

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

IN THE MATTER OF THE ALLEGED VIOLATIONS)
OF THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION)
COMMISSION BY GEAR DRILLING COMPANY)
ADAMS COUNTY, COLORADO)

CAUSE NO. 1

ORDER NO. ~~1-141~~

V-58

REPORT OF THE COMMISSION

This cause came on for hearing before the Commission on March 15, 1993 at 8:30 a.m. in Room 101, State Education Building, 201 East Colfax Avenue, Denver, Colorado, after giving Notice of Hearing as required by law, on the Commission's own motion for Gear Drilling Company to show cause as to why Gear Drilling Company allegedly violated Rule Nos 305 and 319.a(2) of the Rules and Regulations of the Commission, and further why the Commission should not invoke the provisions of 34-60-121, C.R.S. as amended, providing for penalties for violations of the Rules and Regulations of the Commission.

FINDINGS

The Commission finds as follows:

1. That Gear Drilling Company is an interested party in the subject matter of the above-referenced hearing.
2. That due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
3. That the Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
4. That the Commission field engineers were present on October 6, 1992 at the site of the Linnebur No. 5-13 Well located in the SW1/4 SW1/4 of Section 5, Township 3 South, Range 60 West, 6th P.M., as the well was being reentered. It was found that the cement present in the well was not in accordance with the plugging procedure submitted on August 31, 1988 describing the number of sacks of cement and the depths the cement was set. Written requests to Gear Drilling Company did not satisfactorily resolve the discrepancies.
5. That the Commission Field Engineering Staff and Gear Drilling Company have discussed the matter and that Gear Drilling Company is now placing cement plugs by means of a pump truck and controlled depth.
6. That the Commission Field Engineering Staff recommends that Gear Drilling Company be found in violation of Rule No 305 for filing erroneous information on the plugging report for the well, and that Gear Drilling Company be found in violation of Rule 319.a(2). for not placing cement with an approved method, and that a penalty of One Thousand Dollars (\$1,000) be assessed for each violation.
7. That the Commission should enter an order finding Gear Drilling Company in violation of Rule Nos. 305 and 319.a.(2). and assessing a penalty in the amount of One Thousand Dollars (\$1,000) for each violation for a total penalty of Two Thousand Dollars (\$2,000).

O R D E R

NOW, THEREFORE, IT IS ORDERED, that Gear Drilling Company violated Rule Nos. 305 and 319.a.(2). in the plugging procedures for the Linnebur No. 5-13 Well located in the SW1/4 SW1/4 of Section 5, Township 3 South, Range 60 West, 6th P.M., Adams County, Colorado and that in accordance with the provisions of Colorado Revised Statutes 34-60-121, a penalty in the amount of One Thousand Dollars (\$1,000) is assessed for each violation for a total penalty of Two Thousand Dollars (\$2,000).

IT IS FURTHER ORDERED that payment of the above amount of Two Thousand Dollars (\$2,000) shall be made to the Colorado Oil and Gas Conservation Commission within thirty (30) days of receipt of this order by Gear Drilling Company.

IT IS FURTHER ORDERED that the provisions contained in the above order shall become effective forthwith.

IT IS FURTHER ORDERED that the Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.

ENTERED this -25th day of March, 1993, as of March 15, 1993.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Patricia C. Beaver
Patricia C. Beaver, Secretary

Dated at Suite 380
1580 Logan Street
Denver, Colorado
March 23, 1993