

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) ORDER NO. 1V-486
COMMISSION BY **SMITH OIL PROPERTIES INC,**) DOCKET NO. 1404-OV-34
WELD AND ADAMS COUNTIES, COLORADO)

ORDER RE: APPLICATION FOR EXTENSION OF TIME

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

The Commission makes the following findings regarding an application by an operator to extend performance deadlines set in a previous enforcement Order 1V-457, approved April 28, 2014, for the plugging and abandoning of three wells:

1. Smith Oil Properties, Inc. ("Smith Oil") (Operator No. 79905) is the operator of the following wells ("Wells") located in Weld and Adams counties, Colorado.

Table 1

Well Name	API No.	Spud Date	NOAV No.
Andrews 13-18X	05-123-09907	April 16, 1980	200392001
Andrews (Lanyard Waterflood) 22-18	05-123-08251	January 18, 1975	200392000
Lynn 1	05-001-08303	August 9, 1983	200391999

2. On December 12, 2013, Commission Staff issued Notices of Alleged Violation ("NOAV's") identified in Table 1 above to Smith Oil citing violations of Rule 326.b.1 (Mechanical Integrity Testing Shut-In Wells) of the COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules").

3. Smith Oil performed successful MIT's on the Andrews 13-18X Well and Andrews 22-18 Well ("Andrews Wells") on March 20, 2014.

4. On April 28, 2014, Order 1V-457 required Smith Oil to complete the plugging and abandonment of the three Wells four months after the effective date of the Order, August 28, 2014. (See Exhibit A).

5. On August 13, 2014, Smith Oil filed an Application for Extension of Time with the Commission. The Application requested that the Commission extend the corrective action deadline for the Lynn 1 Well to September 28, 2014 and the deadline for the Andrews Wells to November 30, 2014.

6. The Application cited crop damage as the reason for the requested delay. It stated that Smith Oil delayed plugging and abandonment operations at the Lynn 1 Well to permit the harvesting of the wheat crop on the surface lands. It also stated that operations were delayed at the Andrews Well to minimize the damage to the sod crop that would occur from interrupting the crop irrigation.

7. On August 14, 2014, Smith Oil amended its application to be relieved of any penalty that might accrue between the August 28, 2014 deadline, and the time the application is approved by the Commission ("Amended Application").

8. Plugging and abandonment operations began at the Lynn 1 Well on August 19, 2014 (Doc. No. 400667198). According to the Application, the plugging of the Lynn 1 Well was completed on September 7, 2014.

9. On September 2, 2014, Smith Oil submitted a request seeking Director approval under Rule 502.b.(1) of a variance from Order 1V-457 consistent with the Amended Application.

10. On September 5, 2014, the Director denied the Rule 502.b.(1) variance request, deciding not to administratively extend deadlines in an Order approved by the Commission, but stating that Smith Oil was free to seek the same requested relief from the Commission.

11. On September 10, 2014, Smith Oil amended its application to increase the deadline for the Andrews Wells to March 31, 2014 ("Second Amended Application").

12. On September 15, 2014, the Commission heard a presentation by Smith in support of its Application, Amended Application, and Second Amended Application, requesting the deadline to be extended to March 31, 2014.

ORDER

HAVING CONSIDERED the Application for Extension of Time, the COMMISSION ORDERS:

1. Order 1V-457 is unaffected by this Order except for the corrective action deadlines and requirements.

2. Smith Oil will submit a Form 6, Subsequent Report of Abandonment, for the Lynn 1 Well as soon as possible. Smith Oil must also perform reclamation at this Well in accordance with the 1000-Series Rules.

3. Smith Oil will plug and abandon the Andrews 13-18X Well and Andrews (Lanyard Waterflood) 22-18 Well as soon as possible, but no later than March 31, 2014. This will require submitting to COGCC: the Form 6, Notice of Intent to Abandon, for prior

approval before plugging and abandoning, and the Form 6, Subsequent Report of Abandonment, after plugging operations are completed. Smith Oil must also perform reclamation at the Wells in accordance with the 1000-Series Rules.

4. This Order does not relieve Smith Oil from undertaking and completing additional abatement or corrective actions as required by COGCC Staff.

5. Compliance dates specified 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 35 days prior to the pertinent compliance deadline. Failure to receive an extension prior to the compliance deadline or the failure to meet a compliance deadline may constitute a new violation subject to additional daily penalties.

6. Entry of this Order constitutes final agency action for purposes of judicial review 30 days after the date this order is mailed by the Commission.

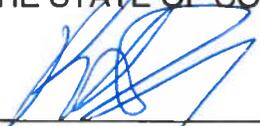
7. The provisions contained in the above order are effective on the date this matter is heard and approved by the Commission.

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

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ENTERED this 16th day of September, 2014 as of the 15th day of September, 2014.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Robert J. Frick, Secretary