

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401724680

Date Issued:

08/07/2018

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: 10469

Name of Operator: ENERGY INVESTMENTS INC

Address: PO BOX 17630

City: GOLDEN State: CO Zip: 80402

Contact Name and Telephone:

Name: Stephen Chamberlain

Phone: (303) 249-7948 Fax: ()

Email: energyinv@msn.com

Additional Operator Contacts

Email

Dan Hall

dan@energyop.com

Well Location, or Facility Information (if applicable):

API Number: 05-107-06222-00

Facility or Location ID: _____

Name: WOLF MOUNTAIN

Number: 15-2-7-87

QtrQtr: SWNE Sec: 15

Twp: 7N Range: 87W

Meridian: 6

County: ROUTT

ALLEGED VIOLATION

Rule: 1002.f

Rule Description: Stormwater Management

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 1002.f.(2)A., Energy Investments Inc ("Operator") shall implement and maintain Best Management Practices ("BMPs") including such measures as covering materials and activities and stormwater diversion to minimize contact of precipitation and stormwater runoff with materials, wastes, equipment, and activities with potential to result in discharges causing pollution of surface waters. On March 3, 2017, COGCC Staff conducted an inspection of the Wolf Mountain #15-2-7-87 (API No. 05-107-06222, "Well") Location and observed lube oils stored at the wellhead and on the pumpjack base with no secondary containment or covering. In the associated Field Inspection Report, No. 673404171, COGCC Staff instructed Operator to install or repair required BMPs per Rule 1002.f., by April 14, 2017. COGCC Staff conducted follow up inspections of the Well Location on August 7, 2017 (Field Inspection Report No. 689800143), and May 22, 2018 (Field Inspection Report No. 689800143). COGCC Staff observed that there was still no secondary containment/covering for the lube oil storage as of the August 2017 inspection, and that, while Operator had added a containment box to the pumpjack area by the May 2018 inspection, lube oils were still stored at the wellhead and on the pumpjack base outside of the containment box with inadequate or absent BMPs. Operator failed to implement and maintain measures to minimize contact of precipitation and stormwater runoff with the stored lube oils at the wellhead and pumpjack, in violation of Rule 1002.f.(2)A.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/14/2017

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

Operator shall immediately install or repair BMPs to contain and/or cover the lube oils to minimize contact of precipitation and stormwater with such materials. Operator shall submit a Form 4 Sundry notice which provides photographic evidence of the completed BMPs.

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, Energy Investments Inc ("Operator") shall flare or vent gas from a well only after Operator has given notice to and obtained approval from COGCC on a Sundry Notice ("Form 4") stating the estimated volume and content of the gas. On August 7, 2017, COGCC Staff conducted an inspection of the Wolf Mountain #15-2-7-87 (API No. 05-107-06222, "Well") and observed the well pumping, that gas was being vented or flared during non-upset conditions, and that the ECD/flare was not lit (Field Inspection Report No. 689800143, "Inspection"). COGCC Staff conducted an audit of Operator's records. No Form 4 requesting approval to vent or flare was submitted until August 18, 2017, (Form 4 No. 401381184). In addition to requesting approval to vent or flare, Operator also stated in Form 4 No. 401381184 that the Well averaged 93 Mcf monthly production of natural gas. COGCC approved Operator's Form 4 No. 401381184 vent/flare request on October 19, 2017. Operator reported monthly natural gas production of 93 Mcf each of the months of July 2015 through May 2018, with a monthly average of 86 Mcf for all reported months (August 2013 through May 2018). For every month with reported natural gas production, Operator reported identical volumes of natural gas "Used"; including reporting 93 Mcf each produced and used, consistently each month during the period encompassing the Inspection and COGCC's approval of Form 4 No. 401381184 (July through October, 2017). Operator performed unauthorized venting or flaring of natural gas from the Well, in violation of Rule 912.b.

Abatement or Corrective Action Required to be Performed by Operator: _____

Corrective Action Due Date: 09/06/2018

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

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall document an internal procedure to ensure that, in the future, it obtains all required approvals prior to venting or flaring a well.

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: 08/07/2018

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) 894-2100

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>
401724682	NOAV COVER LETTER
401726154	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files