

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 MULL)	DOCKET NO. 1307-OV-16
DRILLING COMPANY INC. , CHEYENNE COUNTY,)	
COLORADO)	ORDER NO. 1V-416

ADMINISTRATIVE ORDER BY CONSENT

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

FINDINGS

1. Mull Drilling Company Inc. ("Mull"), operates the Mull Unit 14 Well (API 05-017-06263), a Class II underground injection well, in NW¼ SE¼ of Section 4, Township 14 South, Range 49 West, 6TH P.M., Cheyenne County.

2. On April 11 of 2013, Mull commenced operations for the underground injection of nitrogen into the above-referenced Class II enhanced recovery well. Mull conducted this underground disposal without first having obtained written authorization for such operations from the Commission. Mull suspended its injection on April 22, 2013 when Mull learned written Commission approval is required before commencement of injection operations.

3. On April 25, 2013 Commission Staff approved the Form 33 authorizing Mull's injection operations. Mull resumed injection operations on May 7, 2013.

4. On May 15, 2013, Commission Staff issued a Notice of Alleged Violation No. 2617919 ("NOAV") to Mull for an alleged violation of Rule 325.a.

5. Rule 523. specifies a base fine of \$1,000 for each day of violation of Rule 325.a. Rule 523.a.(3). specifies that the maximum penalty for any single violation shall not exceed \$10,000 regardless of the number of days of such violation, unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare or the environment. Staff does not allege these factors.

6. Mull violated **Rule 325.a.** because it failed to obtain written authorization for its underground disposal of fluids, into a Class II well, prior to its injection operations. The unauthorized injection occurred for at least 10 days. The COGCC Staff has calculated a base fine of \$10,000 for the violation of Rule 325.a.

7. Pursuant to Commission Rule 522.b.(3), the Director proposes and Mull agrees to settle the NOAV by the imposition of a \$10,000 penalty.

8. Mull agrees to the findings of this AOC only for the purpose of expeditiously resolving the matter without a contested hearing. Pursuant to Rule 522.c.(3), entering into this AOC by Mull

shall not be construed as an admission of the alleged violations for purposes other than entering this AOC. Mull fully reserves its right to contest the same in any future action or proceeding other than a proceeding to enforce this AOC.

ORDER

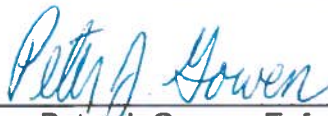
NOW, THEREFORE, IT IS ORDERED, that:

1. Mull is found in violation of Rule 325.a.
2. Mull is assessed a penalty of \$10,000 for this violation. This penalty shall be due 30 days from the date this Order is mailed by the Commission to Mull.
3. 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.
4. An application for reconsideration by the Commission of this order is not required prior to the filing for judicial review.
5. The provisions contained in the above order shall become effective immediately.
6. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

RECOMMENDED this 8th day of July, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By

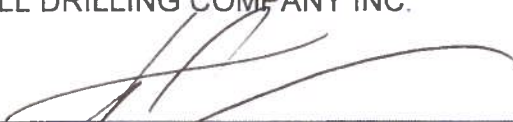


Peter J. Gowen, Enforcement Officer

AGREED TO AND ACCEPTED this 16th day of July, 2013.

MULL DRILLING COMPANY INC.

By



Signature of Authorized Company Representative

STEVEN C. Anderson

Print Signatory Name

Senior Vice President

Title

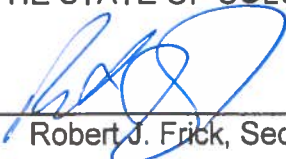
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The Commission heard and approved this matter on the 29th day of July, 2013.

ENTERED this 29th day of July, 2013 as of the 29th day of July, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Robert J. Frick, Secretary