

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
09/20/2017
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: 200077
Name of Operator: CHARLES P DUNNING LLC
Address: PO BOX 1365
City: FORT MORGAN State: CO Zip: 80701
Contact Name and Telephone:
Name: Chuck Dunning
Phone: (303) 408-2575 Fax: ()
Email: chuck.dunning@me.com

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 319643
Name: JOLLY-PLATTS-63S58W Number: 34SWSW
QtrQtr: SWSW Sec: 34 Twp: 3S Range: 58W Meridian: 6
County: ADAMS

ALLEGED VIOLATION

Rule: 204
Rule Description: General Functions of Director
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 204, the Director and the authorized deputies shall have the right at all reasonable times to go upon and inspect any oil or gas properties, and wells for the purpose of making any investigation or tests to ascertain whether the provisions of the Act or these rules or any special field rules are being complied with, and shall report any violation thereof to the Commission. On August 30, 2017, COGCC Staff attempted to inspect Charles P Dunning LLC's (Operator's) Jolly-Platts #1 location, Location ID 319643 (Document #681700831). Upon arriving at the location, COGCC Staff encountered a new lock on the access road and attempted to procure the combination from Operator's pumper, who informed the Inspector he was under specific instruction to not provide the lock combination (Document #681700832). COGCC Staff followed up on this with a phone call to Dunning's principal agent, Mr. Charles Dunning, who also refused to provide the combination for the lock citing issues with the landowner, and further refused to provide the landowner's contact information to Staff (Document #681700833). Operator refused to allow COGCC Staff to enter and inspect an oil and gas operation at a reasonable time, violating Rule 204 and Rule 205.g.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/30/2017

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

Operator shall guarantee COGCC staff has access to its oil and gas properties to perform inspections as required by Rule 204 and Rule 205.g.

Rule: 205
Rule Description: Access to Records
Initial Discovery Date: _____ Was this violation self-reported by the operator? No
Date of Violation: _____ Approximate Time of Violation: _____

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/31/2017

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

Operator shall submit a complete and accurate Form 15, Earthen Pit Report/Permit, submissions for all unpermitted pits at Location ID 319643 to COGCC. Operator shall work with the OGLA unit to correct the deficiencies in the Form 15 submitted for the Western Pit.

Rule: 904

Rule Description: Pit Lining Requirements and Specifications

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 904.a., production pits constructed on or after April 1, 2009 on non-Federal lands must be lined unless Operator demonstrates to the Director's satisfaction that the quality of the produced water is equivalent to or better than that of the underlying groundwater or the operator can clearly demonstrate by substantial evidence, such as by appropriate percolation tests, that seepage will not reach the underlying aquifer or waters of the state at contamination levels in excess of applicable standards. Between June 24, 2009 and August 18, 2011, Operator constructed a new production pit to the west of the existing pits at the Jolly-Platts #1 location, Location ID 319643 (Western Pit). Operator failed to properly permit the pit prior to construction and the pit was constructed unlined, violating Rule 904.a. COGCC Staff inspected Location ID 319643 on April 7, 2016 and, based on Staff's observation that the Western Pit appeared to be constructed on a drainage near surface water, Document #681700115 required Operator to submit a Form 27, Site Investigation and Remediation Workplan, outlining a proposed process for completing a Sensitive Area Determination (SAD) by May 13, 2016. On May 19, 2016, Dunning submitted a Form 27, Site Investigation and Remediation Workplan (Remediation Project #9678). On August 31, 2016, Dunning submitted a SAD to the COGCC, one month after the July 31, 2016 deadline stated by COGCC Staff in a May 25, 2016 letter to Dunning (Document #1727427). COGCC Staff conducted soil sampling on September 13, 2016 to obtain information necessary to complete the evaluation of the SAD (Document #681700239) and on October 12, 2016 a letter was issued (Document #2527035) requiring Operator to submit a Form 27, Site Investigation and Remediation Workplan, by November 12, 2016 stating Operator's plans to either permit and line the Western Pit in accordance with Rule 904 or close the pit in accordance with Rule 905. Operator failed to submit the Form 27 stating its plans to install a liner until December 27, 2017 (Remediation Project #10003). A series of conditioned deadlines and extensions were offered to Operator by COGCC Staff, culminating with a deadline for Operator to install a pit liner, pursuant to an approved Form 15, Earthen Pit Report/Permit, by August 31, 2017. Operator failed to comply with numerous conditions required by the offered deadlines and extensions and, to date, Operator has not successfully permitted the Western Pit or successfully completed installation of a liner per the requirements of Rule 904.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/31/2017

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

Operator shall work with the OGLA unit to correct the deficiencies in the Form 15 submitted for the Western Pit and complete the lining installation in accordance with Rule 904.

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: 09/20/2017

COGCC Representative Signature: _____

COGCC Representative: John Axelson Title: East Environmental Superv

Email: john.axelson@state.co.us Phone Num: (303) 894-2100x5115

CORRECTIVE ACTION COMPLETED

Rule: 204

Rule Description: General Functions of Director

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: 205

Rule Description: Access to Records

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: 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: 903

Rule Description: Pit Permitting/Reporting 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: 904

Rule Description: Pit Lining Requirements and Specifications

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>
401408673	NOAV COVER LETTER

401408674	NOAV CERTIFIED MAIL RECEIPT
401408681	NOAV ISSUED

Total Attach: 3 Files