

State of Colorado
Oil and Gas Conservation Commission

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09/16/2016

NOTICE OF ALLEGED VIOLATION - ISSUED

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: 10442
Name of Operator: HUNTER RIDGE ENERGY SERVICES LLC
Address: 370 17TH STREET #1700
City: DENVER State: CO Zip: 80202
Contact Name and Telephone:
Name: Miracle Pfister
Phone: (720) 876-3761 Fax: ()
Email: miracle.pfister@encana.com

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 446199
Name: SPILL/RELEASE POINT Number: 446199
QtrQtr: SWSW Sec: 14 Twp: 4S Range: 96W Meridian: 6
County: GARFIELD

ALLEGED VIOLATION

Rule: 1101
Rule Description: Installation and Reclamation
Initial Discovery Date: _____ Was this violation self-reported by the operator? No
Date of Violation: _____ Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 1101, Hunter Ridge Energy Services LLC (Operator) is required to install pipeline with materials and design sufficient to maintain structural integrity and prevent failure. Operator is also required to pressure test flowline segments at the maximum anticipated operating pressure prior operating that segment. During a water sampling event conducted by Hunter Ridge Energy Services LLC (Operator) on June 14, 2016, a discharge of hydrocarbon impacted water was identified within the East Stewart Spring in Garfield County, Colorado. The release was reported to the COGCC by phone and e-mail on June 14, 2016. On June 15, 2016, Operator submitted a Form 19, Initial Spill/Release Report, (Document #401064094, Spill/Release Point ID #446199). COGCC staff inspected and conducted an initial assessment of the release area with the Operator present on June 15, 2016 (Inspection #671000414) and observed that condensate impacted Waters of the State as defined under COGCC 100 Series Rules. On June 28, 2016, Operator submitted a Form 27, Site Investigation and Remediation Workplan, (Document #2526557, REM #9748). COGCC staff conducted a follow up inspection on July 19, 2016 (Document #671000426) and requested a timeline for completion of remediation activities which was submitted on July 28, 2016 (Document #401085885). Operator failed to install pipeline with materials, design, and cover sufficient to maintain structural integrity and prevent failure, and/or failed to complete pressure testing prior to operating this segment of flowline, resulting in the June 14, 2016 release, violating Rule 1101.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/17/2016

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

Operator shall submit the past three (3) years worth of pressure testing results for this segment of pipeline. Operator shall provide COGCC proof of membership with Colorado 811. The site assessment, pressure test results, and proof of Colorado 811 registration shall be submitted to COGCC. Operator shall develop a written plan that addresses how this problem will be avoided in the future, to include engineering, pressure testing of this segment of flowline, management, and training actions, as necessary. Operator shall make these submissions by October 17, 2016.

Rule: 1102

Rule Description: Operations, Maintenance, and Repair

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 1102.a., Operator is required to take reasonable precautions to prevent failures, leakage and corrosion of pipelines. During a water sampling event conducted by Hunter Ridge Energy Services LLC (Operator) on June 14, 2016, a discharge of hydrocarbon impacted water was identified within the East Stewart Spring in Garfield County, Colorado. The release was reported to the COGCC by phone and e-mail on June 14, 2016. On June 15, 2016, Operator submitted a Form 19, Initial Spill/Release Report, (Document #401064094, Spill/Release Point ID #446199). COGCC staff inspected and conducted an initial assessment of the release area with the Operator present on June 15, 2016 (Inspection #671000414) and observed that condensate impacted Waters of the State as defined under COGCC 100 Series Rules. On June 28, 2016, Operator submitted a Form 27, Site Investigation and Remediation Workplan, (Document #2526557, REM #9748). COGCC staff conducted a follow up inspection on July 19, 2016 (Document #671000426) and requested a timeline for completion of remediation activities which was submitted on July 28, 2016 (Document #401085885). Operator failed to take reasonable precautions to prevent failures, leakage and corrosion of pipelines resulting in the release on June 14, 2016, violating Rules 1102.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/17/2016

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

Operator shall submit the past three (3) years worth of pressure testing results for this segment of pipeline. Operator shall provide COGCC proof of membership with Colorado 811. The site assessment, pressure test results, and proof of Colorado 811 registration shall be submitted to COGCC. Operator shall develop a written plan that addresses how this problem will be avoided in the future, to include engineering, pressure testing of this segment of flowline, management, and training actions, as necessary. Operator shall make these submissions by October 17, 2016.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 605.d., Operator is required to assure all valves, pipes and fittings for crude oil and condensate tanks are securely fastened, inspected at regular intervals, and maintained in good mechanical condition. During a water sampling event conducted by Hunter Ridge Energy Services LLC (Operator) on June 14, 2016, a discharge of hydrocarbon impacted water was identified within the East Stewart Spring in Garfield County, Colorado. The release was reported to the COGCC by phone and e-mail on June 14, 2016. On June 15, 2016, Operator submitted a Form 19, Initial Spill/Release Report, (Document #401064094, Spill/Release Point ID #446199). COGCC staff inspected and conducted an initial assessment of the release area with the Operator present on June 15, 2016 (Inspection #671000414) and observed that condensate impacted Waters of the State as defined under COGCC 100 Series Rules. On June 28, 2016, Operator submitted a Form 27, Site Investigation and Remediation Workplan, (Document #2526557, REM #9748). COGCC staff conducted a follow up inspection on July 19, 2016 (Document #671000426) and requested a timeline for completion of remediation activities which was submitted on July 28, 2016 (Document #401085885). Operator failed to assure the pipeline was in good mechanical condition, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/03/2016

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

Operator shall submit a Supplemental Site Assessment Report delineating the extent of the impacted area. Operator shall submit Supplemental Form 27 progress reports on a monthly basis due the first business day of each month beginning October 3, 2016 for one year or until REM # 9748 has been closed. After one year an evaluation of the frequency reporting to the COGCC will be evaluated. Operator shall delineate extent of impacted area to determine remediation plan and continue cleanup of impacted areas to meet the standards in Table 910-1, to include soil investigation and remediation. Operator shall develop written plan that addresses how this problem will be avoided in the future, to include engineering, pressure testing of this segment of flowline, management, and training actions, as necessary. The plan shall be submitted to the COGCC by October 17, 2016.

Rule: 907.a

Rule Description: General E&P Waste management Requirements

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 907.a., Operator is required to conduct E&P waste management activities in a manner that protects the waters of the state from significant adverse environmental impacts from E&P waste. During a water sampling event conducted by Hunter Ridge Energy Services LLC (Operator) on June 14, 2016, a discharge of hydrocarbon impacted water was identified within the East Stewart Spring in Garfield County, Colorado. The release was reported to the COGCC by phone and e-mail on June 14, 2016. On June 15, 2016, Operator submitted a Form 19, Initial Spill/Release Report, (Document #401064094, Spill/Release Point ID #446199). COGCC staff inspected and conducted an initial assessment of the release area with the Operator present on June 15, 2016 (Inspection #671000414) and observed that condensate impacted Waters of the State as defined under COGCC 100 Series Rules. On June 28, 2016, Operator submitted a Form 27, Site Investigation and Remediation Workplan, (Document #2526557, REM #9748). COGCC staff conducted a follow up inspection on July 19, 2016 (Document #671000426) and requested a timeline for completion of remediation activities which was submitted on July 28, 2016 (Document #401085885). Operator failed to manage E&P Waste in a manner protective of waters of the state, causing or threatening to cause significant adverse impacts, violating Rule 907.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/03/2016

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

Operator shall submit a Supplemental Site Assessment Report delineating the extent of the impacted area. Operator shall submit Supplemental Form 27 progress reports on a monthly basis due the first business day of each month beginning October 3, 2016 for one year or until REM # 9748 has been closed. After one year an evaluation of the frequency reporting to the COGCC will be evaluated. Operator shall delineate extent of impacted area to determine remediation plan and continue cleanup of impacted areas to meet the standards in Table 910-1, to include soil investigation and remediation. Operator shall develop written plan that addresses how this problem will be avoided in the future, to include engineering, pressure testing of this segment of flowline, management, and training actions, as necessary. The plan shall be submitted to the COGCC by October 17, 2016.

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: 09/16/2016

COGCC Representative Signature: *Steven Mah*

COGCC Representative: Steven Mah

Title: NOAV Specialist

Email: steven.mah@state.co.us

Phone Num: (303) 894-2100x5172

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>
401110382	NOAV COVER LETTER
401110506	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files