

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
01/04/2017
Date Resolved:

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: 36200	Contact Name and Telephone:
Name of Operator: GRYNBERG* JACK DBA GRYNBERG PETROLEUM CO	Name: Jack Grynberg
Address: 3600 S. YOSEMITE ST - STE 900	Phone: (303) 850-7490 Fax: ()
City: DENVER State: CO Zip: 80237-1830	Email: grynpetro@grynberg.com

Well Location, or Facility Information (if applicable):

API Number: 05-123-06129-00	Facility or Location ID:
Name: GRAEFE	Number: 1
QtrQtr: SWNW Sec: 26	Twp: 9N Range: 62W Meridian: 6
County: WELD	

ALLEGED VIOLATION

Rule: 210.b	
Rule Description: Signs & Markers- Wells & Batteries	
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:	
<p>Pursuant to Rule 210.b.(2), within 60 days of installation, Grynberg* Jack DBA Grynberg Petroleum Co (Operator) is required to install a permanent sign for batteries that provides well names associated with the battery. A battery at the Graefe 1 well location, API 123-06129, is associated with Operator's Croissant #1 well, API 123-21426. During an inspection of the Graefe 1 well location on July 13, 2016, COGCC staff observed that the sign for the battery did not provide the name of the Croissant #1 well that is associated with the battery (Document #684901699). Document #684901699 required Operator to install a sign that named the Croissant #1 well and was compliant with Rule 210 by September 13, 2016. During an inspection of the Graefe 1 well location on November 3, 2016 (Document #684902505), COGCC staff observed the battery still did not have a sign identifying the associated Croissant #1 well. Operator failed to install a sign for the battery at the Graefe 1 well location that identifies it is associated with the Croissant #1 well. Operator failed to timely complete corrective actions required by Document #684901699, violating Rule 210.b.(2).</p>	
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 09/13/2016	
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.	
<p>Operator shall immediately install a sign at the battery that names the Croissant #1 well and brings the signage into compliance with Rule 210. In its Rule 522.d.(2) NOAV Answer, Operator shall provide an explanation of how the requirements of Rule 210 will be complied with in the future and how COGCC required Corrective Actions will be timely completed</p>	

Rule: 605.a.(4)	
Rule Description: Oil & Gas Facilities- Berms	
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.a.(4), Grynberg* Jack DBA Grynberg Petroleum Co (Operator) is required to construct berms or other secondary containment devices around crude oil, condensate, and produced water tanks to provide secondary containment for the largest single tank and sufficient freeboard to contain precipitation. Berms and secondary containment devices shall be inspected at regular intervals and maintained in good condition. During an inspection of the Graefe 1 well location on July 13, 2016, COGCC staff observed that the berms had burrows in the walls and had inadequate freeboard in places (Document #684901699). Document #684901699 required Operator to repair or install berms to comply with Rule 906.d.(1) by August 15, 2016. During an inspection of the Graefe 1 well location on November 3, 2016 (Document #684902505), COGCC staff observed that burrows in berms and low berms with inadequate freeboard were still present. Operator failed to properly maintain berms and failed to timely complete corrective actions required by Document #684901699.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 08/15/2016

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

Operator shall immediately repair and maintain the earthen secondary containment berm to comply with Rule 605.a.(4). In its Rule 522.d.(2) NOAV Answer, Operator shall provide a calculation of the rebuilt berm's volume and an explanation of how the requirements of Rule 605.a.(4) will be complied with in the future and how COGCC required Corrective Actions will be timely completed.

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., Grynberg* Jack DBA Grynberg Petroleum Co (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 an inspection of the Graefe 1 well, API 123-06129, (Well) on July 13, 2016, COGCC staff observed an audible gas leak from the wellhead (Document #684901699). Document #684901699 required Operator to fix the leak by July 14, 2016. During an inspection of the Well on November 3, 2016 (Document #684902505), COGCC staff observed the leak was not repaired as was documented by infrared camera video (Document #684902506). Operator failed 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 and failed to timely complete corrective actions required by Document #684901699, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 07/14/2016

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

Operator shall immediately fix the leak identified above. In its Rule 522.d.(2) NOAV Answer, Operator shall provide an explanation of how the requirements of Rule 605.d. will be complied with in the future and how COGCC required Corrective Actions will be timely completed.

Rule: 906

Rule Description: Spills and Releases

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 906.a., Grynberg* Jack DBA Grynberg Petroleum Co (Operator) is required to control and contain spills/releases of E&P waste or produced fluids immediately upon discovery and investigate, clean up, and document impacts from spills/releases as soon as practicable. During an inspection of the Graefe 1 well, API 123-06129, (Well) on July 13, 2016, COGCC staff observed stained soils around the equipment and the wellhead (Document #684901699). Document #684901699 required corrective action to remove or remediate stained soils around the pump jack by July 14, 2016 and to remove or remediate stained soils in the separator house and the treater house by August 15, 2016. During an inspection of the Well on November 3, 2016 (Document #684902505), COGCC staff observed that the stained soils around the pump jack, separator house, and treater house were still present. Operator failed to investigate, clean up, and document impacts from spills/releases at the Well location and failed to timely complete corrective actions required by Document #684901699, violating Rule 906.a.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 08/15/2016

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

Operator shall immediately remove stained soils around the equipment and cleanup the spill/release at the Well location while complying with the requirements of Rule 907. Operator shall immediately submit a Form 27 Site Investigation and Remediation Workplan to document the investigation and cleanup of historical and recent releases of E&P Waste at the pump jack, tank battery, separator house and treater house and to ensure compliance with the Table 910-1 Concentration Levels. The Form 27 shall be

submitted for prior approval in accordance with Rule 909.c. In its Rule 522.d.(2) NOAV Answer, Operator shall provide an explanation of how the requirements of Rule 906.a. will be complied with in the future and how COGCC required Corrective Actions will be timely completed.

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: 01/04/2017

COGCC Representative Signature: _____

COGCC Representative: Steven Mah

Title: NOAV Specialist

Email: steven.mah@state.co.us

Phone Num: (303) 894-2100x5172

CORRECTIVE ACTION COMPLETED

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

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.a.(4)

Rule Description: Oil & Gas Facilities- Berms

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.d

Rule Description: O&G Facilities - Mechanical Conditions

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: 906

Rule Description: Spills and Releases

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 #:	Order #:	Docket #:
Enforcement Action:		Final Resolution Date:
Final Resolution Comments:		

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>
401177368	NOAV COVER LETTER
401177369	NOAV CERTIFIED MAIL RECEIPT
401177382	NOAV ISSUED

Total Attach: 3 Files