

State of Colorado  
Oil and Gas Conservation Commission

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Document Number:  
402216782

Date Issued:  
10/22/2019

**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: 10311  
Name of Operator: SRC ENERGY INC  
Address: 1675 BROADWAY SUITE 2600  
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:  
Name: ERIN EKBLAD  
Phone: (720) 616-4319 Fax: ( )  
Email: eekblad@srcenergy.com

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

API Number: 05- - -00 Facility or Location ID: 433548  
Name: Phelps Number: 12-32NHZ  
QtrQtr: SENE Sec: 32 Twp: 1N Range: 66W Meridian: 6  
County: WELD

**ALLEGED VIOLATION**

Rule: 303.b.  
Rule Description: Form 2A, Oil and Gas Location Assessment

Initial Discovery Date: \_\_\_\_\_ Was this violation self-reported by the operator? Yes  
Date of Violation: \_\_\_\_\_ Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 303.b.(1)A., unless exempted under Rule 303.b.(2), Operator shall complete and obtain COGCC approval of an Oil and Gas Location Assessment, for any surface disturbance for an oil and gas location at a previously undisturbed site.

On July 13, 2013, Operator received COGCC approval for a surface disturbance based on the information Operator provided in its Oil and Gas Location Assessment (Document No. 400423324, "Form 2A"), for the for the Phelps 12-32NHZ (ID No. 433548, "Location").

On June 6, 2019, Operator voluntarily reported to COGCC that its construction of the Location included a noncontiguous surface disturbance. Upon review, COGCC Staff determined that this noncontiguous surface disturbance is a distinct oil and gas location, constructed at a previously undisturbed site ("New Disturbance"). COGCC Staff further determined that the New Disturbance is not covered by the Form 2A No. 400423324 approval, and must be permitted under a separate Form 2A.

Operator disturbed the surface at a previously undisturbed site to construct a new oil and gas location without a completed, approved Form 2A, violating Rule 303.b.(1)A.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 11/21/2019

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

Operator shall submit to COGCC for approval a complete Form 2A for the New Disturbance, and shall not continue construction or any further surface disturbance, in any area, without an approved Form 2A for such disturbance.

Operator shall submit a compliance plan that documents and provides processes to ensure approved Form 2A will be obtained prior to any construction of a previously undisturbed area.

Rule: 34-60-121(1) CRS-b

Rule Description: Statutory Violation - Permit Violation

Initial Discovery Date: \_\_\_\_\_ Was this violation self-reported by the operator? Yes

Date of Violation: \_\_\_\_\_ Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

On July 13, 2013, Operator received COGCC approval for a surface disturbance based on the information Operator provided in its Oil and Gas Location Assessment (Document No. 400423324, "Form 2A"), for the for the Phelps 12-32NHZ (ID No. 433548, "Location").

On June 6, 2019, Operator voluntarily reported to COGCC that the built Location exceeded the area allowed in its Form 2A.

Operator constructed a surface disturbance that exceeded the permitted surface disturbance area, violating Operator's Form 2A and §34-60-121(1)(a), C.R.S.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 11/21/2019

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

Operator shall amend its Form 2A for the Location to include complete and accurate information about the disturbed area. Operator shall not construct any further surface disturbance at the Location without Form 2A approval for such disturbance.

## 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: 10/22/2019

COGCC Representative Signature: 

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

## 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>
402216794	NOAV COVER LETTER
402216817	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files