

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
401245081
Date Issued:
04/12/2017
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: 39560
Name of Operator: TOP OPERATING COMPANY
Address: 3609 S WADSWORTH BLVD STE 340
City: LAKEWOOD State: CO Zip: 80235

Contact Name and Telephone:
Name: Murray Herring
Phone: (303) 727-9915 x203 Fax: ()
Email: murray.herring@topoperating.com

Well Location, or Facility Information (if applicable):

API Number: 05-123-11229-00 Facility or Location ID: _____
Name: HAYS, THURMAN Number: 1
QtrQtr: NWNW Sec: 32 Twp: 5N Range: 65W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 326
Rule Description: Mechanical Integrity Testing
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 326, Top Operating Company (Operator) is required to conduct a mechanical integrity test (MIT) on shut-in (SI) wells within two years of the initial shut-in date. When reviewing Operator records for the Well in conjunction with a January 25, 2017 inspection (Document #672500358), COGCC staff observed that Operator's Form 7, Monthly Reports of Operation, have reported the Hays, Thurman #1 well, API 123-11229, (Well) has been SI since, at least, January 2015 (No Form 7 was submitted for December 2014). An MIT should have been conducted by, at latest, December 31, 2016. To date COGCC staff has received no Form 21, Mechanical Integrity Test, or Form 6, Subsequent Report of Abandonment, documentation from Operator to demonstrate the Well is in compliance with MIT requirements through a successful test or plugging and abandonment of the Well, violating Rule 326. Operator reported that the well was producing for two days in January 2017, but COGCC Rules do not permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/12/2017

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

Operator missed the deadline to complete a successful MIT and must either complete a successful MIT or plug and abandon the Well as soon as possible. Rule 316B requires notice to the Director on a Form 42, Field Operations Notice at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report. If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1. Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash 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 603.f., Top Operating Company (Operator) is required to keep all locations, including wells and surface production facilities, clear of weeds, rubbish and other waste material. During inspections on December 9, 2015 (Document #684900215); November 8, 2016 (Document #672500144); December 16, 2016 (Document #672500260); and January 25, 2017 (Document #672500358); COGCC staff observed weeds on the access road and near the wellhead and trash on the Well location and near the wellhead. Document #684900215 required Operator conduct weed control and trash removal by February 9, 2016. Operator submitted a Form 42 (Document #401183027), stating that all corrective actions from Document #672500260 were completed as of January 11, 2017, but during the inspection of the Well location on January 25, 2017 (Document #672500358) COGCC staff observed that weed control and trash removal tasks are still outstanding. Operator failed to keep the Well location clear of weeds and trash, violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 02/09/2017

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

Operator shall conduct weed control and trash removal at the Well location.

Rule: 906.a.

Rule Description: Spills and Releases - General

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., Top Operating Company(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 Hays, Thurman #1 well, API 123-11229, (Well) on January 25, 2017, COGCC staff observed an approximately 8' x 12' stained soil pile at the Well location (Document #672500358). During previous inspections on December 16, 2016 (Document #672500260) and November 8, 2016 (Document #672500144). Document #672500144 required Operator to clean up the stained soil pile as required by 906.a. and contact the COGCC environmental staff by December 9, 2016. To date, Operator has failed to complete cleanup of the stained soil pile or contact COGCC environmental staff, violating Rule 906.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 12/09/2016

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

Operator shall properly treat or dispose of oily waste in accordance with Rule 907.e. Submit an eForm 27 with disposal documentation and confirmation sample results verifying compliance with Table 910-1. Attach disposal documents, sample location diagram, summary table with sample results compared to Table 910-1 standards and laboratory report to eForm 27.

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_cogccenforecmnt@state.co.us.

NOAV ISSUED

NOAV Issue Date: 04/12/2017

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: 326
 Rule Description: Mechanical Integrity Testing
 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: 603.f
 Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements
 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.a.
 Rule Description: Spills and Releases - General
 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>
401245759	NOAV CERTIFIED MAIL RECEIPT
401257382	NOAV COVER LETTER
401257384	NOAV ISSUED

Total Attach: 3 Files