

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
10/16/2019
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: 46290
Name of Operator: KP KAUFFMAN COMPANY INC
Address: 1675 BROADWAY, STE 2800
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: SUSANA LARA-MESA
Phone: (303) 825-4822 Fax: ()
Email: slaramesa@kpk.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00 Facility or Location ID: 446608
Name: GRANT Number:
QtrQtr: NWNE Sec: 26 Twp: 2N Range: 68W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 905

Rule Description: Closure of Pits, and Buried or Partially Buried Produced Water Vessels

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 905.b., KP Kauffman Company Inc ("Operator") shall close partially buried produced water vessels in accordance with an approved Site Investigation and Remediation Workplan, Form 27. The Workplan shall be submitted for prior COGCC approval and shall include a description of the proposed investigation and remediation activities in accordance with Rule 909.

On July 1, 2019, COGCC Staff inspected the Grant Tank Battery (Facility ID 446608, the "Location") and observed Operator removing a partially buried water vessel. As of the date of this inspection, Operator had not submitted a Form 27 for the removal of this vessel (Field inspection Report No. 688500154).

Operator failed to submit a Form 27 Site Investigation and Remediation Workplan prior to the removal of a partially buried produced water vessel, violating Rule 905.b.

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 10/25/2019

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

Operator shall submit an eForm 27, Site Investigation and Remediation Workplan, for the removal of the partially buried water vessel at the Grant Tank Battery. The Form 27 will include a plan to fully define the vertical and lateral extent of soil and groundwater

contamination and develop a comprehensive plan to fully remediate any residual impacts at the location to applicable cleanup standards for soil and groundwater.

Rule: 906.b

Rule Description: Spill Reporting

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 Rules 906.b.(2) and 906.b.(3)., KP Kauffman Company Inc ("Operator") shall notify the local government and the surface owner, of a spill or release of E & P Waste or produced fluids reportable under Rule 906.b.(1)A, as soon as practicable but no more than 24 hours after the discovery of the spill/release.

On June 21, 2019, COGCC Staff inspected the Grant Tank Battery (Facility ID 446608, the "Location") and observed Operator removing a partially buried water vessel. COGCC staff observed soil and groundwater impacts in the open excavation around the partially buried produced water vessel. The partially buried produced water vessel being removed was located adjacent to an unnamed stream. At the time of inspection, no notification had been made to the surface owner or Local Government Designee ("LGD") of a release at the Location. While on Location, COGCC Staff informed Operator personnel that notifications must be made to the local government and surface owner immediately (Field inspection Report No. 688500154).

Operator failed to notify the surface owner or LGD of a spill/release that impacts or threatens to impact waters of the state, violating Rules 906.b.(2) and 906.b.(3).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/15/2019

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 provide an explanation of how Operator will implement an internal procedure to ensure timely compliance in the future with Rule 906.b. reporting requirements.

Operator shall submit its NOAV Answer by email to the following:

dnr_cogccenforcement@state.co.us
kari.oakman@state.co.us

Rule: 906.b.(1)

Rule Description: Spill Reporting -Report to Director -Threat of Impact

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 906.b.(1).A, KP Kauffman Company Inc ("Operator") shall report to COGCC a spill or release of E&P Waste or produced fluids of any size that impacts or threatens to impact any waters of the state, as soon as practicable but no more than 24 hours after discovery; and shall submit Spill/Release Reports ("Form 19") Initial within 72 hours and Supplemental within 10 calendar days of discovery.

On June 21, 2019, COGCC Staff inspected the Grant Tank Battery (Facility ID 446608, the "Location") and observed Operator removing a partially buried water vessel. COGCC staff observed soil and groundwater impacts in the open excavation around the partially buried produced water vessel. The partially buried produced water vessel being removed was located adjacent to an unnamed stream (Field inspection Report No. 688500154).

Operator failed to submit to the COGCC Form 19 Initial within 72 hours and Form 19 Supplemental within 10 days of discovery of a spill/release that impacted waters of the state, violating Rule 906.b.(1).A.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/25/2019

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

No later than 72-hours from the issuance of the NOAV, Operator shall submit an Initial Form 19, Spill Report, with all required information including detailed information regarding the source of the impacts to soil and groundwater and the timing of the spill or release. Operator shall also submit a supplemental Form 19. within 10-days from the issuance of the 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: 10/16/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

CORRECTIVE ACTION COMPLETED

Rule: 905

Rule Description: Closure of Pits, and Buried or Partially Buried Produced Water Vessels

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: 906.b

Rule Description: Spill Reporting

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: 906.b.(1)

Rule Description: Spill Reporting -Report to Director -Threat of Impact

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.

| <u>Document Number</u> | <u>Description</u> |
|------------------------|-----------------------------|
| 402211520 | NOAV COVER LETTER |
| 402211521 | NOAV CERTIFIED MAIL RECEIPT |
| 402211619 | NOAV ISSUED |

Total Attach: 3 Files