

# B.1

## 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

January 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 black ink, 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

An equal opportunity employer

**AOGC Fayetteville Shale Activity Report**  
**To Be Presented to the Arkansas Legislative Council**  
**Reporting Period: October 1, 2013 through December 31, 2013**

<b>1. Inspection Staff</b>	
A. Number of Full Time Inspector Staff (Statewide).....	16*
*(1 vacancy in South Arkansas outside Fayetteville Shale area)	
B. Number of Part Time Inspector Staff (Statewide).....	2
C. Number of Full Time Inspector Staff (Fayetteville Shale Only).....	7**
**(2 new FTE filled during quarter)	
D. Number of Part Time Inspector Staff (Fayetteville Shale Only).....	2
<b>2. Inspection/Compliance Reviews</b>	
A. Number at Field Inspections Conducted.....	2794
B. Number of Compliance Reviews Conducted .....	1460
(1) Form 2 Drilling/ Fracture Permit.....	157
(2) Form 2A Drilling Pit Construction .....	87
(3) Form2B Drilling Pit Closure .....	52
(4) Form 3 Completion Report .....	128
(5) Form 3A Fracture Stimulation Report .....	126
(6) Form 4 Authority to Commence Production .....	122
(7) Form 12 Plugging Report.....	11
(8) Form 13 Production Test.....	158
(9) Form 14 Monthly Disposal Well Report .....	33
(10) Form 23 Well Transfer Report.....	27
(11) Form 24 Fire, Leak, Spill, Blowout Incident Report.....	49
(12) Form 25 Cross Unit Well Review.....	131
(13) Form 33 Temporary Abandonment.....	15
(14) Casing Setting Notice.....	362
(15) Form 38 Notice of Well Servicing (Disposal Wells).....	2
<b>3. Complaints Received .....</b>	<b>7</b>
A. Resolved without Field Investigation.....	1
B. Complaints Requiring Field Investigation.....	6
C. Investigations Resulting in Enforcement Actions .....	0
<b>4. Enforcement</b>	
A. Number of Notices of Non-Compliance (NNC) Issued .....	25
(1) Operations-Related NNCs.....	15
(2) Administrative-Related NNCs.....	10

- B. Number of Notices of Violation (NOV) Issued ..... **4**
  - (1) Operations-Related NOV..... **2**
  - (2) Administrative-Related NOV..... **2**
- 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 .....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: October 1, 2013 through December 31, 2013**

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

1. SEECO, Inc. ....	15
2. XTO Energy, LLC.....	2
3. D-90 Energy, LLC.....	4
4. Broman Oil and Gas, LP... ..	3
5. Petroleum Development Company.....	1



## 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) 683-3818

**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:**

December 11, 2013

**Issued to:**

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

Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 46025  
SEECO – Holland, Thomas Family Trust 10-09 2-22H15  
Section 22-10N-9W  
B-43 Area  
Clebume 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 wrong S/T/R.

**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



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## NOTICE OF NON-COMPLIANCE



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

### Notice of Non-Compliance

**Date Mailed:**

December 11, 2013

**Issued to:**

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

Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 45024  
 SEECO – Holland, Thomas Family Trust 10-09 1-22H27  
 Section 22-10N-9W  
 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: Signs at entrance and well head have the wrong S/T/R.

**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



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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:**

December 11, 2013

**Issued to:**

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

Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 43243  
 SEECO – Brents 09-16 1-30H  
 Section 30-09N-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: Vegetation along containment structure could pose a fire hazard.

**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

B-43



## 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 Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
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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:**

December 11, 2013

**Issued to:**

Petroleum Development Company  
401 S. Boston, Ste. 1850  
Tulsa, OK 74103

Attn: Mr. Wm. Dennis Ingram

**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 reports for September 2013 are 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 September 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

Case # 139907

13-43



## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
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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:**

December 11, 2013

**Issued to:**

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

Attn: Mr. Hunter Allen

**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 reports for September 2013 are 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 September 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

Case # 139906



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
Suite 102  
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**Fort Smith Regional Office**  
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FAX: (479) 649-7656

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

## Notice of Non-Compliance

**Date Mailed:**

December 4, 2013

**Issued to:**

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

Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 38394  
SEECO – Emielita 2-30H  
Section 30-11N-27W  
B-43 Area  
Franklin 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 l))
- Leaking well (Rule B-26 k))
- Other: No sign at lease entrance & is a 2 well pad. Location is shared with Emielita 1-30. Needs one sign with both wells listed or one sign for each 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

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



**ARKANSAS OIL AND GAS COMMISSION  
NOTICE OF ENFORCEMENT ACTION**



Little Rock 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:**

December 2, 2013

**Issued to:**

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

Mr. Jack Bergeron

**Location of Non-Compliance:**

Permit # 44622  
SEECO – Wallace 08-15 6-5H4  
Section 05-08N-15W  
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: Excess vegetation along containment berm.

**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  
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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:**

December 2, 2013

**Issued to:**

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

ATTN: Mr. Hunter Allen

**Location of Non-Compliance:**

Permit # 41225  
Broman – Chavez 3-8H  
Section 08-11N-16W  
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: Sign not present 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.

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



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 FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

December 2, 2013

**Issued to:**

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

ATTN: Mr. Hunter Allen

**Location of Non-Compliance:**

Permit # 41081  
 Broman – Chavez 1-8H  
 Section 08-11N-16W  
 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.

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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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FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

December 2, 2013

**Issued to:**

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

Mr. Daniel H. Silverman

**Location of Non-Compliance:**

Permit # 40661  
D90 Energy – Kamalmaz 2-13H  
Section 13-11N-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: Pipe is not connected to well head, tank is empty and not connected to well head, and there are stacked pipes on pad.

**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



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NOTICE OF ENFORCEMENT ACTION**



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FAX: (870) 862-8823

**Notice of Non-Compliance**

**Date Mailed:**

December 2, 2013

**Issued to:**

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

Mr. Daniel H. Silverman

**Location of Non-Compliance:**

Permit # 40658  
D90 Energy – Roberts 1-13H  
Section 13-11N-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))
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- 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 l))
- Leaking well (Rule B-26 k))
- Other: Compressor has leaked oil on location. Plugs are out of metal 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  
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 Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

---

### Notice of Non-Compliance

**Date Mailed:**

December 2, 2013

**Issued to:**

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

Attn: Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 40012  
SEECO – Hall, Charles 09-13 2-30H  
Section 30-09N-13W  
B-43 Area  
Van Buren 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:  
-Flow meter has not been removed and well has been plugged; 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

Case # 139863



## 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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**Fort Smith Regional Office**  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7636

**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:**

December 2, 2013

**Issued to:**

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

Mr. Daniel H. Silverman

**Location of Non-Compliance:**

Permit # 39819  
D90 Energy - Files #1-12H  
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 l))
- Leaking well (Rule B-26 k))
- Other: Pipe rack is on location & produced water tank has leaked into 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  
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 Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

## Notice of Non-Compliance

**Date Mailed:**

December 2, 2013

**Issued to:**

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

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 39102  
XTO – Alta-Wooten 1-34H  
Section 34-08N-15W  
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: Wrong section on sign. Well is located in section 34, sign indicates section 32.

**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:**

November 20, 2013

**Issued to:**

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

Mr. Douglas C. Schultze

**Location of Non-Compliance:**

Permit # 45513  
 XTO – Davis, Cotton 3-22H  
 Section 22-11N-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: No sign at well head on a multiple well pad.

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

### Notice of Non-Compliance

**Date Mailed:**

November 20, 2013

**Issued to:**

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

Mr. Daniel H. Silverman

**Location of Non-Compliance:**

Permit # 40660  
 D90 Energy - 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 l))
- 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.

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  
2115 West Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-8823

### Notice of Non-Compliance

**Date Mailed:**

November 14, 2013

**Issued to:**

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

Attn: Mr. John Bergeron

**Location of Non-Compliance:**

Permit # 40119  
SEECO – Brown, David 09-13 2-13H  
Section 13-09N-13W  
B-43 Area  
Van Buren 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:  
-Production meters have not been removed from location; 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

Case # 139833



# 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) 649-7636

El Dorado Regional Office  
2215 West Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4965  
FAX: (870) 862-9823

---

## NOTICE OF NON-COMPLIANCE

**Date Mailed:**

November 13, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46424  
SEECO, Inc.: Hays-Chasteen 09-07 #11-36H25  
Section 36 - 09N - 07W  
B-43 Field  
White 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 September 13, 2013. The well should have been tested by October 23, 2013 and received in the Fort Smith office by November 12, 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 # 139826



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



Little Rock Office  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-3814  
Fax: (501) 683-4618

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

---

## NOTICE OF NON-COMPLIANCE

**Date Mailed:**

November 13, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46457  
SEECO, Inc.: Hall, Cecil 08-13 #5-8H5  
Section 08 - 08N - 13W  
B-43 Field  
Faulkner 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 September 13, 2013. The well should have been tested by October 23, 2013 and received in the Fort Smith office by November 12, 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 # 139825



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

### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

November 13, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46454  
SEECO, Inc.: Hall, Cecil 08-13 #2-8H5  
Section 08 - 08N - 13W  
B-43 Field  
Faulkner 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 September 13, 2013. The well should have been tested by October 23, 2013 and received in the Fort Smith office by November 12, 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 # 139824



## 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 Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4963  
FAX: (870) 862-9823

---

### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

November 13, 2013

**Issued to:**

SEECO, Inc.  
515 W. Greens Road  
Houston, Texas 77087

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46346  
SEECO, Inc.: Hipp 09-09 #2-7H6  
Section 07 - 09N - 09W  
B-43 Field  
Cleburne County, Arkansas

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

General Rule B-43 l) 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 September 13, 2013. The well should have been tested by October 23, 2013 and received in the Fort Smith office by November 12, 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 # 139823



## ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



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301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-5814  
Fax: (501) 683-3818

Fort Smith Regional Office  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7636

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

---

### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

October 28, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46422  
SEECO, Inc.: Hays-Chasteen 09-07 #9-36H25  
Section 36 - 09N - 07W  
B-43 Field  
White 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 August 27, 2013. The well should have been tested by October 6, 2013 and received in the Fort Smith office by October 26, 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 # 139792



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

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### NOTICE OF NON-COMPLIANCE

**Date Mailed:**

October 24, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 48538  
SEECO, Inc.: Green Bay Packaging 10-11 #11-20H21  
Section 20 – 10N – 11W  
B-43 Field  
Cleburne 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 August 24, 2013. The well should have been tested by October 3, 2013 and received in the Fort Smith office by October 23, 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 # 139786



## 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:**

October 22, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46537  
SEECO, Inc.: Green Bay Packaging 10-11 #10-20H19  
Section 20 – 10N – 11W  
B-43 Field  
Cleburne 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 August 22, 2013. The well should have been tested by October 1, 2013 and received in the Fort Smith office by October 21, 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 # 139784



**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:**

October 22, 2013

**Issued to:**

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

Attention: Mr. John Bergeron

**Location of Violation:**

Permit # 46491  
SEECO, Inc.: Green Bay Packaging 10-11 #9-20H  
Section 20 – 10N – 11W  
B-43 Field  
Cleburne 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 August 22, 2013. The well should have been tested by October 1, 2013 and received in the Fort Smith office by October 21, 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 # 139783**

**AOGC Fayetteville Shale Activity Report  
Summary & Report of Notices of Violations  
Reporting Period: October 1, 2013 through December 31, 2013**

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

1. SEECO, Inc.....	2
2. Hall Phoenix Energy, LLC .....	1
3. Arrington Oil & Gas Operating, LLC.....	1

Lisa



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



**Little Rock Office**  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72209  
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) 649-7636

**El Dorado Regional Office**  
2215 West Hillshoro  
El Dorado, AR 71730  
Phone: (870) 862-4963  
FAX: (870) 862-8823

## NOTICE OF VIOLATION

**Date Mailed:** October 10, 2013

**Certified Mail:** # 91 7199 9991 7032 1975 6668

**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 July 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 July 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



# 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) 649-7636

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

## Notice of Violation

**Date Issued:** November 25, 2013

**Certified Mail:** # 91 7199 9991 7032 1976 4120

**Issued to:**

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

**Location of Violation:**

Permit # 44170  
SEECO – Brown 9-13 #6-31H26  
Section 31-09N-13W  
B-43 Area  
Van Buren County, Arkansas

**Rule Citation:**

Rule B-26 b) 1) Each oil or gas well shall have a legible sign placed at the well showing the Permit Holder and the well name and number as shown on the permit as listed in the Commission records. If the lease is a single well lease, the well sign may be placed at the associated tank battery or lease entrance.

**Description of Violation:**

A Notice of Non-Compliance was sent to the above listed operator on September 11, 2013. A re-inspection of the well site was completed on November 20, 2013 and was found to still have an incorrect county listed on the sign at the lease entrance.

**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 September 11, 2013.

**Enforcement Action:**

Failure to complete all required action or file an application for the January 28, 2014 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

Case # 139714



# ARKANSAS OIL AND GAS COMMISSION NOTICE OF ENFORCEMENT ACTION



**Little Rock Office**  
301 Natural Resources Drive  
Suite 102  
Little Rock, AR 72205  
Phone: (501) 683-3814  
Fax: (501) 683-3818

**Fort Smith Regional Office**  
3309 Phoenix Avenue  
Fort Smith, AR 72903  
Phone: (479) 646-6611  
FAX: (479) 649-7636

**El Dorado Regional Office**  
2215 West Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4963  
FAX: (870) 862-8823

## Notice of Violation

**Date Issued:** October 2, 2013

**Certified Mail:** # 91 7199 9991 7032 1976 4083

**Issued to:**

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

Attn: Mr. Jack Bergeron

**Location of Violation:**

Permit # 39639  
SEECO – Golden 8-16 #1-10H  
Section 10-08N-16W  
B-43 Area  
Conway County, Arkansas

**Rule Citation:**

General Rule B-9 e) 5) states:

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

**Description of Violation:**

A Notice of Non-Compliance was issued August 21, 2013 for General Rule B-7 e) 5) and the permit holder has not performed the required abatement.

**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 August 21, 2013.

**Enforcement Action:**

Failure to complete all required action 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



**ARKANSAS OIL AND GAS COMMISSION  
NOTICE OF ENFORCEMENT ACTION**



**Little Rock Office**  
301 Natural Resources Drive  
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FAX: (479) 649-7656

**El Dorado Regional Office**  
2215 West Hillboro  
El Dorado, AR 71730  
Phone: (870) 862-4963  
FAX: (870) 862-8823

**Notice of Violation**

**Date Issued:** October 15, 2013

**Certified Mail:** #91 7199 9991 7032 1929 7178

**Issued to:**

Mr. Keith Bucy  
Arrington Oil & Gas Operating, LLC  
P.O. Box 2071  
Midland, TX 79702

**Location of Violation:**

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 B-7 h).

**Description of Violation:**

A Notice of Non-Compliance was issued on August 9, 2013 for General Rule B-7 and the permit holder has not performed the required abatement.

**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 August 9, 2013.

**Enforcement Action:**

Failure to complete all required action or file an application for the December 3, 2013 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