

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE) CASE NO. 1V
RULES AND REGULATIONS OF THE COLORADO)
OIL AND GAS CONSERVATION COMMISSION BY) ORDER NO. 1V-494
REDWINE RESOURCES, INC. AND BY GARY) DOCKET NO. 1406-OV-45
REDWINE IN HIS INDIVIDUAL CAPACITY, IN)
MONTROSE COUNTY, COLORADO

AMENDMENT TO ORDER 1V-470

The Colorado Oil and Gas Conservation Commission ("Commission") enters this Amendment to Order No. 1V-470 pursuant to the Rules and Regulations of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1 and states as follows:

The Commission, having reviewed the administrative record, hearing the arguments of counsel, and being fully advised on the premises, issues the following Order to amend Order 1V-470.

On October 7, 2013, Staff issued a Notice of Alleged Violation No. 200388006 ("2013 NOAV") to Redwine Resources citing violations of Commission Rules at the South Nucla Unit #1-32 Well (API No. 05-085-06047).

This matter first came before the Commission on June 17, 2014 on Commission Staff's application for an Order Finding Violation against Redwine Resources, Inc. ("Redwine Resources"). No interested parties appeared at the June hearing to contest Staff's allegations. After considering the evidence, the Commission found that Redwine Resources had violated Commission Rules 309, 319, 326, 902.d., 1002, and 1003 at the Well. Order 1V-470 imposed a \$60,000 penalty for these violations and foreclosed on Redwine's \$30,000 financial assurance bonds. The Commission also directed Staff to prepare and submit a Supplemental Order in this matter.

On August 25, 2014, Staff noticed the Supplemental Order for hearing on the Commission's motion. On October 14, 2014, Mr. Redwine filed a Protest and Motion to Dismiss COGCC Administrative Action. On December 30, 2014, Staff filed its Response to Mr. Redwine's Protest and Motion to Dismiss COGCC Administrative Action.

At the January 26, 2015 hearing, Staff requested that the Commission amend Order 1V-470 to require Mr. Redwine to notify the Commission if: (1) he or any entity of which Mr. Redwine is a principal, majority owner, operational or general manager, or otherwise exercises control of an entity's oil and gas operations in the state of Colorado ("entity") applies for a permit or submits a Certificate of Clearance for the Commission's approval; or (2) he joins an existing entity and becomes the principal, majority owner, operational or general manager, or otherwise exercises control of the existing entity. The Proposed Amendment also limited the Director's ability to approve the request and required a hearing before the Commission to determine whether the request should be granted and under what conditions.

On January 26, 2015, the Commission heard evidence, testimony, and arguments from Mr. Redwine, in his individual capacity, and Staff, regarding the Proposed Amendment requested by Staff. The Commission finds support in the Act and Commission rules for the Proposed Amendment.

ORDER

NOW, THEREFORE, THE COMMISSION ORDERS:

1. Order 1V-470 is amended only as expressly defined below. This Order does not vacate or otherwise alter Order 1V-470.

2. Order 1V-470 is amended by the insertion of the following paragraph at the conclusion of the Order to read as follows:

10. Mr. Gary Redwine is to notify the Commission if: (1) he or any entity of which Mr. Redwine is a principal, majority owner, operational or general manager, or otherwise exercises control of an entity's oil and gas operations in the state of Colorado ("Entity") applies for a permit or submits a Certificate of Clearance for the Commission's approval; or (2) he joins an existing entity and becomes the principal, majority owner, operational or general manager, or otherwise exercises control of the existing entity. If Mr. Redwine or the Entity applies for a permit or submits a Certificate of Clearance, the request must be heard by the Commission, at which the Commission may grant the application, require a higher amount of financial assurance before granting the application, or deny the application.

Conforming amendments to the caption of Order 1V-470 are also authorized.

3. Entry of this Order constitutes final agency action for purposes of judicial review as of the date this Order is mailed by the Commission. For all other purposes, this Order is effective as of the date of approval by the Commission.

4. 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 2nd day of February, 2015 as of the 26th day of January, 2015.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Jill Dorancy, Acting Secretary