

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
401068072
Date Issued:
07/14/2016
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: 56680
Name of Operator: MERRION OIL & GAS CORP
Address: 610 REILLY AVENUE
City: FARMINGTON State: NM Zip: 87401
Contact Name and Telephone:
Name: Philana Thompson
Phone: (505) 3245336 Fax: ()
Email: pthompson@merrion.bz

Well Location, or Facility Information (if applicable):

API Number: 05-083-06470-00 Facility or Location ID:
Name: LANIER FARMS 34-25 Number: 1
QtrQtr: SWSE Sec: 25 Twp: 39N Range: 19W Meridian: N
County: MONTEZUMA

ALLEGED VIOLATION

Rule: 912
Rule Description: Venting or Flaring Natural Gas
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 912.a, Merrion Oil & Gas Corp (Operator) is prohibited from excessive venting or flaring of natural gas produced from a well. During an inspection of Lanier Farms #34-25 (API 083-06470) on August 17, 2015 (Document # 667700681), COGCC staff observed unnecessary or excessive venting of natural gas during plunger lift blowdown to an open top tank. Infra-red video taken during the inspection shows excessive quantities of natural gas exiting the open top tank and blown by the prevailing winds over fired equipment, violating Rule 912.a.
Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 07/15/2016
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.
Already completed.

Rule: 912.b
Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required
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 912.b, except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, gas from Operator's wells shall be flared or vented only after notice has been given and approval obtained from the Director on a Sundry, Form 4, stating the estimated volume and content of gas. During an inspection of

the subject well on August 17, 2015 (Document # 667700681), COGCC staff observed post-completion venting of natural gas during plunger lift blowdown to an open top tank during production operations. Merrion had not previously received approval from the Director to vent, violating Rule 912.b.

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 file a Form 4, Sundry Notice, requesting for permission to flare to update the Sundry Notice, Document #689626, previously filed by a predecessor operator in 1986.

Rule: 912.e

Rule Description: Venting or Flaring Natural Gas - Notice to Local Emergency Dispatch or Local Governmental Designee

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 912.e, Operator is required to notify local emergency dispatch or the local governmental designee of any natural gas flaring. During an inspection of the subject well on May 19, 2016 (Document # 685200143), COGCC staff observed flaring of natural gas through a vertical open flare. On May 24, 2016, COGCC staff contacted both the Montezuma County emergency manager and the local governmental designee and confirmed they had not been notified of the flaring by the Operator, violating Rule 912.e.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/03/2016

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

Immediately provide written proof that Operator has notified either the local emergency dispatch or the local governmental designee of any natural gas flaring, as required by Rule 912.e. Document #685200143 required this action be completed by June 3, 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: 07/14/2016

COGCC Representative Signature: _____

COGCC Representative: Margaret Ash Title: Field Inspection Unit Man

Email: margaret.ash@state.co.us Phone Num: (303) 894-2100x5110

CORRECTIVE ACTION COMPLETED

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Corrective Action Start Date: _____ Corrective Action Complete Date: 08/21/2015

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

Description of Actual Corrective Action Performed by Operator

Operator ceased excessive venting on August 21, 2015.

Rule: 912.b

Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required

Corrective Action Start Date: _____

Corrective Action Complete Date: 08/21/2016

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

Description of Actual Corrective Action Performed by Operator

On August 21, 2016, Operator submitted a Form 4, Sundry Notice, requesting approval to flare the well.

Rule: 912.e

Rule Description: Venting or Flaring Natural Gas - Notice to Local Emergency Dispatch or Local Governmental Designee

Corrective Action Start Date: _____

Corrective Action Complete Date: 03/20/2017

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

Description of Actual Corrective Action Performed by Operator

Following a legal and factual investigation, this violation was not pursued.

FINAL RESOLUTION

Cause #: 1V Order #: 615 Docket #: 161000378

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 03/20/2017

Final Resolution Comments:

Resolved via Order Number 1V-615, entered on March 20, 2017.

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>
401078730	NOAV COVER LETTER
401078731	NOAV CERTIFIED MAIL RECEIPT
401078913	NOAV ISSUED
401079405	NOAV IN PROCESS
401145694	NOAV CERTIFIED MAIL RETURN RECEIPT

Total Attach: 5 Files