

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)	ORDER NO. 1V-437
THOMAS L SPRING, LLC, KIOWA COUNTY,)	DOCKET NO. 1309-OV-23
COLORADO)	

ORDER FINDING VIOLATION

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

FINDINGS

1. On September 10, 1996, Thomas L Spring, LLC ("Spring") (Operator No. 81480) became the operator of record for the Gregory #1-21X Well ("Well") (API No. 05-061-06628). The Well has never produced.

2. On February 25, 2009, Spring reported the Well was plugged on November 13, 2008.

3. On May 28, 2013, COGCC Staff inspected Well in response to a surface owner complaint (Document 200380384). Staff observed bare soil and erosion on the former well site. Commission reclamation standards were not satisfied.

4. On June 26, 2013, COGCC Staff issued Notice of Alleged Violation ("NOAV") No. 200382243 to Spring related to inadequate reclamation at the site. The NOAV cited violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules").

- a. Rule 324A. (Pollution);
- b. Rule 1004.a. (Final Reclamation).

5. Following a factual investigation and legal review of the violations alleged in the NOAV, the Hearings Staff asserts Spring has committed the following violations:

a. One violation of Rule 324A.a based on failure to take adequate precautions to prevent soil erosion resulting in adverse impact to the soil and impairment of the ability of the site to sustain vegetative cover.

b. One violation of Rule 1004.a based on Spring's failure to complete final reclamation of the site as required by Rule.

6. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings staff calculated a penalty of \$20,000 for these violations. Staff does not recommend any adjustments based on aggravating or mitigating factors.

7. On September 4, 2013 staff sent Spring a proposed Administrative Order by Consent (AOC). Spring agreed to all terms of the AOC except the imposition of a \$20,000 penalty.

8. Spring has elected to accept the AOC terms, except for the imposition of the \$20,000 penalty and proceed to a Commission hearing in this matter challenging only the imposition of the \$20,000 penalty.

9. On October 11, 2013 a prehearing conference was conducted in this matter at which Spring stated on the record that it only wished to challenge the imposition of the \$20,000 penalty. A copy of a draft of this Order was presented to Spring and Spring agreed to the terms of this Order except for the imposition of a specific penalty.

10. On October 11, 2013 the Hearing Officer issued a prehearing order memorializing understandings and agreements reached between the parties at the prehearing conference.

11. On October 28, 2013, the Commission heard this case, which was limited by agreement of the parties to the determination of the appropriate penalty, pursuant to the prehearing order.

ORDER

After hearing the matter, the arguments of the parties with regard to the penalty, and considering the agreed upon provisions of the draft Order and, the COMMISSION ORDERS:

1. Spring is found in violation of Rule 324A.a., and Rule 1004.a. as described above.
2. Spring will be assessed a total penalty of \$20,000 for the rule violations described above.
3. Spring will pay \$2,000 of the penalty within 30 days after this AOC is approved by the Commission. The remaining \$18,000 is suspended upon completion of the compliance schedule described below. If Spring fully performs the compliance schedule on time, the suspended portion of the penalty will be vacated by the Director. If Spring fails to fully perform the compliance plan and schedule, the suspended penalty will become due 30 days from written notice from the Director, without further action by the Commission.
4. Spring will consult and contract with a qualified third party reclamation specialist to assess the site and adjacent impacted land and prepare the reclamation plan.
5. Spring will fence and stabilize the impacted site. Stabilization responsibility will remain until full compliance with reclamation standards is satisfied.
6. Spring will submit a Form 27 explaining its proposed reclamation for the site according to a schedule specified by staff. The reclamation plan must be approved by staff prior to its implementation.
7. Spring will perform all requirements of the approved Form 27.

8. Spring will implement the approved Form 27, stabilize and reseed the site, and otherwise complete the on-the-ground reclamation work by June 30, 2014.

9. Spring will continue to monitor and adapt as necessary, site stabilization and re-establishment of vegetative cover until such time as the site has passed a staff final reclamation inspection.

10. Failure by Spring either to perform as required by this Order will result in the suspended portion of the penalty becoming due as specified above, and may also result in additional enforcement action and penalties.

11. The Commission will review Spring compliance with this Order after June 30, 2014. This review may be vacated by the Director if the Director determines that Spring is in full compliance with this Order.

12. Entry of this Order constitutes final agency action for purposes of judicial review 35 days after the date this order is mailed by the Commission.

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

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

=====

The Commission heard and approved this matter on the 28th day of October, 2013.

ENTERED this 18th day of November, 2013, as of the 28th day of _____ October, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Robert J. Frick, Secretary