

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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402287753

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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: 10317

Name of Operator: PAINE* JOSEPH J.C. DBA PAINE PETROLEUM COMPANY LLC

Address: 3720 S LIPAN STREET

City: ENGLEWOOD State: CO Zip: 80110

Contact Name and Telephone:

Name: BRIAN QUALLS

Phone: (303) 761-0131 Fax: ()

Email: tuv@mac.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 414619

Name: JOSEPH J.C. PAINE

Number: NO. 1 ANADARKO

QtrQtr: SENE Sec: 7

Twp: 3S Range: 65W

Meridian: 6

County: ADAMS

ALLEGED VIOLATION

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

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 210.b., within 60 days after the completion of a well or the installation of a battery, Paine* Joseph J.C. DBA Paine Petroleum ("Operator") shall install permanent signage at the wellhead and/or battery. This signage shall provide, among other required information, the name of Operator, a phone number at which Operator can be reached at all times, and a phone number for local emergency services (911 where available).

On 02/22/2019 COGCC staff performed an inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted improper emergency contact signage at the wellhead in document #688401380.

On 04/30/2019 COGCC staff performed a followup inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted lack of emergency contact signage at the wellhead in document #688402049.

Operator failed to install permanent signage with the required information at the wellhead, violating Rule 210.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/17/2020

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

Operator shall install signage that provides emergency contact information, including a phone number at which the Operator can be

reached at all times and a phone number for local emergency services.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

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 603.f., Paine* Joseph J.C. DBA Paine Petroleum ("Operator") shall keep free of the following at all locations, including wells and surface production facilities: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material.

On 02/22/2019 COGCC staff performed an inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted unused equipment, trash, and weeds in document #688401380.

On 04/30/2019 COGCC staff performed a followup inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted unused equipment, trash, and weeds in document #688402049.

Operator failed to keep the location free of unused equipment, weeds, and trash, violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/17/2020

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

Operator shall implement Best Management Practices per Rule 603.f. to control and manage weeds, and shall remove unused equipment and trash from the Location.

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., Paine* Joseph J.C. DBA Paine Petroleum ("Operator") shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition.

On 02/22/2019 COGCC staff performed an inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted improper mechanical condition resulting in audible gas leaking in document #688401380.

On 04/30/2019 COGCC staff performed a followup inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and noted improper mechanical condition resulting in visible gas leaking in document #688402049.

Operator failed to maintain this equipment in good mechanical condition, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/17/2020

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

Operator shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition.

Rule: 907.e

Rule Description: Oily Waste

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 907.e., Paine* Joseph J.C. DBA Paine Petroleum ("Operator") shall treat or dispose of oily waste in accordance with

options listed under 907.e.(1), such as disposal at a commercial solid waste disposal facility, or land treatment onsite, or at a permitted centralized E&P waste management facility.

On 02/22/2019 COGCC staff performed an inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and identified impacted soil at the wellhead in document #688401380.

On 04/30/2019 COGCC staff performed a followup inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and identified impacted soil at the wellhead in document #688402049.

Operator's failure to appropriately treat or dispose of accumulations of oily waste associated with production equipment constitutes a violation of Rule 907.e.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/17/2020

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

Operator shall remove or remediate the stained soil in accordance with Rule 907.e.

Rule: 907A

Rule Description: Management of Non-E&P Waste

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 907A.a. and c., Paine* Joseph J.C. DBA Paine Petroleum ("Operator") shall properly identify and dispose of non-E&P wastes in accordance with state and federal regulations, including storing, treating, and disposing of hazardous waste in accordance with 6 C.C.R. 1007-3.

On 02/22/2019 COGCC staff performed an inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and identified impacted soil at the pumping unit motor in document #688401380.

On 04/30/2019 COGCC staff performed a followup inspection of Paine* Joseph J.C. DBA Paine Petroleum's Joseph J.C. Paine No. 1 Anadarko lease and identified impacted soil at the pumping unit motor in document #688402049.

Operator's failure to appropriately treat or dispose of accumulations of non E&P waste constitutes a violation of Rule 907A.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/17/2020

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

Operator shall remove or remediate the stained soil in accordance with applicable solid and/or hazardous waste regulations.

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: 01/16/2020

COGCC Representative Signature: _____



Kira Gillette for
Conor Pesicka

COGCC Representative: Conor Pesicka

Title: Quality Assurance Profess

Email: conor.pesicka@state.co.us

Phone Num: (303) 894-2100x5164

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> |
|------------------------|-----------------------------|
| 402288063 | NOAV CERTIFIED MAIL RECEIPT |
| 402288064 | NOAV COVER LETTER |

Total Attach: 2 Files