

# ARKANSAS OIL AND GAS COMMISSION

Director's Office:  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818  
<http://www.aogc.state.ar.us>

Mike Beebe  
Governor



Lawrence Bengal  
Director

El Dorado Regional Office:  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

Fort Smith Regional Office:  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

October 15, 2013

The Honorable Bill Sample, Chairperson  
The Honorable John Charles Edwards, Chairperson  
C/o Ms. Marty Garrity  
Legislative Council  
Room 315, State Capitol  
Little Rock, AR 72201

Dear Senator Sample and Representative Edwards:

In accordance with Section 7 of the Arkansas Oil and Gas Commission FY 2013-2014 Appropriation Act requiring quarterly reporting of activity in the Fayetteville Shale, the attached summary and supporting documentation is provided to the Arkansas Legislative Council and the Legislative Joint Budget Committee.

Included in this quarterly report are the following:

- (1) Summary of Arkansas Oil & Gas Commission Activity in the "Fayetteville Shale;"
- (2) Summary of Notices of Non-Compliance issued to companies operating in the "Fayetteville Shale;" and
- (3) Summary of Notices of Violations issued to companies operating in the "Fayetteville Shale."

If you have questions or require additional information please do not hesitate to contact my office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence E. Bengal".

Lawrence E. Bengal  
Director

## COMMISSION MEMBERS

Chad White, Chairman, Magnolia  
W. Frank Morledge, Vice-Chairman, Forrest City  
Charles Wohlford, Fort Smith ▪ Mike Davis, Magnolia ▪  
William L. Dawkins, Jr., Fort Smith ▪ Jerry Langley, Smackover  
Chris Weiser, Magnolia ▪ Jim Phillips, Smackover ▪  
George Carder, Searcy

**AOGC Fayetteville Shale Activity Report**  
**To Be Presented to the Arkansas Legislative Council**  
**Reporting Period: July 1, 2013 through September 30, 2013**

<b>1. Inspection Staff</b>	
A. Number of Full Time Inspector Staff (Statewide).....	<b>16*</b>
*(1 vacancy occurred during quarter – currently being filled: 3 new FTE positions in FY 14 Appropriation – currently being filled)	
B. Number of Part Time Inspector Staff (Statewide) .....	<b>2</b>
C. Number of Full Time Inspector Staff (Fayetteville Shale Only).....	<b>7</b>
*(1 of above vacancies occurred during quarter – currently being filled)	
D. Number of Part Time Inspector Staff (Fayetteville Shale Only) .....	<b>2</b>
<b>2. Inspection/Compliance Reviews</b>	
A. Number at Field Inspections Conducted.....	<b>1794</b>
B. Number of Compliance Reviews Conducted .....	<b>1506</b>
(1) Form 2 Drilling/ Fracture Permit.....	160
(2) Form 2A Drilling Pit Construction .....	102
(3) Form2B Drilling Pit Closure .....	87
(4) Form 3 Completion Report .....	119
(5) Form 3A Fracture Stimulation Report .....	129
(6) Form 4 Authority to Commence Production .....	115
(7) Form 12 Plugging Report.....	8
(8) Form 13 Production Test.....	128
(9) Form 14 Monthly Disposal Well Report.....	30
(10) Form 23 Well Transfer Report .....	7
(11) Form 24 Fire, Leak, Spill, Blowout Incident Report.....	74
(12) Form 25 Cross Unit Well Review.....	111
(13) Form 33 Temporary Abandonment.....	61
(14) Casing Setting Notice.....	371
(15) Form 38 Notice of Well Servicing (Disposal Wells).....	4
<b>3. Complaints Received .....</b>	<b>7</b>
A. Resolved without Field Investigation.....	3
B. Complaints Requiring Field Investigation.....	4
C. Investigations Resulting in Enforcement Actions .....	0
<b>4. Enforcement</b>	
A. Number of Notices of Non-Compliance (NNC) Issued .....	<b>43</b>
(1) Operations-Related NNCs.....	25
(2) Administrative-Related NNCs.....	18

B. Number of Notices of Violation (NOV) Issued .....	5
(1) Operations-Related NOV.....	2
(2) Administrative-Related NOV.....	3
C. Number of Cessation Orders Issued.....	0
D. Number of Violations and/or Commission Orders Resulting in Civil Penalties .....	0

**5. Judicial Actions (See Summary Page for Details)**

A. Number of Actions Filed (appeal of AOGC order) .....	0
B. Number of Actions Resolved or Concluded .....	0

**6. Inspection / Compliance Reviews Anticipated Next Quarter .....2500**

**7. Detail Report / Summary**

A. Section 4D – Civil Penalties

Company / Operator:	Traton Operating Company
AOGC Order Number:	218A-2013-08
Amount of Civil Penalty:	\$750.00
Nature of Violation:	Failure to produce, plug, or temporarily abandon a well within 24 months

B. Section 5 – Judicial Action

None

**AOGC Fayetteville Shale Activity Report**  
**Summary & Report of Notices of Non-Compliance**  
**Reporting Period: July 1, 2013 through September 30, 2013**

**Operators Receiving Notices of Non-Compliance (NNC)**

1. BHP Billiton Petroleum (Fayetteville) LLC .....	8
2. SEECO, Inc.....	14
3. XTO Energy, LLC.....	14
4. Arrington Oil & Gas Operating, LLC.....	9
5. Traton Operating Company .....	1
6. S & H Exploration, LLC .....	1

**AOGC Fayetteville Shale Activity Report**  
**Summary & Report of Notices of Violations**  
**Reporting Period: July 1, 2013 through September 30, 2013**

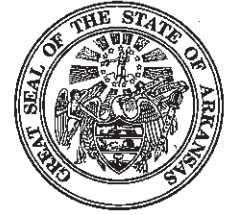
**Operators Receiving Notices of Violations (NOVs)**

1. Traton Operating Company.....	2
2. Hall Phoenix Energy, LLC .....	2
3. McCutchin Petroleum Corporation .....	1



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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Phone: (501) 683-5814  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### NOTICE OF VIOLATION

**Date Mailed:** September 9, 2013

**Certified Mail:** # 91 7199 9991 7032 1975 6606

**Issued to:**

Mr. Donald Louis Braun  
Hall Phoenix Energy, LLC  
6801 Gaylord Parkway, Ste. 100  
Frisco, Texas 75034

**Rule Citation and Description of Violation: General Rule D-8 and D-14**

General Rule D-8 b) states that "Monthly reports specifying the amount of natural gas produced and sold are required to be filed for each individual producing zone or approved commingled producing zones within a well, regardless of whether or not there was natural gas produced and sold during the month. The reports shall be filed on a form prescribed by the Director and shall be filed with the commission sixty (60) days after the end of each month. Reports for inactive wells shall continue to be submitted until such time as the commission determines monthly reports are no longer required in accordance with applicable commission rules and regulations." Reports are now delinquent for June 2013.

General Rule D-14 B) requires the person selling gas at the first point of sale, who is hereby defined to be the party initially responsible for distributing the 1/8 royalty interest shall, before paying for the production, deduct nine (9) mills for every thousand cubic feet of gas produced and removed from the lease each month, and remit the amounts so deducted to the Commission at the same time and periods as said purchasers make their regular gas payments. This gas assessment has not been paid for June 2013.

**Required Abatement Action(s):**

The permit holder is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule D-8 b) and D-14 B).

**Enforcement Action:**

All required actions above shall be completed within thirty (30) calendar days of the mailing or personal delivery of this Notice of Violation. If the Permit Holder fails to comply, the Director shall request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty up to the amount of \$2500.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties up to the amount of \$2500.00 per day for each and every day of continued failure to complete all required actions.

**Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:**

☐ El Dorado Regional Office      ☒ Fort Smith Regional Office      ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates  
Assistant Director  
Fort Smith Regional Office

Case # 139681



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### NOTICE OF VIOLATION

**Date Mailed:** August 6, 2013

**Certified Mail:** # 91 7199 9991 7032 1975 6583

**Issued to:**

Mr. Donald Louis Braun  
Hall Phoenix Energy, LLC  
6801 Gaylord Parkway, Ste. 100  
Frisco, Texas 75034

**Rule Citation and Description of Violation: General Rule D-8 and D-14**

General Rule D-8 b) states that "Monthly reports specifying the amount of natural gas produced and sold are required to be filed for each individual producing zone or approved commingled producing zones within a well, regardless of whether or not there was natural gas produced and sold during the month. The reports shall be filed on a form prescribed by the Director and shall be filed with the commission sixty (60) days after the end of each month. Reports for inactive wells shall continue to be submitted until such time as the commission determines monthly reports are no longer required in accordance with applicable commission rules and regulations." Reports are now delinquent for May 2013.

General Rule D-14 B) requires the person selling gas at the first point of sale, who is hereby defined to be the party initially responsible for distributing the 1/8 royalty interest shall, before paying for the production, deduct nine (9) mills for every thousand cubic feet of gas produced and removed from the lease each month, and remit the amounts so deducted to the Commission at the same time and periods as said purchasers make their regular gas payments. This gas assessment has not been paid for May 2013.

**Required Abatement Action(s):**

The permit holder is hereby notified of this Notice of Violation and is instructed to comply with the requirements of General Rule D-8 b) and D-14 B).

**Enforcement Action:**

All required actions above shall be completed within thirty (30) calendar days of the mailing or personal delivery of this Notice of Violation. If the Permit Holder fails to comply, the Director shall request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty up to the amount of \$2500.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties up to the amount of \$2500.00 per day for each and every day of continued failure to complete all required actions.

**Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:**

☐ El Dorado Regional Office      ☒ Fort Smith Regional Office      ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates  
Assistant Director  
Fort Smith Regional Office

Case # 139421



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Violation

**Date Mailed:** August 2, 2013

**Certified Mail:** # 91 7108 2133 3939 2362 4914

**Issued to:**

Traton Operating Company  
2929 Allen parkway, Suite 3450  
Houston, Texas 77019-7120

Attn: Mr. Patrick Merritt

**Location of Violation:**

Permit #40658  
Traton – Roberts #1-13H  
Section 13 –11N –17W  
B-43 Field  
Van Buren County, Arkansas

**Rule Citation:**

General Rule B-34 d) 1) – Produced Water Spill Remediation Requirements Notification

- 1) All spills of produced water, which occur after the effective date of this rule, from wells, flowlines, pits, tanks or containment dikes, shall immediately, but not more than 24 hours be contained using earthen dikes and other containment measures to minimize the amount of area affected by the spill.
- 2) All impounded produced water shall be picked up and removed from the site for disposal into an approved Class II UIC well, or recycled through the Permit Holder's production process.
- 3) The affected area shall be limed with at least 50 lbs. of agricultural grade lime per 100 square feet of affected area and tilled to a depth of at least 4 inches.
- 4) Based on the quantity and areal extent of the produced water spill, the proximity of the spill area to surface water features, the nature of the soil and land use of the area and any impact to public safety, the Director may require additional remediation action to be taken by the Permit Holder. These additional actions may include flushing of the area with freshwater (which shall be collected and disposed in a permitted Class II well), the addition of organic material (e.g., peat moss, hay, straw), additional chemical treatment, additional disking the soil, or soil removal. The operator shall be required to continue these corrective actions until the spill remediation efforts are deemed complete by the Director based on site specific conditions.

**Description of Violation:**

A recent inspection found the improper discharge of produced fluids at the above referenced well location. Produced fluids had escaped primary containment, secondary containment and onto the surface of the earth. The spill continued off of the well pad. The Commission has no record of notification of the discharge of produced fluids.

**Required Abatement Action(s):**

Traton Operating Company (Permit Holder) is hereby issued this Notice of Violation (NOV). The Permit Holder is hereby required to comply with the rules and regulations related to the outlined violation(s) described above by providing immediate response to this notice. The Permit Holder is required to remediate the well site as required per General Rule B-34. The permit holder is required to provide the Commission with notice of the remediation in order for the Commission to conduct another follow-up inspection.





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Violation

**Date Mailed:** August 2, 2013

**Certified Mail:** # 91 7108 2133 3939 2362 4907

**Issued to:**

Traton Operating Company  
2929 Allen parkway, Suite 3450  
Houston, Texas 77019-7120

Attn: Mr. Patrick Merritt

**Location of Violation:**

Permit #40658  
Traton – Roberts #1-13H  
Section 13 –11N –17W  
B-43 Field  
Van Buren County, Arkansas

**Rule Citation:**

General Rule B-26 e) - Containment Dikes or Other Containment Structures

- 1) The area within the containment dike or other approved containment structure shall be kept free of excessive vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Any fluids collected, spilled or discharged within such containment structures shall be removed as soon as practical, using the proper disposal methods.
- 2) The natural or man-made material utilized for the construction of the required containment dikes or other approved structures and the natural or man-made material used to line the bottom of the containment area shall be sufficiently impervious so as to contain fluids and resist erosion.

**Description of Violation:**

A recent inspection found the improper discharge of produced fluids at the above referenced well location. Produced fluids leaked from the primary containment (produced fluids tank), leaked through secondary containment and onto the surface of the ground. The fluids have potentially leaked into the USDW and waters of the State.

**Required Abatement Action(s):**

Traton Operating Company (Permit Holder) is hereby notified of this Notice of Violation (NOV) and Cessation Order. The Permit Holder is hereby required to comply with the rules and regulations related to the outlined violation(s) described above by providing immediate response to this notice. Containment must be sufficiently impervious so as to contain fluids and resist erosion. The permit holder is required to provide the Commission with notice of the repairs in order for the Commission to conduct another follow-up inspection.

**Enforcement Action:**

Traton Operating Company is hereby notified of this Notice of Violation. Failure to complete all required action(s) may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in the amount of up to \$2500.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$2500.00 per day for each and every day of continued failure to complete all required actions.

**Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:**

☐ El Dorado Regional Office      ☒ Fort Smith Regional Office      ☐ Little Rock Office

In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

Copy

Steve Gates  
Assistant Director  
Fort Smith Regional Office

Case # 139380



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
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Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Violation

**Date Issued:** July 26, 2013

**Certified Mail:** # 91 7108 2133 3939 2362 4884

**Issued to:**

Mr. Jerry McCutchin, Jr.  
McCutchin Petroleum Corporation  
8343 Douglas Avenue, Suite 370  
Dallas, TX 75225

**Location of Violation:**

Permit # 42980  
McCutchin – Nolen #1-3  
Section 03-06N-10W  
B-43 Area  
White County, Arkansas

**Rule Citation:**

General Rule D-16) e) All existing PRUs, except PRUs subject to an exceptional location penalty, with an AOF of less than 1 MMCF per day shall not be subject to an allowable determination as calculated in paragraph (k) below, but shall be tested within twelve (12) months and ten (10) days from the date of the most recent test to determine and report, on a form prescribed by the Director, a 24 hour shut-in pressure, deliverability and absolute open flow rate.

**Description of Violation:**

The Commission has not received the required annual test which was due on May 25, 2013.

**Required Abatement Action(s):**

The Permit Holder is hereby notified of this Notice of Violation and instructed to comply with General D-16. McCutchin is required to provide the Commission with the required test for the above referenced well within thirty (30) days of this letter. **If it is necessary for the test to be witnessed as per D-16, please contact me in the Fort Smith Regional office for scheduling.**

**Enforcement Action:**

Failure to complete all required action within 30 days of this letter may result in a Director's request, after notice and hearing, for an order to compel compliance and the assessment of a civil penalty in an amount of up to \$2500.00 for failure to complete all required actions. The Director may also request the assessment of additional civil penalties in the amount of \$2500.00 per day for each and every day of continued failure to complete all required actions from the date of this Notice of Violation.

**Upon completion of all required actions, permit holder shall notify the appropriate AOGC Office:**

☐ El Dorado Regional Office      ☒ Fort Smith Regional Office      ☐ Little Rock Office

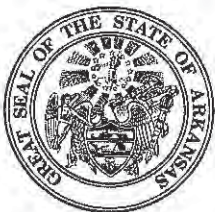
In accordance with General Rule A-5, you may request a Director's Review of this Notice of Violation by notifying the Director within 30 calendar days of the mailing or personal delivery of this Notice of Violation. The request must be in writing, and include any information in mitigation of the violation, and may include a proposed alternative to the required action needed to abate the violation. Failure to request a Director's review within 30 days shall result in the Notice of Violation becoming a final administrative decision of the Commission.

COPY

Steve Gates  
Assistant Director  
Fort Smith Regional Office

Case # 139297





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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Fort Smith, AR 72903  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

September 30, 2013

#### Issued to:

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Mr. Jack Bergeron

#### Location of Non-Compliance:

Permit # 46390  
SEECO – Koone-Bradford 09-16 4-4H28  
Section 04-09N-16W  
B-43 Area  
Conway County, Arkansas

#### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Sign not at well.

#### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139735





# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

September 11, 2013

### Issued to:

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Mr. Jack Bergeron

### Location of Non-Compliance:

Permit # 44170  
SEECO – Brown 09-13 6-31H26  
Section 31-09N-13W  
B-43 Area  
Van Buren County, Arkansas

### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Wrong county on sign.

### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139714





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

September 11, 2013

#### Issued to:

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Mr. Jack Bergeron

#### Location of Non-Compliance:

Permit # 42009  
SEECO - Whisenhunt 09-14 4-1H12  
Section 01-09N-14W  
B-43 Area  
Van Buren County, Arkansas

#### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☒ ☐ No containment for produced fluids storage tank or ☒ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Containment does not meet 1.5 times tank capacity.

#### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139712





## ARKANSAS OIL AND GAS COMMISSION NOTICE OF NON-COMPLIANCE



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

September 11, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Mr. Jack Bergeron

**Location of Non-Compliance:**

Permit # 39021  
SEECO – Quattlebaum 2-32H  
Section 32-11N-14W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other: No sign at well.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

*Copy*

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

September 11, 2013

#### Issued to:

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd. Ste.150  
Houston, TX 77056-3030

Mr. Greg McCain

#### Location of Non-Compliance:

Permit # 41811  
BHP – Waddle 11-17 2-23H  
Section 23-11N-17W  
B-43 Area  
Van Buren County, Arkansas

#### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☒ ☐ No containment for produced fluids storage tank or ☒ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Containment liner has hole in the bottom.

#### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139697





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
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FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

September 10, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

**Location of Non-Compliance:**

Permit # 40240  
SEECO – Green Bay Packaging 10-11 1-29H  
Section 29-10N-11W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced well last reported sales in August 2011.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 30, 2013

**Issued to:**

XTO Energy, Inc.  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 42457  
XTO – Haile 1-13H14  
Section 13-09N-09W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Both signs at lease entrance have the wrong range on them.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
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FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 30, 2013

**Issued to:**

XTO Energy, Inc.  
210 Park Avenue, Ste. 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit #42958  
XTO – Peel 1-9H  
Section 09-10N-08W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation:**

General Rule B-9 e) 5) requires all production equipment, concrete bases, machinery, and equipment debris shall be removed from the site.

**Description of Violation:**

A recent follow-up inspection of the plugging operation found flow line from the well to production equipment remaining on the location.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-9 e) 5). The Permit Holder is required to remove all production equipment from the site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
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Fax: (501) 683-5818

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3309 Phoenix Avenue  
Fort Smith, AR 72903  
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FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 27, 2013

**Issued to:**

XTO Energy, Inc.  
210 Park Avenue, Ste. 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit #38287  
XTO – Carter, B. # 1-35  
Section 35-9N-10W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation:**

General Rule B-9 e) 5) requires all production equipment, concrete bases, machinery, and equipment debris shall be removed from the site.

**Description of Violation:**

A recent follow-up inspection of the plugging operation and final inspection found piping remaining on the location.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-9 e) 5). The Permit Holder is required to remove all production equipment from the site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 26, 2013

**Issued to:**

Traton Operating Company  
2929 Allen Parkway, Ste. 3450  
Houston, TX 77019

Mr. Patrick Merritt

**Location of Non-Compliance:**

Permit # 40660  
Traton- Files #3-12H  
Section 12-11N-17W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☒ ☐ Improper equipment storage ☐ excessive vegetation ☒ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Compressor leaking or draining onto the surface of the ground.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

Case # 139634





# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 22, 2013

### Issued to:

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

### Location of Non-Compliance:

Permit # 40572  
SEECO – Sneed 9-12 #2-4H  
Section 4-9N-12W  
B-43 Area  
Van Buren County, Arkansas

### Rule Citation:

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

### Description of Violation:

The above referenced well last reported sales in July 2011.

### Action Required:

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 22, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

**Location of Non-Compliance:**

Permit # 43554  
SEECO – Hurst 8-13 #3-5H  
Section 5-8N-13W  
B-43 Area  
Faulkner County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced well last reported sales in July 2011.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 22, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

**Location of Non-Compliance:**

Permit # 38983  
SEECO – Horton #1-5H  
Section 5-8N-11W  
B-43 Area  
Faulkner County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced well last reported sales in July 2011.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 22, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

**Location of Non-Compliance:**

Permit # 39947  
SEECO – Green Bay Packaging 9-16 #1-15H  
Section 25-10N-27W  
B-43 Area  
Conway County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced well last reported sales in June 2011.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 23, 2013

**Issued to:**

**Location of Non-Compliance:**

XTO Energy, Inc.  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Permit # 40592  
XTO – Burke 10-14 1-21H  
Section 21-10N-14W  
B-43 Area  
Van Buren County, Arkansas

Mr. Douglas C. Schultze

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☒ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Containment for lift motor is leaking oil/water to ground.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139593



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
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2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 23, 2013

**Issued to:**

XTO Energy, Inc  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 41261  
XTO – Hipp 12-10 3-30  
Section 30-12N-10W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Wrong well number on sign at well head and containment.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 23, 2013

**Issued to:**

XTO Energy, Inc.  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 41126  
XTO – Deltic Timber 12-10 1-32H  
Section 32-12N-10W  
B-43 Area  
Cleburne County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: No sign at entrance.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 21, 2013

### Issued to:

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Mr. John Bergeron

### Location of Non-Compliance:

Permit # 39639  
SEECO Inc. – Golden 08-16 1-10H  
Section 10-08N-16W  
B-43 Area  
Conway County, Arkansas

### Rule Citation and Description of Violation:

General Rule B-9 e) 5) states:

5) All production equipment, concrete bases, machinery, and equipment debris shall be removed from the site.

### Statement of Violation:

An inspection was performed at the well site of the subject well. Inspector observed and documented:  
-Poly pipe sticking up out of the corner of the pad; B-9 e) 5)

### Action Required:

SEECO, Inc. is hereby noticed of these non compliance issues and must remediate the well site within thirty (30) days of this Notice. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadline set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

*Copy*

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

August 16, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, Texas 77067

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46535  
SEECO, Inc.: Deckard, Dale 10-09 #4-4H8  
Section 4 – 10N – 9W  
B-43 Field  
Clebune County, Arkansas

**Rule or Procedure Violation and Description of Non-Compliance:**

General Rule B-43 I) states "Wells completed in and producing from only unconventional sources of supply, within the covered lands, shall report on a form prescribed by the Director, the highest twenty-four (24) hour production rate during the first forty (40) days of production, which form shall be filed within sixty (60) days of the date of first production from the well." The date of commencement of production for the above referenced well was June 16, 2013. The well should have been tested by July 26, 2013 and received in the Fort Smith office by August 15, 2013.

**Required Action(s):**

The permit holder is hereby notified of this Non-Compliance issue and is instructed to comply with Commission Rules. The permit holder is further notified to provide the Commission with the required reports within thirty (30) days of this letter. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadlines set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Marcia Nicko  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

Case # 139554



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

August 16, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, Texas 77067

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46534  
SEECO, Inc.: Deckard, Dale 10-09 #3-4H8  
Section 4 - 10N - 9W  
B-43 Field  
Clebune County, Arkansas

**Rule or Procedure Violation and Description of Non-Compliance:**

General Rule B-43 I) states "Wells completed in and producing from only unconventional sources of supply, within the covered lands, shall report on a form prescribed by the Director, the highest twenty-four (24) hour production rate during the first forty (40) days of production, which form shall be filed within sixty (60) days of the date of first production from the well." The date of commencement of production for the above referenced well was June 15, 2013. The well should have been tested by July 12, 2013 and received in the Fort Smith office by August 14, 2013.

**Required Action(s):**

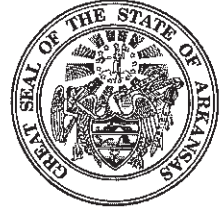
The permit holder is hereby notified of this Non-Compliance issue and is instructed to comply with Commission Rules. The permit holder is further notified to provide the Commission with the required reports within thirty (30) days of this letter. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadlines set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

COPY

Marcia Nicko  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 16, 2013

### Issued to:

XTO Energy, Inc  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

### Location of Non-Compliance:

Permit # 38640  
XTO – Alta-Briggler 1-31H  
Section 31-08N-16W  
B-43 Area  
Conway County, Arkansas

### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☒ ☐ No containment for produced fluids storage tank or ☒ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Secondary containment does not meet 1 ½ times tank capacity.

### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Mike Passmore  
District Oil & Gas Supervisor  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 16, 2013

**Issued to:**

XTO Energy, Inc  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 40276  
XTO – Whisenhunt 7-31H  
Section 31-10N-13W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Range on sign at well head and entrance is 31-10N-14W and it should be 31-10N-13W.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139545



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 16, 2013

### Issued to:

XTO Energy, Inc  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

### Location of Non-Compliance:

Permit # 41326  
XTO – Greenbay 12-11 1-17H  
Section 17-12N-11W  
B-43 Area  
Cleburne County, Arkansas

### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Wrong county on signs at entrance and containment.

### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139541





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 16, 2013

**Issued to:**

XTO Energy, Inc  
210 Park Avenue, Suite 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultz

**Location of Non-Compliance:**

Permit # 38628  
XTO – Beck 8-16 1-32H  
Section 32-08N-16W  
B-43 Area  
Conway County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☐ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☒ ☐ Improper equipment storage ☒ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☐ Other: \_\_\_\_\_

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Mike Passmore  
District Oil & Gas Supervisor  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 139535



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 9, 2013

**Issued to:**

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702  
Mr. Keith Bucy

**Location of Non-Compliance:**

Permit # 44406  
Arrington – Wooldridge 11-05 #1-30H31  
Section 30-11N-05W  
B-43 Area  
Independence County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced well has never reported sales. Well was completed in May 2011.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 08, 2013

**Issued to:**

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

**Location of Non-Compliance:**

Permit # 45079  
Arrington – Maxwell 7-15 # 1-17H  
Section 17-7N-15W  
B-43 Area  
Conway County, Arkansas

**Rule Citation:** General Rule B-26 e) 5)

- 5) The area within the containment dike or other approved containment structure shall be kept free of excessive vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Drain lines installed through the firewall, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use. Any fluids collected, spilled or discharged within such containment structures shall be removed as soon as practical, using the following proper disposal methods:
- A) Stormwater, which has not been mixed with non-exempt RCRA waste as defined by the EPA, may be drained from the containment structure provided the following conditions are met:
    - i) the chloride content shall not exceed applicable state water quality standards.
    - ii) there must be no visible evidence of hydrocarbons or hydrocarbon sheen present;
    - iii) the discharge shall only take place during daylight hours;
    - iv) a representative of the Permit Holder must be present during discharge; and
    - v) the Permit Holder shall maintain a record of each stormwater discharge, occurring in the previous 6 month period, and which shall be available for review upon request by Commission staff. The record shall indicate the location, quantity, chloride content, presence of any hydrocarbons (sheen), and date of discharge.
  - B) Produced fluids which have not been mixed with non-exempt RCRA waste as defined by the USEPA, may be recycled through the production equipment or removed from the containment structure and disposed in a properly permitted Class II UIC Well.
  - C) All stormwater and produced fluids which have been mixed with non-exempt RCRA waste as defined by the USEPA shall be removed and disposed in accordance with applicable Pollution Control and Ecology Commission regulations, as administered by ADEQ.



### **Description of Violation:**

A recent inspection found secondary containment holding stormwater and/or produced fluids. A sheen (indicating hydrocarbons) was found on the water's surface indicating the mixture of stormwater with non-exempt RCRA wastes. Also, a pump was found inside containment with an uncapped line that was draining fluids from within containment onto the surface of the earth outside containment. The line must be valved and capped or plugged when not in use.

### **Required Action(s):**

Please remove all fluids from secondary containment and provide the Commission with the records of the stormwater discharge occurring in the previous six (6) month period which shall include quantity of discharge, chloride content, presence of any hydrocarbons, and the date of the discharge. Also provide documentation as to the method of testing for chlorides used in the records. Drain lines installed, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped or plugged when not in use.

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

cc: Well File  
Operator File



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

August 08, 2013

#### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

#### Location of Non-Compliance:

Permit # 43334  
Arrington – Salmon Bros. 11-06 # 1-33H  
Section 33-11N-06W  
B-43 Area  
Independence County, Arkansas

#### Rule Citation: General Rule B-26 e) 5)

- 5) The area within the containment dike or other approved containment structure shall be kept free of excessive vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Drain lines installed through the firewall, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use. Any fluids collected, spilled or discharged within such containment structures shall be removed as soon as practical, using the following proper disposal methods:
- A) Stormwater, which has not been mixed with non-exempt RCRA waste as defined by the EPA, may be drained from the containment structure provided the following conditions are met:
    - i) the chloride content shall not exceed applicable state water quality standards.
    - ii) there must be no visible evidence of hydrocarbons or hydrocarbon sheen present;
    - iii) the discharge shall only take place during daylight hours;
    - iv) a representative of the Permit Holder must be present during discharge; and
    - v) the Permit Holder shall maintain a record of each stormwater discharge, occurring in the previous 6 month period, and which shall be available for review upon request by Commission staff. The record shall indicate the location, quantity, chloride content, presence of any hydrocarbons (sheen), and date of discharge.
  - B) Produced fluids which have not been mixed with non-exempt RCRA waste as defined by the USEPA, may be recycled through the production equipment or removed from the containment structure and disposed in a properly permitted Class II UIC Well.
  - C) All stormwater and produced fluids which have been mixed with non-exempt RCRA waste as defined by the USEPA shall be removed and disposed in accordance with applicable Pollution Control and Ecology Commission regulations, as administered by ADEQ.

**Description of Violation:**

A recent inspection found a pump inside containment with an uncapped line that was draining fluids from within containment onto the surface of the earth outside containment. The line must be valved and capped or plugged when not in use.

**Required Action(s):**

Please provide the Commission with the records of the stormwater discharge occurring in the previous six (6) month period which shall include quantity of discharge, chloride content, presence of any hydrocarbons, and the date of the discharge. Also provide documentation as to the method of testing for chlorides used in the records. Drain lines installed, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped or plugged when not in use.

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

cc: Well File  
Operator File





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

August 08, 2013

#### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

#### Location of Non-Compliance:

Permit # 43334  
Arrington – Salmon Bros. 11-06 # 1-33H  
Section 33-11N-06W  
B-43 Area  
Independence County, Arkansas

#### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Entrance sign does not have emergency phone number or Section, Township and Range.

#### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office



## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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### Notice of Non-Compliance

**Date Mailed:**

August 08, 2013

**Issued to:**

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

**Location of Non-Compliance:**

Permit # 43173  
Arrington – Salmon Bros. 11-06 #1-34H  
Section 34-11N-06W  
B-43 Area  
Independence County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Entrance sign does not have emergency phone number or Section, Township and Range.

**Required Action(s):**

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

August 08, 2013

#### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

#### Location of Non-Compliance:

Permit # 43173  
Arrington – Salmon Bros. 11-06 #1-34H  
Section 34-11N-06W  
B-43 Area  
Independence County, Arkansas

#### Rule Citation: General Rule B-26 e) 5)

- 5) The area within the containment dike or other approved containment structure shall be kept free of excessive vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Drain lines installed through the firewall, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use. Any fluids collected, spilled or discharged within such containment structures shall be removed as soon as practical, using the following proper disposal methods:
- A) Stormwater, which has not been mixed with non-exempt RCRA waste as defined by the EPA, may be drained from the containment structure provided the following conditions are met:
    - i) the chloride content shall not exceed applicable state water quality standards.
    - ii) there must be no visible evidence of hydrocarbons or hydrocarbon sheen present;
    - iii) the discharge shall only take place during daylight hours;
    - iv) a representative of the Permit Holder must be present during discharge; and
    - v) the Permit Holder shall maintain a record of each stormwater discharge, occurring in the previous 6 month period, and which shall be available for review upon request by Commission staff. The record shall indicate the location, quantity, chloride content, presence of any hydrocarbons (sheen), and date of discharge.
  - B) Produced fluids which have not been mixed with non-exempt RCRA waste as defined by the USEPA, may be recycled through the production equipment or removed from the containment structure and disposed in a properly permitted Class II UIC Well.
  - C) All stormwater and produced fluids which have been mixed with non-exempt RCRA waste as defined by the USEPA shall be removed and disposed in accordance with applicable Pollution Control and Ecology Commission regulations, as administered by ADEQ.

**Description of Violation:**

A recent inspection found a pump inside containment with an uncapped line for drainage purposes. The line must be capped or plugged when not in use.

**Required Action(s):**

Drain lines installed, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use. The line and valve must have a cap or plug installed.

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

cc: Well File  
Operator File





# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 08, 2013

### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

### Location of Non-Compliance:

Permit # 40623  
Arrington - Pulliam 2-28H  
Section 28-11N-06W  
B-43 Area  
Independence County, Arkansas

### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Entrance sign does not have emergency phone number or Section, Township and Range.

### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

August 08, 2013

#### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

#### Location of Non-Compliance:

Permit # 42918  
Arrington – Potter 1-34H  
Section 34-11N-12W  
B-43 Area  
Van Buren County, Arkansas

#### Rule Citation: General Rule B-26 e) 5)

- 5) The area within the containment dike or other approved containment structure shall be kept free of excessive vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Drain lines installed through the firewall, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use. Any fluids collected, spilled or discharged within such containment structures shall be removed as soon as practical, using the following proper disposal methods:
- A) Stormwater, which has not been mixed with non-exempt RCRA waste as defined by the EPA, may be drained from the containment structure provided the following conditions are met:
    - i) the chloride content shall not exceed applicable state water quality standards.
    - ii) there must be no visible evidence of hydrocarbons or hydrocarbon sheen present;
    - iii) the discharge shall only take place during daylight hours;
    - iv) a representative of the Permit Holder must be present during discharge; and
    - v) the Permit Holder shall maintain a record of each stormwater discharge, occurring in the previous 6 month period, and which shall be available for review upon request by Commission staff. The record shall indicate the location, quantity, chloride content, presence of any hydrocarbons (sheen), and date of discharge.
  - B) Produced fluids which have not been mixed with non-exempt RCRA waste as defined by the USEPA, may be recycled through the production equipment or removed from the containment structure and disposed in a properly permitted Class II UIC Well.
  - C) All stormwater and produced fluids which have been mixed with non-exempt RCRA waste as defined by the USEPA shall be removed and disposed in accordance with applicable Pollution Control and Ecology Commission regulations, as administered by ADEQ.



**Description of Violation:**

A recent inspection found secondary containment holding stormwater and/or produced fluids. A sheen (indicating hydrocarbons) was found on the water's surface indicating the mixture of stormwater with non-exempt RCRA wastes. Also, a pump was found inside containment with an uncapped line that was draining fluids from within containment onto the surface of the earth outside containment. The line must be valved and capped when not in use.

**Required Action(s):**

Please remove all fluids from secondary containment and provide the Commission with the records of the stormwater discharge occurring in the previous six (6) month period which shall include quantity of discharge, chloride content, presence of any hydrocarbons, and the date of the discharge. Also provide documentation as to the method of testing for chlorides used in the records. Drain lines installed, for the purpose of draining stormwater, shall have a valve installed which shall remain closed and capped when not in use.

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

cc: Well File  
Operator File



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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Little Rock, AR 72205  
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3309 Phoenix Avenue  
Fort Smith, AR 72903  
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FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

### Date Mailed:

August 08, 2013

### Issued to:

Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
500 West Wall, Suite 300  
Midland, TX 79702

Attn: Mr. Keith Bucy

### Location of Non-Compliance:

Permit # 40255  
Arrington - Pulliam 1-28H  
Section 28-11N-06W  
B-43 Area  
Independence County, Arkansas

### Rule Citation and Description of Non-Compliance: General Rule B-26

- ☒ Failure to maintain proper well identification (Rule B-26 b))
- ☐ ☐ Produced fluids leaking or ☐ spilled (Rule B-26 d))
- ☐ ☐ No containment for produced fluids storage tank or ☐ improper containment (Rule B-26 e))
- ☐ Containment area shall not contain ☐ excessive vegetation, ☐ storm water, ☐ produced fluids, ☐ debris, ☐ trash (Rule B-26 e))
- ☐ Improper bird netting on produced fluids storage tank (Rule B-26 d))
- ☐ ☐ Improper equipment storage ☐ excessive vegetation ☐ improperly disposed oil (Rule B-26 i))
- ☐ Leaking well (Rule B-26 k))
- ☒ Other: Entrance sign does not have emergency phone number or Section, Township and Range.

### Required Action(s):

Please have this site remediated within thirty (30) days from the date of this Notice and notify the Fort Smith Regional Office in writing upon completion of remediation of the referenced site. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case #139485



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

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3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 7, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 38967  
BHP – Kerr 7-10 #1-5  
Section 5-7N-10W  
B-43 Area  
White County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported October 2008.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

SH Exploration, LLC  
1603 LBJ Frwy., Ste. 300  
Dallas, TX 75234

Attn: Mr. Richard D. Morgan

**Rule Citation and Description of Violation:** General Rule D-8 and D-14

Arkansas Oil and Gas Commission (Commission) General Rule D-8 b) requires the permit holder to file a monthly gas report (Form 7) for any well that is not plugged and abandoned. Production report for May 2013 is delinquent.

General Rule D-14 B) requires the person selling gas at the first point of sale, who is hereby defined to be the party initially responsible for distributing the 1/8 royalty interest shall, before paying for the production, deduct nine (9) mills for every thousand cubic feet of gas produced and removed from the lease each month, and remit the amounts so deducted to the Commission at the same time and periods as said purchasers make their regular gas payments. This gas assessment has not been paid for May 2013.

**Action Required:**

The permit holder is hereby notified of this Non-Compliance issue and is instructed to comply with Commission Rules. The permit holder is further notified to provide the Commission with the required reports within thirty (30) days of this letter. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadlines set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Marcia Nicko  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 39567  
BHP – Rossi 8-13 1-2H  
Section 2-8N-13W  
B-43 Area  
Faulkner County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported February 2009.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

Case #139414





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 42216  
BHP – Jimmy Reynolds 7-13 2-2H35  
Section 2-7N-13W  
B-43 Area  
Faulkner County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported July 2010.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 39453  
BHP -- Harlan 7-10 2-32H  
Section 32-7N-10W  
B-43 Area  
White County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported December 2009.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-5818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7656

El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 41916  
BHP – Childers 7-13 1-2H  
Section 2-17N-13W  
B-43 Area  
Faulkner County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported October 2010.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

**Case # 139404**





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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El Dorado Regional Office  
2215 West Hillshore  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

#### Date Mailed:

August 6, 2013

#### Issued to:

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

#### Location of Non-Compliance:

Permit # 39108  
BHP – Harlan 7-10 1-32H  
Section 32-7N-10W  
B-43 Area  
White County, Arkansas

#### Rule Citation:

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

#### Description of Violation:

The above referenced wells last date of production was reported March 2009.

#### Action Required:

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

# COPY

Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

Case # 139406





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
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Fort Smith, AR 72903  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

July 30, 2013

**Issued to:**

XTO Energy, Inc.  
210 Park Avenue, Ste. 2350  
Oklahoma City, OK 73102

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

XTO Energy – Deltic 2, 3, 4-6H & 5-6H8  
Section 6-9N-12W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation and Description of Non-Compliance:** General Rule B-17

- ☐ Failure to notify Commission of commencement of pit construction (B-17 d))
- ☐ Unauthorized discharge from pit (B-17 e))
- ☐ Failure to meet or maintain construction requirements for pit (B-17 f)) \_\_\_\_\_
- ☐ Failure to maintain operating requirements for pit (B-17 g)) \_\_\_\_\_
- ☐ Failure to properly dispose of water based fluids (B-17 h)) \_\_\_\_\_
- ☐ Failure to properly close pit or return pad to grade (B-17 h), i) or j)) \_\_\_\_\_
- ☐ Failure to submit Notice of Pit Closure (B-17 h) or i))
- ☐ Failure to properly dispose of oil based fluids (B-17 i)) \_\_\_\_\_
- ☐ Produced water, workover flow-back water, waste oil any other non-hazardous oilfield wastes (NOW) found in workover, emergency or test pit (B-7j)) \_\_\_\_\_
- ☐ Failure to maintain stormwater erosion or sediment controls (B-17 l)) \_\_\_\_\_
- ☒ Other or remarks: Form 2B was received on July 25, 2013. Pit was closed on March 1, 2013.

B-17 h) 7) requires Notice of Pit Closure (Form 2B) to be filed within 30 days of closure.

**Required Action(s):**

No required action. Continued failure to comply with the General Rule B-17 h) 7) will result in a Notice of Violation being issued by the Director of Production and Conservation.

Copy

Kristi Cate  
Fort Smith Regional Office



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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Little Rock, AR 72205  
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El Dorado Regional Office  
2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 1, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

Attn: Jack Bergeron

**Location of Non-Compliance:**

Permit # 41601  
SEECO – Parish, Reba 10-13 #2-12H  
Section 12-10N-13W  
B-43 Field  
Van Buren County, Arkansas

**Rule Citation and Description of Violation:**

Rule B-7 h) 3) D) iv) Conduct a fluid level test by wireline or other approved electronic or mechanical means, which determines that the static fluid level is at least 150 feet below the base of the lowest usable groundwater in the area, and which must be witnessed by commission staff upon no less than 48 hours notice prior to conducting the fluid level test. **The fluid level test shall be conducted annually, on the anniversary date of the temporary abandonment during each year of the three (3) year temporary abandonment period.**

Rule B-7 h) 4) Failure to maintain any of the above conditions (Rule B-7 h) 3) D) iv) will result in revocation of the temporary abandonment status and require the well to be plugged in thirty (30) days, **unless an extension of time to plug is granted after notice and hearing.**

**Statement of Violation:**

SEECO was granted an initial "Temporary Abandonment" status on April 27, 2011. The follow-up mandatory annual fluid level test was conducted on April 25, 2013 and was denied, therefore the well no longer meets the minimum requirement as outlined in Rule B-7 h) 3) D) iv). A letter was issued on May 15, 2013 notifying SEECO of the denial and was given 30 days to either plug the well or seek other avenues to return the well to compliance with the rules and regulations of the Commission.

**Action Required:**

You are hereby notified to commence plugging operations in accordance with applicable rules and regulations within thirty (30) day of this Notice or request an extension of time to be granted by the Full Commission after a public notice and hearing. Failure to comply with the terms of this Notice of Non-Compliance prior to the deadline set forth within this document shall result in a Notice of Violation being issued by the Director of Production and Conservation.

**COPY**

Krystal Lunsford  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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2215 West Hillsboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

August 6, 2013

**Issued to:**

BHP Billiton Petroleum (Fayetteville), LLC  
1360 Post Oak Blvd., Suite 150  
Houston, TX 77056-3030

Attn: Mr. Greg McCain

**Location of Non-Compliance:**

Permit # 39988  
BHP – Caldwell Farms 8-9 # 1-20H  
Section 20-08N-9W  
B-43 Area  
White County, Arkansas

**Rule Citation:**

General Rule B-7 (d) All cased wells utilized for oil, gas or brine production, water supply or injection purposes, except such holes as are described in Rule B-10, shall be plugged and abandoned in accordance with applicable commission rules after the well has been idle for more than 24 months, or sooner should the Director determine that the cased well presents a risk of contamination to the environment or a risk to public safety, unless an application is filed to request temporary abandonment status for the well in accordance with subparagraph h). Upon such determination by the Director or if temporary abandonment status is denied, the Permit Holder shall commence plugging the well within 30 days after notification by the Director. Failure to commence plugging the well within 30 days after notification by the Director may result in the initiation of well abandonment proceedings in accordance with General Rule G-1.

**Description of Violation:**

The above referenced wells last date of production was reported February 2008.

**Action Required:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule B-7. B-7 (d) requires the Permit Holder to commence plugging within thirty (30) days. B-7 (h) allows the temporary abandonment of the well for a period not to exceed three (3) years from the date of approval by the Director. The Permit Holder is required to submit a Form 33 "Application for Temporary Abandoned Well Status" or commence plugging operations. Failure to comply with the terms of this Notice of Non-Compliance or receive an extension of time prior to the deadlines set forth within this document may result in a Notice of Violation being issued by the Director of Production and Conservation.

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Steve Gates  
Assistant Director  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission