

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

July 15, 2014

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: April 1, 2014 through June 30, 2014

#### 1. Inspection Staff

A. Number of Full Time Inspector Staff (Statewide).....	16*
<b>*(1 vacancy in South Arkansas outside Fayetteville Shale area)</b>	
B. Number of Part Time Inspector Staff (Statewide).....	2
C. Number of Full Time Inspector Staff (Fayetteville Shale Only).....	7**
<b>** (2 vacancies during quarter)</b>	
D. Number of Part Time Inspector Staff (Fayetteville Shale Only) .....	2

#### 2. Inspection/Compliance Reviews

A. Number at Field Inspections Conducted .....	2686
B. Number of Compliance Reviews Conducted .....	1263
(1) Form 2 Drilling/ Fracture Permit.....	127
(2) Form 2A Drilling Pit Construction .....	50
(3) Form 2B Drilling Pit Closure .....	40
(4) Form 3 Completion Report .....	164
(5) Form 3A Fracture Stimulation Report .....	150
(6) Form 4 Authority to Commence Production .....	150
(7) Form 12 Plugging Report.....	2
(8) Form 13 Production Test.....	9
(9) Form 14 Monthly Disposal Well Report .....	33
(10) Form 23 Well Transfer Report .....	0
(11) Form 24 Fire, Leak, Spill, Blowout Incident Report.....	21
(12) Form 25 Cross Unit Well Review.....	85
(13) Form 33 Temporary Abandonment .....	30
(14) Casing Setting Notice .....	401
(15) Form 38 Notice of Well Servicing (Disposal Wells).....	1

#### 3. Complaints Received .....

A. Resolved without Field Investigation.....	0
B. Complaints Requiring Field Investigation.....	4
C. Investigations Resulting in Enforcement Actions .....	0

#### 4. Enforcement

A. Number of Notices of Non-Compliance (NNC) Issued .....	25
(1) Operations-Related NNCs.....	9
(2) Administrative-Related NNCs.....	16

B. Number of Notices of Violation (NOV) Issued .....	6
(1) Operations-Related NOV.....	5
(2) Administrative-Related NOV.....	1
C. Number of Cessation Orders Issued.....	1
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 .....3500**

**7. Detail Report / Summary**

- A. Section 4D – Civil Penalties  
None
- B. Section 5 – Judicial Action  
None

**AOGC Fayetteville Shale Activity Report  
Summary & Report of Notices of Non-Compliance  
Reporting Period: April 1, 2014 through June 30, 2014**

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

1. SEECO, Inc. ....	15
2. BHP Billiton Petroleum (Fayetteville), LLC .....	3
3. XTO Energy, LLC.....	5
4. D-90 Energy, LLC.....	1
5. Foundation Energy Management LLC.....	1



## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
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Fort Smith Regional Office  
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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:**

April 1, 2014

**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 #40769  
BHP – Barger 7-8 #1-19H  
Section 19-7N-8W  
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 2012.

**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





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### Notice of Non-Compliance

**Date Mailed:**

April 1, 2014

**Issued to:**

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

Attn: John Bergeron

**Location of Non-Compliance:**

Permit # 38107  
SEECO – Vaughan #3-22  
Section 22-09N-17W  
B-43 Field  
Conway 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 February 28, 2013. The follow-up mandatory annual fluid level test was not conducted on the subject well as required and therefore, no longer meets the minimum requirement as outlined in Rule B-7 h) 3) D) iv).

**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

Case # 140205



# 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:**

April 7, 2014

**Issued to:**

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

Attn: John Bergeron

**Location of Non-Compliance:**

Permit # 39710  
SEECO – Mathis 09-18 2-25H  
Section 25-09N-18W  
B-43 Field  
Pope 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 March 12, 2013. The follow-up mandatory annual fluid level test was not conducted on the subject well as required and therefore, no longer meets the minimum requirement as outlined in Rule B-7 h) 3) D) iv).

**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

Case # 140219





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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

### Notice of Non-Compliance

**Date Mailed:**

April 7, 2014

**Issued to:**

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

Attn: John Bergeron

**Location of Non-Compliance:**

Permit # 40556  
SEECO – Hillis 10-16 2-21H  
Section 21-10N-16W  
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 March 12, 2013. The follow-up mandatory annual fluid level test was not conducted on the subject well as required and therefore, no longer meets the minimum requirement as outlined in Rule B-7 h) 3) D) iv).

**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:**

April 8, 2014

**Issued to:**

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

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit #40670  
XTO – Jolly 8-12 #1-9H  
Section 9-8N-12W  
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 March 2012.

**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



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### Notice of Non-Compliance

**Date Mailed:**

April 11, 2014

**Issued to:**

Foundation Energy Management, LLC  
16000 North Dallas Parkway, Ste. 875  
Dallas, TX 75248

Attn: Mr. Richard L. Payne

**Location of Non-Compliance:**

Permit # 39544  
Foundation – Green Bay #1-22H  
Section 22 - 8N - 18W  
B-43 Field  
Pope County, Arkansas

**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. The production report for January 2014 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 January 2014.

**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

SCANNED

APR 11 2014



## 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:**

April 18, 2014

**Issued to:**

D90 Energy, LLC  
202 Travis Street, Ste. 402  
Houston, TX 77002

Mr. Daniel H. Silverman

**Location of Non-Compliance:**

Permit # 40659  
D90 Energy - Files #2-12H  
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: Wrong operator on sign. 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  
Fort Smith Regional Office  
Arkansas Oil and Gas Commission

Case # 140262





# 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

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### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

April 22, 2014

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067  
**Attn: John Bergeron**

**Location of Violation:**

Permit # 38754  
SEECO – Kessinger Trust #1-2H  
Section 2-08N-12W  
B-43 Field  
Faulkner County, Arkansas

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

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. The annual test for the referenced well was due on March 7, 2014.

**Required Action(s):**

The Permit Holder is hereby notified of this Notice of Non-Compliance and instructed to comply with General D-16. SEECO 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.** Continued failure to provide the Commission with required drilling operation notifications 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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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:

April 23, 2014

### Issued to:

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

Mr. Jack Bergeron

### Location of Non-Compliance:

Permit # 38375  
SEECO – Wonderview Estates 1-13  
Section 13-08N-17W  
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: 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.

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

Case # 140284



# 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:

April 23, 2014

### Issued to:

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

Mr. Jack Bergeron

### Location of Non-Compliance:

Permit # 40921  
SEECO – Russell 10-06 2-35H  
Section 35-10N-06W  
B-43 Area  
White 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: Excessive vegetation within containment with erosions along berm walls.

### 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 # 140287



# 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:

April 23, 2014

### Issued to:

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

Mr. Jack Bergeron

### Location of Non-Compliance:

Permit # 40365  
SEECO – Cook, Carl 10-06 1-36H  
Section 36-10N-06W  
B-43 Area  
White 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: Signs at entrance and well head have the incorrect well name listed.

### 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 # 140289





# ARKANSAS OIL AND GAS COMMISSION

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

### NOTICE OF NON-COMPLIANCE

**Date Mailed:** April 23, 2014

**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 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.

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.

**Description of Violation:**

According to Commission records, BHP had filed sales reports for the above referenced well indicating no production since the well was re-instated on October 8, 2013. Additional reports furnished by BHP for a six month review of the production from October 8, 2013 indicated production for October, 2013 through April, 2014.

**Required Abatement Action(s):**

The permit holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule D-8 b) and D-14 B). The permit holder is required to file amended Form 7's "Monthly Gas Sales Report" for October, 2013 and forward as necessary. Assessments must also be paid to coincide with the amended sales reported.

**Enforcement Action:**

All required actions above shall be completed within thirty (30) calendar days of the mailing or personal delivery of this Notice of Non-Compliance. 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

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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:**

April 25, 2014

**Issued to:**

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

Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 43714  
SEECO – Rainwater-Mackey 10-14 5-11H2  
Section 11-10N-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: Compressor vessel not in use stored on location. B-26 i)4

**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 # 140296





# 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, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

April 25, 2014

**Issued to:**

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

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 41475  
XTO – Greenbay 11-15 5-16  
Section 16-11N-15W  
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 berm is not in leak free condition. Synthetic liner has several tears. B-26 e)3

**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 # 140297



# 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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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:

April 25, 2014

### Issued to:

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

Mr. Douglas C. Schultze

### Location of Non-Compliance:

Permit # 41476  
XTO – Greenbay 11-15 6-16  
Section 16-11N-15W  
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 berm is not in leak free condition. Synthetic liner has several tears. B-26 e)3

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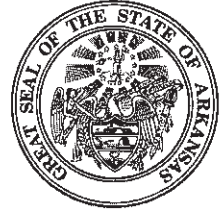
Steve Gates  
Assistant Director  
Arkansas Oil and Gas Commission  
Fort Smith Regional Office

Case # 140298



# 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:**

April 25, 2014

**Issued to:**

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

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 40065  
XTO – Green Bay 1-16H  
Section 16-11N-15W  
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: Produced fluids tank is leaking and has large crack near the bottom. B-26 d)2

**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 # 140299





# 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:**

April 25, 2014

**Issued to:**

Mr. John Bergeron  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

**Location of Non-Compliance:**

Permit # 44748  
SEECO – Hanna 9-17 #6-32 SWDW  
Section 32-9N-17W  
B-43 Area  
Conway County, Arkansas

**Rule Citation:**

General Rule H-3 m) - Each well shall have a legible sign placed near the well showing the Permit Holder and the well name and number and permit number and section, township and range as shown on the permit in the Commission records and an emergency telephone number.

**Description of Violation:**

Recent inspections found that there is no emergency contact information on the sign near the well.

**Required Abatement:**

The Permit Holder is hereby notified of this Notice of Non-Compliance and is instructed to comply with the requirements of General Rule H-3 m) within thirty (30) days of the date of this notice. 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  
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:**

May 8, 2014

**Issued to:**

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

Attn: John Bergeron

**Location of Non-Compliance:**

Permit # 41425  
SEECO – McClish 09-17 # 3-31H  
Section 31-9N-17W  
B-43 Field  
Conway County, Arkansas

**Failure to Comply with Order Reference Number 051-2014-02:**

Order Reference Number 051-2014-02 grants temporary abandonment status to this well as long as all applicable criteria of General Rule B-7 are met.

**Statement of Violation:**

The permit holder has not met the requirements for compliance with General Rule B-7 h) 3) D) as outlined in the Order. General Rule B-7 h) 3) D) i) through iv) outlines the methods allowed for protection of useable groundwater. The permit holder has not provided the Commission with a method of protection of useable groundwaters in this wellbore.

**Action Required:**

SEECO is hereby notified of this Notice of Non-Compliance with Order Reference Number 051-2014-02. The permit holder must comply with the terms of General Rule B-7 h) 3) D) 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  
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:**

June 23, 2014

**Issued to:**

Attn: Mr. Paul W. Geiger  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

**Location of Non-Compliance:**

Permit # 42864  
SEECO – Davis 9-6 #2-13H  
Section 13-09N-06W  
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 last date of production on the above referenced well is April 2012.

**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

Cc: Lawrence E. Bengal, Director

Case #140320



# 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:**

June 11, 2014

**Issued to:**

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

Douglas C. Schultze

**Location of Non-Compliance:**

XTO – Hooten #2,3,4-18H, 5-18H17  
Section 18-09N-10W  
B-43 Area  
Cleburne 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: \_\_\_\_\_

**Required Action(s):**

Please submit the required Form 2B "Notice of Closure for Reserve Pit" within thirty (30) days of this notice. 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

Krystal Lunsford  
Fort Smith Regional Office





# ARKANSAS OIL AND GAS COMMISSION

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

### Notice of Non-Compliance

**Date Mailed:**

June 13, 2014

**Issued to:**

Attn: Mr. Paul W. Geiger  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

**Location of Non-Compliance:**

Permit # 42275  
SEECO – Stratton, Roger 8-16 1-35H  
Section 35-08N-16W  
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 last date of production on the above referenced well is June 2012.

**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

Cc: Lawrence E. Bengal, Director

Case #140336



# 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:

June 13, 2014

#### Issued to:

Attn: Mr. Paul W. Geiger  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

#### Location of Non-Compliance:

Permit # 41202  
SEECO – Love, John 10-15 #1-10H  
Section 10-10N-15W  
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 last date of production on the above referenced well is May 2012.

#### 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

Cc: Lawrence E. Bengal, Director

Case #140337





# 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 Hillshoro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

June 13, 2014

**Issued to:**

Attn: Mr. Paul W. Geiger  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

**Location of Non-Compliance:**

Permit #40619  
SEECO – Nicholson Enterprises 10-6 #2-21H16  
Section 16-10N-6W  
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 last date of production on the above referenced well is June 2012.

**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

Cc: Lawrence E. Bengal, Director

Case #140338





## 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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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:**

June 13, 2014

**Issued to:**

Attn: Mr. Paul W. Geiger  
SEECO, Inc.  
515 W. Greens Road  
Houston, TX 77067

**Location of Non-Compliance:**

Permit #41174  
SEECO – Vaughan, Harold 10-7 #1-2H  
Section 2-10N-7W  
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 last date of production on the above referenced well is June 2012.

**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  
Cc: Lawrence E. Bengal, Director

**Case #140339**



## 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  
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:**

June 13, 2014

**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 #43237  
BHP – Shaw, Tim 11-13 #2-23H24  
Section 23-11N-13W  
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 wells last date of production was reported June 2012.

**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

**AOGC Fayetteville Shale Activity Report  
Summary & Report of Notices of Violations  
Reporting Period: April 1, 2014 through June 30, 2014**

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

1. D-90 Energy, LLC .....	4
2. Browman Oil and Gas LP .....	1
3. Foxborough Energy Company LLC .....	1





# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



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

### Notice of Violation

**Date Issued:** April 3, 2014

**Certified Mail:** # 91 7199 9991 7032 1929 7314

**Issued to:**

Mr. Daniel Silverman  
D90 Energy, LLC  
202 Travis Street, Suite 402  
Houston, TX 77002

**Location of Violation:**

Permit #40660  
D90 – Files #3-12H  
Section 12-11N-17W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation:**

**General Rule B-26 b) 4)** Any changes or corrections in the well information, required to be posted in accordance with this rule, shall be made to the well signs within sixty (60) days after the change occurs, or in the case of a transfer of well ownership, within sixty (60) days after the effective date of the transfer in the Commission records. All prior signs, if not correct, shall be removed.

**Description of Violation:**

A re-inspection of the well site was completed on March 13, 2014 and was found to still have an incorrect well sign.

**Required Abatement Action(s):**

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on February 10, 2014.

**Enforcement Action:**

Failure to complete all required action within 30 days or file an application for the next scheduled Commission Hearing 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



# 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 Violation

**Date Issued:** April 3, 2014

**Certified Mail:** # 91 7199 9991 7032 1929 7321

**Issued to:**

Mr. Daniel Silverman  
D90 Energy, LLC  
202 Travis Street, Suite 402  
Houston, TX 77002

**Location of Violation:**

Permit #39819  
D90 – Files #1-12H  
Section 12-11N-17W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation:**

**General Rule B-26 b) 4)** Any changes or corrections in the well information, required to be posted in accordance with this rule, shall be made to the well signs within sixty (60) days after the change occurs, or in the case of a transfer of well ownership, within sixty (60) days after the effective date of the transfer in the Commission records. All prior signs, if not correct, shall be removed.

**Description of Violation:**

A re-inspection of the well site was completed on March 13, 2014 and was found to still have an incorrect well sign.

**Required Abatement Action(s):**

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on February 10, 2014.

**Enforcement Action:**

Failure to complete all required action within 30 days or file an application for the next scheduled Commission Hearing 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



# 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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Fort Smith Regional Office  
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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 Violation

**Date Issued:** April 3, 2014

**Certified Mail:** # 91 7199 9991 7032 1929 7338

**Issued to:**

Mr. Daniel Silverman  
D90 Energy, LLC  
202 Travis Street, Suite 402  
Houston, TX 77002

**Location of Violation:**

Permit #40661  
D90 – Kamalmaz #2-13H  
Section 13-11N-17W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation:**

**General Rule B-26 b) 4)** Any changes or corrections in the well information, required to be posted in accordance with this rule, shall be made to the well signs within sixty (60) days after the change occurs, or in the case of a transfer of well ownership, within sixty (60) days after the effective date of the transfer in the Commission records. All prior signs, if not correct, shall be removed.

**Description of Violation:**

A re-inspection of the well site was completed on March 13, 2014 and was found to still have an incorrect well sign.

**Required Abatement Action(s):**

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on February 10, 2014.

**Enforcement Action:**

Failure to complete all required action within 30 days or file an application for the next scheduled Commission Hearing 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





# 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 Violation

**Date Issued:** June 23, 2014

**Certified Mail:** # 91 7199 9991 7032 1929 7406

**Issued to:**

Mr. Daniel Silverman  
D90 Energy, LLC  
202 Travis Street, Suite 402  
Houston, TX 77002

**Location of Violation:**

Permit #40659  
D90 – Files #2-12H  
Section 12-11N-17W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation:** General Rule B-26 e) 2) Required containment dikes or other approved structures shall be designed to have a capacity of at least 1½ times the largest tank the containment dike or approved structure surrounds.

**Description of Violation:**

A re-inspection of the well site was completed on June 16, 2014 and containment does not meet the 1.5 times capacity.

**Required Abatement Action(s):**

The Permit Holder is hereby notified of this Notice of Violation and is required to comply with the requirements of the Notice of Non-Compliance issued on April 18, 2014.

**Enforcement Action:**

Failure to complete all required action within 30 days or file an application for the next scheduled Commission Hearing 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



# ARKANSAS OIL AND GAS COMMISSION

## NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
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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:** May 13, 2014

**Certified Mail:** # 91 7199 9991 7032 1975 6866

**Issued to:**

Mr. Hunter Allen  
Broman Oil & Gas LP.  
309 W. 7<sup>th</sup> Street, Ste. 500  
Fort Worth, Texas 76102

To Lisa → B-43 Field

**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 February 2014.

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 February 2014.

**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



## 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 VIOLATION/CESSATION ORDER

**Date Mailed:** June 6, 2014

**Certified Mail #** 91 7199 9991 7032 1929 7345

**Issued to:**

Foxborough Energy Company, LLC  
6501 North Broadway Extension, Suite 220  
Oklahoma City, Oklahoma 73116

Attn: Robert S. May

**Location of Violation:**

Permit # 42165  
Foxborough – Bennett SWD # 1  
Section 24-10N-14W  
Van Buren County, Arkansas

**Rule Citation and Description of Violation:**

Foxborough Energy Company, LLC (permit holder) is in violation of General Rule H-3 h) for exceeding the permitted maximum allowable surface injection pressure. Commission Staff conducted an inspection on June 6, 2014. During the inspection, the well was found to be exceeding the maximum permitted injection pressure at 3235 psig which exceeds the current permitted limit of 3200 psig.

**Required Abatement Action(s):**

The permit holder is hereby issued a Notice of Violation (NOV) for exceeding the permitted maximum injection pressure and a Cessation Order (CO) requiring an immediate cessation of disposal operations that result in a surface injection pressure above 3200 psig.

**Enforcement Action:**

The required action above shall be completed immediately upon delivery of this Notice of Violation. If the permit holder fails to comply with this NOV/CO, the Director shall request, after notice and hearing, a civil penalty assessment in the amount of up to \$2,500.00 for failure to comply with the General Rules and Regulations of the Commission. The Director may also request the assessment of additional civil penalties in the amount of up to \$2500.00 per day for each and every day of continued failure to comply with Commission General Rules and Regulations for exceeding maximum injection pressure.

**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