

State of Colorado
Oil and Gas Conservation Commission

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NOTICE OF ALLEGED VIOLATION - RESOLVED

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: 69175

Name of Operator: PDC ENERGY INC

Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

Contact Name and Telephone:

Name: Venessa Chase

Phone: (303) 318-6102 Fax: ()

Email: venessa.chase@pdce.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 331001

Name: MATT-64N67W

Number: 24NWSW

QtrQtr: NWSW Sec: 24 Twp: 4N Range: 67W Meridian: 6

County: WELD

ALLEGED VIOLATION

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

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 1004.a., upon the plugging and abandonment of a well, PDC Energy Inc ("PDC") shall 1) backfill all pits, mouse and rat holes, and cellars; 2) remove all debris and surface equipment within three months; 3) reclaim well locations, access roads, culverts, and associated facilities; 4) as applicable, perform compaction alleviation, restoration, and revegetation work at well sites, associated production facilities, and access roads to the same standards established for interim reclamation under Rule 1003; and 5) remove all other equipment, supplies, weeds, rubbish, and other waste material. All such reclamation work shall be completed within three months on crop land and twelve months on non-crop land after plugging a well or final closure of associated production facilities, and PDC shall make every reasonable effort to complete reclamation before the next local growing season.

On July 25, 2017, COGCC Staff conducted an inspection of PDC's Matt #1 well location (ID 331001, "Location") and observed that PDC failed to reclaim the tank battery area at the Location in accordance with Rule 1004.a. final reclamation requirements. The Well (API No. 123-20011) was plugged on June 20, 2014, and the Location is on cropland, resulting in a requirement to perform final reclamation by September 20, 2014. The inspection documented that over three years after the date of plugging, gravel remained throughout the location and weedy, annual vegetation was observed as well as List C CO Noxious weed, puncture vine. (Field Inspection Report Document No. 682402480)

PDC failed to perform timely final reclamation at the Location, in violation of Rule 1004.a.

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

Operator shall conduct revegetation immediately or as soon as possible, and shall also do the following:

- (1) Remove any remaining gravel or non-native inorganic surface material that will not adequately support vegetation.
 - (2) Perform compaction alleviation by cross ripping to a minimum depth of eighteen (18) inches.
 - (3) Import topsoil consistent with native topsoil composition that shall be from a source that does not have weed infestation of any kind or provide adequate amendments to site soils to support vegetation growth.
 - (4) Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of reference area levels using a seed mixture requested by the surface owner or a mixture prescribed by the local county NRCS.
 - (5) Ensure erosion controls are implemented to stabilize the seeded soil, control noxious weeds and continue to monitor and maintain the site until Final Reclamation has passed.
- Operator shall coordinate all site work in advance with the surface owner and COGCC Reclamation Specialist.

Rule: 909

Rule Description: Site Investigation, Remediation and Closure

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 909., PDC Energy Inc ("PDC") shall adhere to the following requirements in closure and remediation of pits; investigation, reporting, and remediation of spills/releases; plugged and abandoned wellsites; and sites impacted by E&P waste management practices:

b.(2) PDC shall conduct sampling and analysis of soil and groundwater in accordance with Rule 910. to determine the horizontal and vertical extent of any contamination in excess of the concentrations in Table 910-1;

b.(5) PDC shall perform remediation in a manner to mitigate, remove, or reduce contamination that exceeds the concentrations in Table 910-1 in order to ensure protection of public health, safety, and welfare, and to prevent and mitigate significant adverse environmental impacts, and shall remediate any soil that does not meet concentrations in Table 910-1; and

e.(1) Remediation and reclamation shall be complete upon compliance with the concentrations in Table 910-1. (2) Within 30 days after conclusion of site remediation and reclamation activities, PDC shall submit to COGCC a Site Investigation and Remediation Workplan ("Form 27"), containing information sufficient to demonstrate compliance with these issues. COGCC may elect to accept a Spill/Release Report ("Form 19") in lieu of Form 27, provided such Form 19 provides the information required by Rule 909.e(2).

On May 6, 2014, PDC submitted a Spill/Release Report, Form 19, (Document No. 400603164, "Spill Report") documenting a historic release discovered during decommissioning of the facility (ID 331001) and plugging and abandonment of the Matt #1 well (API #05-123-20011). This Form 19 documented excavation and disposal of 180 cubic yards of oily waste and confirmation soil samples that demonstrated compliance with Table 910-1 standards. Based on the information submitted by PDC, COGCC did not require further action and closed the related spill on May 6, 2014.

On September 6, 2017, an attorney for the landowner submitted a letter (Document No. 2496224), and an accompanying report (Document No. 2496222) prepared by an environmental consultant ("AWES") that indicated that oily waste remained at the same location as the previous spill. Analytical results for a sample collected by AWES indicated a concentration of 3,989 mg/Kg Total Petroleum Hydrocarbons ("TPH") which exceeds the 500 mg/Kg Table 910-1 standard.

On September 14, 2017, COGCC requested that PDC submit within 30 days a Form 27 for additional site assessment and remediation (email Document No. 2496223), in accordance with Rule 906.c. On November 2, 2017, PDC submitted a Form 27 (Document No. 401445445) that documented additional remediation confirmation soil sampling at the site and the removal of an additional 530 cubic yards of oily waste to remediate the Location to comply with Table 910-1 standards. This Form 27 also documented that the initial remediation reported on the May 2014 Form 19 was not accurate and a substantial amount of oily waste exceeding Table 910-1 standards remained in place since May 2014.

PDC violated Rule 909.b.(2) by submitting sample results that did not reflect the accurate horizontal and vertical extent of impacted soils at the location. PDC violated Rule 909.b.(5) by failing to perform adequate remediation to remove impacted soil from the location that exceeded Table 910-1 standards. Last, PDC violated Rule 909.e. by submitting documentation for closure that did not reflect true site conditions.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/16/2018

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

Operator shall submit the following to COGCC:

- (1) A detailed written procedure to be used by PDC and its contractors on all future site assessments performed to document remediation and/or facility closures where confirmation soil and groundwater sampling is performed to demonstrate compliance with Table 910-1 standards. The procedure shall include measures meant to ensure that contaminated materials are removed, sampling is sufficient, and reporting is accurate.

(2) All disposal documentation as described in COGCC Rule 907.b.(2) for the original 180 cubic yards and additional 530 cubic yards of oily waste disposed off site.

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: 02/13/2018

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) 894-2100x5165

CORRECTIVE ACTION COMPLETED

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV resolved by Order 1V-678. See Order for details regarding corrective actions performed or pending.

Rule: 909

Rule Description: Site Investigation, Remediation and Closure

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV resolved by Order 1V-678. See Order for details regarding corrective actions performed or pending.

FINAL RESOLUTION

Cause #: 1V

Order #: 678

Docket #: 180400298

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 10/29/2018

Final Resolution Comments:

NOAV resolved by Order 1V-678.

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>
401542544	NOAV APPROVED
401544049	NOAV CERTIFIED MAIL RECEIPT
401544660	NOAV COVER LETTER
401544666	NOAV ISSUED
401545127	NOAV IN PROCESS
401572484	NOAV CERTIFIED MAIL RETURN RECEIPT

Total Attach: 6 Files