

State of Colorado  
Oil and Gas Conservation Commission

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## 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: 10525

Name of Operator: SANTA FE NATURAL RESOURCES INC

Address: 4833 FRONT STREET UNIT B 506

City: CASTLE ROCK State: CO Zip: 80104

Contact Name and Telephone:

Name: MICHAEL SULLIVAN

Phone: (303) 681-5901 Fax: ( )

Email: durangopl@earthlink.net

### Well Location, or Facility Information (if applicable):

API Number: 05- - -00

Facility or Location ID: 260884

Name: JSR

Number: 4-1

QtrQtr: NWNE Sec: 4

Twp: 7N Range: 94W

Meridian: 6

County: MOFFAT

### ALLEGED VIOLATION

Rule: 1003.b

Rule Description: Interim Reclamation - Areas No Longer In Use

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 1003.b, all disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use as designated by the surface owner and shall be maintained to control dust and minimize erosion to the extent practicable. Interim reclamation shall occur no later than six months after drilling operations on non-crop land. The JSR #4-1 Well (API No. 05-081-07070) has been producing since March 2003. Staff inspected the location on September 26, 2017 (Inspection Report No. 680102263). During this inspection, Staff observed that Operator had not fully reclaimed areas no longer needed for production, drilling, or subsequent operations (Id.). Staff observed that the disturbed area was sparsely vegetated and infested with noxious weeds (Id.). Staff required Operator to conduct reclamation in areas no longer needed for production, and to install appropriate best management practices to stabilize the area until vegetation establishes by November 30, 2017 (Id.). Staff inspected the location again on June 18, 2018 (Inspection Report No. 674104493). During this inspection, Staff observed that Operator failed to complete interim reclamation in violation of Rule 1003.b (Id.).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/30/2017

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

Operator shall commence interim reclamation at the location according to 1000-series Rules. Operator shall conduct reclamation in areas no longer needed for use or production and install appropriate best management practices to stabilize the area until vegetation

establishes	
Rule: 1103	
Rule Description: Abandonment	
Initial Discovery Date: _____	Was this violation self-reported by the operator? <u>No</u>
Date of Violation: _____	Approximate Time of Violation: _____
	Was this a discrete violation of obvious duration? <u>No</u>
Description of Alleged Violation:	
<p>Pursuant to Rule 1103, all pipelines abandoned in place shall be disconnected from all sources and supplies of natural gas and petroleum, purged of liquid hydrocarbons, depleted to atmospheric pressures, cut off three feet below ground surface, or the depth of the pipeline, whichever is less, and sealed at the ends. On May 2, 2017, the Commission issued a Notice to Operators ("NTO"), requiring all operators to inspect all existing flowlines and pipelines to verify that any existing flowline or pipeline not in use, regardless of when it was installed or taken out of service, is abandoned pursuant to Rule 1103. Any existing flowline or pipeline riser not in use must be clearly marked using fluorescent paint; have all operating valves removed, and be capped until it can be cut-off below grade and sealed pursuant to Rule 1103 and the statewide NTO. The NTO required that these actions be completed by May 30, 2017. During a field inspection of the Location on June 30, 2017, Staff observed an unused 2" steel riser at the wellhead and two unused 3" steel risers at the gas meter run. These unused risers were neither cut off three feet below ground surface, nor marked for abandonment or locked out tagged out. Operator failed to follow the procedures outlined in Rule 1103 for pipelines abandoned in place, in violation of Rule 1103.</p>	

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 05/30/2017

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

Operator shall lock out/tag out, mark for abandonment, and properly abandon the risers.

Rule: 210.b	
Rule Description: Signs & Markers- Wells & Batteries	
Initial Discovery Date: _____	Was this violation self-reported by the operator? <u>No</u>
Date of Violation: _____	Approximate Time of Violation: _____
	Was this a discrete violation of obvious duration? <u>No</u>
Description of Alleged Violation:	
<p>Pursuant to Rule 210.b.1, within sixty (60) days after the completion of a well, the Operator shall install a permanent sign at the wellhead which shall identify the well and provide its legal location. Pursuant to Rule 210.b.2, within sixty (60) days after the completion of a well, Operator shall locate a permanent sign at the battery. This sign shall include the name of the operator, a phone number at which the operator can be reached, a phone number for local emergency services, the lease name or well name associated with the battery, the public road used to access the site, and the legal location. In a September 7, 2016 field inspection (Inspection Report No. 673406593), Staff observed no sign at the wellhead. The subject well, API No. 05-081-07070, was completed on July 23, 2002. Staff directed the Operator to install a sign at the wellhead by October 8, 2016. Staff conducted a follow-up field inspection (Inspection Report No. 689800036) on June 30, 2017 and observed that Operator had not installed a sign at the wellhead.</p> <p>Additionally, during the June 30, 2017, inspection, Staff observed that the battery sign contained information for the previous operator (Id.). Staff previously required Operator to correct this by October 8, 2016. During a December 13, 2017, inspection, Staff observed that the battery sign still contained information for the previous operator (Inspection Report No. 689800659).</p> <p>Operator failed to install a sign at the wellhead, and Operator failed to include the required information on the sign at the battery, in violation of Rule 210.b.</p>	

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 10/08/2016

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

Operator shall install a sign at the wellhead and correct the battery sign pursuant to Rule 210.b.

Rule: 603.f	
Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements	
Initial Discovery Date: _____	Was this violation self-reported by the operator? <u>No</u>
Date of Violation: _____	Approximate Time of Violation: _____
	Was this a discrete violation of obvious duration? <u>No</u>
Description of Alleged Violation:	

Pursuant to Rule 603.f, Operator is required to keep all locations free of weeds, rubbish, and other waste material. During September 7, 2016 field inspection (Inspection Report No. 673406593), Staff observed noxious and annual weeds on the entirety of the Location. Staff also observed that these weeds were beginning to migrate off location. Staff directed the Operator to comply with Rule 603.f by September 19, 2016. During June 30, 2017 and June 18, 2018, follow-up field inspections (Inspection Report Nos. 689800036 and 674104493), Staff again observed noxious and annual weeds on the entire location, as well as migrating off location. Operator failed to keep the Location free of weeds, rubbish, and other waste material, in violation of Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/30/2017

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

Operator shall comply with Rule 603.f by managing weeds at the location. Operator shall lock out/tag out, mark for abandonment, and properly abandon the risers

### 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](mailto:dnr_cogccenforcement@state.co.us).

### NOAV ISSUED

NOAV Issue Date: 10/26/2018

COGCC Representative Signature:



COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: [kira.gillette@state.co.us](mailto: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>
401811795	NOAV COVER LETTER
401811796	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files