

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
400648213
Date Issued:
08/05/2014
Date Resolved:
11/04/2015

NOTICE OF ALLEGED VIOLATION - RESOLVED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

OGCC Operator Number: 46290
Name of Operator: K P KAUFFMAN COMPANY INC
Address: 1675 BROADWAY, STE 2800
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: Susana Lara-Mesa
Phone: (303) 825-4822 Fax: ()
Email: slaramesa@kpk.com

Well Location, or Facility Information (if applicable):

API Number: 05-123- -00 Facility or Location ID: 437627
Name: Consolidation Unit # 8 Number: 437627
QtrQtr: SWSW Sec: 1 Twp: 1N Range: 67W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 303

Rule Description: Requirements for Form 2, Application for Permit-to-Drill, Deepen, Re-enter, or Recomplete and Operate; Form 2A, Oil and Gas Location Assessment

Initial Discovery Date: 06/30/2014 Was this violation self-reported by the operator?
Date of Violation: 06/30/2014 Approximate Time of Violation:
Was this a discrete violation of obvious duration?

Description of Alleged Violation:

Operator started moving emission control devices (ECDs) and a compressor onto an expanded and modified Oil and Gas Location without an approved Form 2A per Rule 303.b.(1)B around the end of June 2014. They finished moving the equipment to the modified location around July 15, 2014. COGCC discussed this issue with the Operator late June 2014 and they immediately agreed to complete the Form 2A and the associated notification processes and contacted the third party surveyor to start the required work. The Operator also wanted to meet with the COGCC first to ensure their plan for the location would suffice prior to submittal. That meeting was held on July 15, 2014 after being originally scheduled and cancelled on July 11, 2014. The move of the equipment was done to become compliant with the setback issue identified in Rule 605.a.(5), to add compression to resolve a line pressure issue, and to move the ECDs further away from the nearby resident's house.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 10/15/2014

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Start the Form 2A process on July 15, 2014 as discussed and provide all necessary information to the COGCC timely as the process allows.

Rule: 605

Rule Description: OIL AND GAS FACILITIES

Initial Discovery Date: 06/10/2014 Was this violation self-reported by the operator?
Date of Violation: 06/10/2014 Approximate Time of Violation:
Was this a discrete violation of obvious duration?

Description of Alleged Violation:

On June 10, 2014, COGCC inspector found that the three emissions control devices on location were within 75 feet of a production tank with the closest being 54 feet. Rule 605.a.(5) requires a setback of 75 feet.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/10/2014

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Within 30 days, either move the emissions control devices or the production tanks to ensure compliance with the safety setback of 75 feet as required in Rule 605.a.(5). COGCC recognizes that this violation was corrected prior to the issuance of this NOAV.

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Initial Discovery Date: 06/11/2014

Was this violation self-reported by the operator? _____

Date of Violation: 06/11/2014

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? _____

Description of Alleged Violation:

On June 11, 2014, COGCC Inspector noticed a one foot long orange flame above one of the ECDs that occurred for a few seconds and then went away and did not return. After discussion with KPK, this was determined to occur from an upset condition which is allowed under Rules 805.b.(3).B.v and 912.b. However, COGCC Staff believes this is a violation of Rule 912.d since the flame went outside of the controlled ECD and did not flare "as efficiently as possible to provide maximum reduction of air contaminants where practicable and without endangering safety...".

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/21/2014

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Provide best engineering practices or redundancy to prevent occurrences of flames leaving the ECD stack. COGCC recognizes that this violation was corrected prior to the issuance of this NOAV.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 08/05/2014

COGCC Representative Signature: _____

COGCC Representative: Kulmann, Dave

Title: Deputy Director - Field O

Email: dave.kulmann@state.co.us

Phone Num: (303) 894-2100 x5189

CORRECTIVE ACTION COMPLETED

Rule: 303

Rule Description: Requirements for Form 2, Application for Permit-to-Drill, Deepen, Re-enter, or Recomplete and Operate; Form 2A, Oil and Gas Location Assessment

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

Rule: 605

Rule Description: OIL AND GAS FACILITIES

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: 1V

Order #: 478

Docket #: 1409-OV-66

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 05/18/2015

Final Resolution Comments:

Assessed a \$13,000 penalty.

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
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Total Attach: 1 Files