Commission approve the Order set forth below.

RECOMMENDED this 9<sup>th</sup> day of January, 2017.

OIL AND GAS CONSERVATION COMMISSION OF  
THE STATE OF COLORADO

By   
Peter J. Gowen, Enforcement Supervisor

AGREED TO AND ACCEPTED this 10 day of January, 2017.

FRITZLER RESOURCES, INC.

By Gene Fritzer V.P.  
Signature of Authorized Company Representative

GENE FRITZLER  
Print Signatory Name

V.P.  
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Fritzer Resources, Inc. to resolve the NOAV, the COMMISSION ORDERS:

1. Fritzer is found in violation of Rules 309 and 311 as described above.
2. Fritzer is assessed a penalty of \$5,606.
3. Fritzer will pay \$5,606 within 30 days after this approved AOC is mailed by the Commission.
4. This AOC does not relieve Fritzer from undertaking and completing abatement or corrective actions that may be required by the Notice of Alleged Violation described in Finding No. 7, 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 31<sup>st</sup> day of January 2017 as of the 30<sup>th</sup> day of January, 2017.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By Julie Murphy  
Julie Murphy, Secretary

CERTIFICATE OF MAILING

On February 3<sup>rd</sup>, 2017, a true and accurate copy of Commission Order 1V-620 was mailed by first-class mail return receipt requested to the following:

Fritzler Resources, Inc.  
Attn: Gene Fritzler  
P.O. Box 114  
Fort Morgan, CO 80701

  
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Margaret Humecki