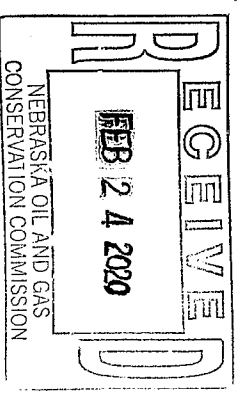


BEFORE THE NEBRASKA OIL AND GAS CONSERVATION COMMISSION

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) CASE NO. 20-02
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.)



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



Stan Belieu, Director

API Number	Well Name	Operator	Status	Qtr Qtr	Sectio	Town	Range	Field	County	Well Type
26007052370000	S WILLSON RANCH UNIT 3	CENTERRA ENERGY CORP	Shut_In	SE SW	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Oil/Gas Well
26007052650000	S WILLSON RANCH UNIT 2	CENTERRA ENERGY CORP	Active Injection	NE SW	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Enhanced Oil Recovery - Inje
26007052930000	S WILLSON RANCH UNIT 1	CENTERRA ENERGY CORP	Active Injection	SW NW	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Enhanced Oil Recovery - Inje
26007217930000	S WILLSON RANCH UNIT 4	CENTERRA ENERGY CORP	Producing	SW SE	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Oil/Gas Well
26007218230000	S WILLSON RANCH UNIT 5	CENTERRA ENERGY CORP	Shut_In	SE SE	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Oil/Gas Well
26007219980000	S WILLSON RANCH UNIT 6	CENTERRA ENERGY CORP	Shut_In	SW SE	24	17N	53W	WILLSON RANCH SOUTH*	BANNER	Oil/Gas Well
26033052090000	FLEMING, R 5	CENTERRA ENERGY CORP	Shut_In	SW SE SW	21	13N	50W	FLEMING	CHEYENNE	Oil/Gas Well
26033052480000	DIMICK 1	CENTERRA ENERGY CORP	Shut_In	NW NW NW	21	13N	50W	DIMICK	CHEYENNE	Oil/Gas Well
26033055070000	ELSASSER "C" 2	CENTERRA ENERGY CORP	Plugged and Ab	SE SE SE	24	14N	50W	SIDNEY NORTH	CHEYENNE	Oil/Gas Well
26033055240000	ELSASSER C-1	CENTERRA ENERGY CORP	Shut_In	NE SE SE	24	14N	50W	SIDNEY NORTH	CHEYENNE	Oil/Gas Well
26033055290000	BEYER "B" 4	CENTERRA ENERGY CORP	Shut_In	SE NW SW	19	14N	49W	SIDNEY NORTH	CHEYENNE	Oil/Gas Well
26033056930000	SCHWASNICK 1	CENTERRA ENERGY CORP	Shut_In	SW NW NW	10	14N	49W	MCLERNON	CHEYENNE	Oil/Gas Well
26033057150000	MCLERNON 1	CENTERRA ENERGY CORP	Shut_In	NE NE NE	9	14N	49W	MCLERNON	CHEYENNE	Oil/Gas Well
26033057270000	MILLER 1	CENTERRA ENERGY CORP	Shut_In	SE SE SW	4	14N	49W	MCLERNON	CHEYENNE	Oil/Gas Well
26033057320000	BLANKE 1	CENTERRA ENERGY CORP	Shut_In	SW NW SW	2	14N	50W	HUNTSMAN	CHEYENNE	Oil/Gas Well
26033057430000	GURSCHKE 5	CENTERRA ENERGY CORP	Shut_In	NE SE SE	3	14N	50W	HUNTSMAN	CHEYENNE	Oil/Gas Well
26033057450000	GURSCHKE 1	CENTERRA ENERGY CORP	Temporarily Ab	SW NE SE	3	14N	50W	HUNTSMAN	CHEYENNE	Oil/Gas Well
26033057580000	GURSCHKE 2	CENTERRA ENERGY CORP	Temporarily Ab	NE NW SE	3	14N	50W	HUNTSMAN	CHEYENNE	Oil/Gas Well
26033057590000	BLANKE 3	CENTERRA ENERGY CORP	Shut_In	NW NW SW	2	14N	50W	HUNTSMAN	CHEYENNE	Oil/Gas Well
26033059640000	UPTEGROVE "B" 1	CENTERRA ENERGY CORP	P&A - Approver	SW SE SW	20	15N	49W	MARLOWE	CHEYENNE	Oil/Gas Well
26033221440000	ELSASSER, J (N. SIDNEY UNIT) 43-19	CENTERRA ENERGY CORP	Shut_In	NE SE NW	19	14N	49W	SIDNEY NORTH	CHEYENNE	Enhanced Oil Recovery - Inje
26033221680000	ELSASSER, J (N SIDNEY UNIT) 44-19	CENTERRA ENERGY CORP	Shut_In	SE SE NW	19	14N	49W	SIDNEY NORTH	CHEYENNE	Oil/Gas Well
26157212580000	EWING 1-35	CENTERRA ENERGY CORP	Shut_In	NW SE	35	21N	56W	EWING	SCOTTS BLU	Oil/Gas Well

Applicant's EXHIBIT NO. 1
 CASE NO. 20-02 DATE: 3/24/2020
 NEBRASKA OIL & GAS CONSERVATION COMM.
Felicia Blanke Court Reporter

Operator 1-16

STATE OF NEBRASKA

OIL AND GAS CONSERVATION COMMISSION

PO BOX 399
SIDNEY, NEBRASKA 69162-0399
(308) 254-6919
Fax (308) 254-6922
www.nogcc.ne.gov

JOHN A. RUNDEL
COMMISSIONER
ROBERT P. GOODWIN
COMMISSIONER
THOMAS D. OLIVER
COMMISSIONER
WILLIAM H. SYDOW
DIRECTOR

February 1, 2018

Centerra Energy Corporation
6174 East Yale Avenue
Denver, CO 80222
Attn.: Mr. Frank Baumgartner

Deficient Operator's Bond

Dear Mr. Baumgartner:

At the present time, Centerra Energy Corporation is in non-compliance with Commission Rule 3-004 which requires a surety bond of \$10,000 per well, or a blanket bond in the amount of \$100,000. Centerra currently has twenty-three (23) wells for which it is responsible and must post an additional \$75,000. The Commission is requesting that you act to provide a good and sufficient bond by April 1, 2018.

If your bond is not increased by April 1, 2018, we will be forced to schedule a Show-Cause hearing. The ability to produce and sell oil and gas may be jeopardized if your bonding level is not increased.

If you have any questions, please feel free to contact me at the telephone number shown on the letterhead.

Respectfully,

NEBRASKA OIL AND GAS CONSERVATION COMMISSION

William H. Sydow
William H. Sydow
Director

PC: Operator's File

whs01218 Centerra Energy Bonding.doc

Applicant's EXHIBIT NO. 3
CASE NO. 20-02 DATE: 3/24/2020

NEBRASKA OIL & GAS CONSERVATION COMM.
Felicia Blank Court Reporter