

State of Colorado
Oil and Gas Conservation Commission

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



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Date Issued:
05/06/2019
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: 10000

Name of Operator: BP AMERICA PRODUCTION COMPANY

Address: 1199 MAIN AVENUE SUITE 101

City: DURANGO State: CO Zip: 81301

Contact Name and Telephone:

Name: PATRICIA CAMPBELL

Phone: (970) 712-5997 Fax: ()

Email: patti.campbell@bpx.com

| Additional Operator Contacts | Email |
|------------------------------|---------------------------|
| D. Neslin | dave.neslin@dgsllaw.com |
| N. Blevins | nblevins@bwenergyllaw.com |

Well Location, or Facility Information (if applicable):

API Number: 05- - -00

Facility or Location ID: 463807

Name: Leroy McCaw B

Number: 1

QtrQtr: SWNE Sec: 21

Twp: 34N Range: 8W

Meridian: M

County: LA PLATA

ALLEGED VIOLATION

Rule: 324A.a

Rule Description: General Environmental Protection

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 324A.a; BP America Production Company ("BP America") shall take precautions to prevent significant adverse environmental impacts to air, water, soil, or biological resources to the extent necessary to protect public health, safety and welfare, including the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility to prevent the unauthorized discharge of oil, gas, or E&P waste.

On April 2, 2019, BP America discovered a release from a produced water gathering line (Spill/Release ID 463807). Approximately 8.6 barrels of coalbed methane produced water from the line flowed into a ditch, leading into a freshwater emergent wetland, considered to be Waters of the State (Document No. 402013123). Upon discovery of the release, BP America timely reported the release to the Commission.

Upon discovery of the release and on the same day, BP America isolated the compromised section of pipeline using a closing valve (Document No. 402013123). BP America used a vacuum truck to recover approximately four barrels of released fluid (Id.). BP America personnel hand dug berms to prevent further flow of released fluids.

On April 3, 2019, Commission Staff inspected the site of the release (Document No. 688800497). Staff observed evidence that fluids flowed from the site of the release into a ditch, leading into a freshwater emergent wetland (Id.).

Based on observations by Commission Staff and information submitted by BP America, it is evident that BP America should have taken additional precautions to prevent the observed failure of this pipeline. The release that resulted from the failure of the pipeline impacted a freshwater emergent wetland considered to be Waters of the State. BP America therefore violated 324A.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 08/01/2019

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

Corrective Action

Quarterly monitoring for visual impacts in addition to quarterly sampling and analysis for pH, SAR, EC, salts, and metals of the impacted area shall be submitted via supplemental Form 27s. Should impacts to vegetation within the release flow path becomes apparent, further active remediation efforts shall be required (Document No. 402020790).

Due date:

The first of the month on: August 2019, November 2019, February 2019, May 2020.

Rule: 324A.b

Rule Description: Water Quality

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 324A.b; BP America, in the conduct of any oil or gas operation ,shall not perform any act or practice which shall constitute a violation of water quality standards or classifications established by the Water Quality Control Commission for waters of the state, or any point of compliance established by the Director pursuant to Rule 324D. The Director may establish one or more points of compliance for any event of pollution, which shall be complied with by all parties determined to be a responsible party for such pollution..

On April 2, 2019, BP America discovered a release from a produced water gathering line (Spill/Release ID 463807). Approximately 8.6 barrels of coalbed methane produced water from the line flowed into a ditch, leading into a freshwater emergent wetland, considered to be Waters of the State (Document No. 402013123). Upon discovery of the release, BP America timely reported the release to the Commission.

Upon discovery of the release and on the same day, BP America isolated the compromised section of pipeline using a closing valve (Document No. 402013123). BP America used a vacuum truck to recover approximately four barrels of released fluid (Id.). BP America personnel hand dug berms to prevent further flow of released fluids.

On April 3, 2019, Commission Staff inspected the site of the release (Document No. 688800497). Staff observed evidence that fluids flowed from the site of the release into a ditch, leading into a freshwater emergent wetland (Id.).

Pursuant to Colorado Water Quality Control Commission Rule 31.11(1)(a), Basic Standards Applicable to Surface Waters of the State, state surface waters shall be free from substances attributable to human-caused point source or nonpoint source discharge in amounts, concentrations, or combinations which are harmful to the beneficial uses or toxic to humans, animals, plants, or aquatic life.

BP America conducted water and soil sampling at various locations impacted by the release (Document No. 402013123). BP America collected two water samples. The sample collected at the source of the release showed total dissolved solids of 3,250 mg/L of total dissolved solids ("TDS") and conductivity of 5.53 uS/cm, compared to a downstream sample showing 470 mg/L TDS and conductivity of 0.831 uS/cm.

The release from BP America's pipeline resulted in the introduction of substances attributable to human-caused point source or nonpoint source discharge in amounts, concentrations, or combinations which are harmful to the beneficial uses or toxic to humans, animals, plants, or aquatic life. BP America therefore violated Rule 324A.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 08/01/2019

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

Corrective Action

Quarterly monitoring for visual impacts in addition to quarterly sampling and analysis for pH, SAR, EC, salts, and metals of the impacted area shall be submitted via supplemental Form 27s. Should impacts to vegetation within the release flow path becomes apparent, further active remediation efforts shall be required (Document No. 402020790).

Due date:

The first of the month on: August 2019, November 2019, February 2019, May 2020.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

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 605.d; all valves, pipes, and fittings must be securely fastened, inspected at regular intervals, and maintained in good mechanical condition.

On April 2, 2019, BP America discovered a release from a produced water gathering line (Spill/Release ID 463807). Approximately 8.6 barrels of coalbed methane produced water from the line flowed into a ditch, leading into a freshwater emergent wetland, considered to be Waters of the State (Document No. 402013123). Upon discovery of the release, BP America timely reported the release to the Commission.

Upon discovery of the release and on the same day, BP America isolated the compromised section of pipeline using a closing valve (Document No. 402013123). BP America used a vacuum truck to recover approximately four barrels of released fluid (Id.). BP America personnel hand dug berms to prevent further flow of released fluids.

On April 3, 2019, Commission Staff inspected the site of the release (Document No. 688800497). Staff observed evidence that fluids flowed from the site of the release into a ditch, leading into a freshwater emergent wetland (Id.).

BP America failed to inspect the produced water gathering line at regular intervals and maintain it in good mechanical condition, resulting in a release into Waters of the State. BP America therefore violated Rule 605.d.

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

Corrective Action Due Date: 06/05/2019

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

Corrective Action:

The operator shall submit a written plan detailing operational and engineering procedures to prevent reoccurrence, which shall include any information that the operator has available concerning failure analysis, integrity/pressure testing, and any data concerning the root causes of the spill. Provide all pipeline integrity data to the COGCC Pipeline Supervisor, Mark Schlagenhauf, at (303) 894-2100 x5177 or mark.schlagenhauf@state.co.us

Due date: Within 30 days of issuance of NOAV.

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: 05/06/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

CORRECTIVE ACTION COMPLETED

Rule: 324A.a

Rule Description: General Environmental Protection

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: 324A.b

Rule Description: Water Quality

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: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

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.

| Document Number | Description |
|-----------------|-----------------------------|
| 402033244 | NOAV CERTIFIED MAIL RECEIPT |
| 402033249 | NOAV COVER LETTER |
| 402033284 | NOAV ISSUED |

Total Attach: 3 Files