

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-304
YALE OIL ASSOCIATION, INC.,)
LAS ANIMAS COUNTY, COLORADO)

ADMINISTRATIVE ORDER BY CONSENT

FINDINGS

1. Yale Oil Association, Inc. ("Yale") drilled the Roberts #19-9 Well, located in the NE¼ SE¼ of Section 19, Township 34 South, Range 61 West, 6th P.M. The Well was spud on October 8, 2000.
2. The Roberts #19-9 Well was plugged and abandoned by Yale on October 28, 2003.
3. On September 15, 2005 and October 5, 2005, COGCC staff inspected the Roberts #19-9 Well. The inspections revealed that the well pad and the lease road to the Well were not properly graded, recontoured, reseeded, and reclaimed.
4. On October 20, 2005, COGCC staff issued a Notice of Alleged Violation ("NOAV") to Yale for the alleged violation found on the Roberts #19-9 Well. The Well was alleged to be in violation of Rule 1004.a., all access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured; well locations, access roads and associated facilities shall be reclaimed; as applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. The NOAV described the alleged violation of Rule 1004.a. as, "The well site and lease road were not graded and recontoured. They also were not reseeded and reclaimed. Now the lease road has major erosion along the entire length of the lease road. In some spots the erosion is 6 feet deep." The NOAV specified the required abatement action to be performed as, "Well site and lease road need to be graded and recontoured. Then reseeded and reclaimed." The NOAV specified an abatement date of March 15, 2006.
5. On March 24, 2006, Mr. Greg Cox with Yale contacted COGCC staff by telephone and requested an extension to the NOAV abatement date. Mr. Cox stated that Yale had been trying to contact the landowner and that Yale intended to perform the required reclamation work on the Well. Mr. Cox further stated that he felt Yale could perform the required work by May 31, 2006. COGCC staff therefore granted Yale an extension of the original NOAV abatement date to May 31, 2006.
6. On June 8, 2006, COGCC staff contacted the landowner by telephone. The landowner stated that no further restoration work had been performed on the Well to date.
7. Based on the above findings, COGCC staff recommends that Yale should be found in violation of Rule 1004.a., all access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured; well locations, access roads and associated facilities shall be reclaimed; as applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003, for the Roberts #19-9 Well.
8. Rule 523. specifies a base fine of One Thousand dollars (\$1,000.00) per day for each violation of Rule 1004.a.
9. A monetary penalty of Five Thousand dollars (\$5,000.00) should be assessed against Yale Oil Association, Inc., in accordance with Rule 523.a., for violation of Rule 1004.a.

ORDER

NOW, THEREFORE IT IS ORDERED, that Yale Oil Association, Inc. shall be found in violation of Rule 1004.a. for failure to properly grade, recontour, reseed, and reclaim the well site and access road for the Roberts #19-9 Well, located in the NE¼ SE¼ of Section 19, Township 34 South, Range 61 West, 6th P.M.

IT IS FURTHER ORDERED, that Yale Oil Association, Inc. shall be assessed a total fine of Five Thousand dollars (\$5,000.00) for the above violation, payable within thirty (30) days of the date the order is approved by the Commission.

IT IS FURTHER ORDERED, that Yale Oil Association, Inc. shall be required to abate the above-listed violation within ninety (90) days of the date the order is approved by the Commission.

IT IS FURTHER ORDERED, that under the State Administrative Procedure Act the Commission considers this order to be final agency action for purposes of judicial review within thirty (30) days after the date this order is mailed by the Commission.

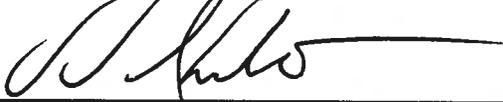
IT IS FURTHER ORDERED, that an application for reconsideration by the Commission of this order is not required prior to the filing for judicial review.

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.

RECOMMENDED this 12TH day of June, 2006.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
David Shelton, Hearing Officer

Dated at Suite 801
1120 Lincoln St.
Denver, Colorado 80203
June 12, 2006

AGREED TO AND ACCEPTED this 28th day of June, 2006.

YALE OIL ASSOCIATION, INC.

By 

Title VP

This cause came on for hearing before the Commission at 9:00 a.m. on September 18, 2006, Suite 801, in The Chancery Building, 1120 Lincoln Street, Denver, Colorado, for the approval of this Administrative Order by Consent.

ENTERED this -11th day of October, 2006, as of September 18, 2006.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
October 11, 2006