

BEFORE THE NEBRASKA OIL AND GAS CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF THE)
NEBRASKA OIL AND GAS CONSERVATION)
COMMISSION, ON ITS OWN MOTION, FOR AN)
ORDER DIRECTING CENTERRA ENERGY CORP)
TO SHOW CAUSE, IF ANY THERE BE, WHY THE)
COMMISSION SHOULD NOT CAUSE CERTAIN WELLS)
TO BE PLUGGED AND ABANDONED AND THE LANDS)
RESTORED TO AGRICULTURAL USE AND TO)
REQUIRE THAT THE BOND AMOUNT SHOULD BE)
INCREASED TO BE IN COMPLIANCE WITH THE)
RULES AND REGULATIONS OF THE COMMISSION.)

CASE NO. 20-02



A P P L I C A T I O N

Comes now the Nebraska Oil and Gas Conservation Commission, petitioner, and states as follows:

1. That Commission issued Order No. R-896 that required that Centerra Energy Corp. to plug and abandon, and restore all lands located in 19-14N-50W, Cheyenne County to their original use.
2. That Centerra Energy Corp. has failed to comply with Order No. R-896.
3. That Commission rule 3.004 require operators to shall make, or cause to be made, and file with the Commission a good and sufficient bond in the sum of not less than ten thousand dollars (\$10,000) for each well or hole and payable to the State of Nebraska, conditioned for the performance of the duty to comply with all the provisions of the laws of the State of Nebraska and the rules, regulations and orders of the Commission. Said bond shall remain in force and effect until plugging of said well or hole is approved by the Director or authorized deputy, a new bond is filed by a successor in interest or the bond is released by the Director. It is provided, however, that any owner in lieu of such bond may file with the Director a good and sufficient blanket bond in the principal sum of not less than one hundred thousand dollars (\$100,000) covering all wells or holes drilling or to be drilled in the State of Nebraska by the principal in said bond; and upon acceptance and approval by the Director of such blanket bond, said bond shall be considered as compliance with the foregoing provisions requiring an individual well or hole bond.
4. That Centerra Energy Corp. has failed to comply with Rule 3.004.
5. That Centerra Energy Corp. has failed to file certain reports in accordance with Rules and Regulations.
6. Attached hereto, and marked Exhibit "A", is a list of the Wells/leases operated by Centerra Energy Corp. which must be plugged and/or bond amount increased.
 - a. That the Centerra Energy Corp. should appear before the Commission to show cause, if any there be, why

the operators should not comply with the Rules and Regulations, or why the Commission should not cause certain wells to be plugged and abandoned in accordance with the Rules and Regulations of the Commission.

NOW, THEREFORE, it is ordered that this application be set down for hearing at ten a.m., March 24, 2020, at the Commission office, 922 Illinois St., Sidney, Nebraska, and Centerra Energy Corp. be directed to appear before the Commission to show cause, if any there be, why the operators should not comply with a Commission order and the Rule and Regulations, or why the Commission should not order that wells be plugged and the sites restored to agricultural use in accordance with the appropriate Rules and Regulations of the Commission.

DATED at Sidney, Nebraska, this 24th day of February,
2020

STATE OF NEBRASKA
OIL AND GAS CONSERVATION COMMISSION


Star Belieu, Director