

State of Colorado
Oil and Gas Conservation Commission

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401348980
Date Issued:
07/20/2017
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: <u>47120</u>	Contact Name and Telephone:
Name of Operator: <u>KERR MCGEE OIL & GAS ONSHORE LP</u>	Name: <u>Cheryl Light</u>
Address: <u>P O BOX 173779</u>	Phone: <u>(720) 929-6461</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80217-3779</u>	Email: <u>cheryl.light@anadarko.com</u>

Well Location, or Facility Information (if applicable):

API Number: <u>05-</u> <u>-</u> <u>-00</u>	Facility or Location ID: <u>240213</u>
Name: <u>HELEN MARIE PURSE</u>	Number: <u>B1</u>
QtrQtr: <u>SENE</u> Sec: <u>2</u>	Twp: <u>3N</u> Range: <u>67W</u> Meridian: <u>6</u>
County: <u>WELD</u>	

ALLEGED VIOLATION

Rule: 603

Rule Description: Drilling and Well Servicing Operations and High Density Area Rules

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? Yes

Description of Alleged Violation:

Pursuant to Rule 603.h.(2), effective June 1, 2015 for new and April 1, 2016 for existing equipment, operators are required to anchor tanks and separation equipment to the ground with anchors engineered to support the equipment and resist flotation, collapse, lateral movement, or subsidence. Effective June 1, 2015 for new and April 1, 2016 for existing containment berms, operators are required to construct containment berms around all tanks with steel rings or another engineered technology that provides equivalent protection from floodwaters and debris. On January 20, 2017, COGCC staff inspected Kerr-McGee Oil & Gas Onshore LP's (Operator's) Helen Marie Purse B1 facility, Facility ID #240213, (Document #674004796) and observed an unanchored crude oil tank and earthen containment berms around tanks without steel rings or another acceptable engineered technology. Document #674004796 required Operator to bring the crude oil tank and the containment berm into compliance with Rule 603.h.(2) by February 20, 2017. Operator submitted a Field Inspection Resolution Form on February 21, 2017, (Document #401215343) which informed COGCC that earthen berms were being replaced with steel berms and equipment was being adequately anchored. Correspondence from Operator on June 9, 2017 notified COGCC that the crude oil tank was anchored on February 16, 2017 but the earthen berm wasn't replaced with a steel berm until February 24, 2017. On March 16, 2017, COGCC staff conducted a follow up inspection (Document #674004961) and confirmed that the corrective actions were completed. Operator failed to bring the berm into compliance by April 1, 2016, or the February 20, 2017 corrective action deadline, violating Rule 603.h.(2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/21/2017

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

In Operator's Rule 522.d.(2) NOAV Answer, due within 28 days of NOAV receipt, Operator shall complete an audit of all assets subject to Rule 603.h.(2) and provide a current list of any non-compliant locations and the scheduled dates for a return to compliance.

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_cogccenforecment@state.co.us.

NOAV ISSUED

NOAV Issue Date: 07/20/2017
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: 603
Rule Description: Drilling and Well Servicing Operations and High Density Area Rules
Corrective Action Start Date: _____ Corrective Action Complete Date: 10/30/2017
Has corrective action for this violation been performed as required? Yes
Description of Actual Corrective Action Performed by Operator
See Order.

FINAL RESOLUTION

Cause #: 1V Order #: 643 Docket #: 171000632
Enforcement Action: Administrative Order of Consent Final Resolution Date: 10/30/2017
Final Resolution Comments:
Resolved by Order 1V-643.

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>
401349049	NOAV COVER LETTER
401349051	NOAV CERTIFIED MAIL RECEIPT
401349822	NOAV ISSUED
401349825	NOAV IN PROCESS
401360354	NOAV CERTIFIED MAIL RETURN RECEIPT
401380694	NOAV OPERATOR ANSWER

Total Attach: 6 Files