

State of Colorado
Oil and Gas Conservation Commission

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



Document Number:
402406828
Date Issued:
05/29/2020
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: 72185

Name of Operator: PRODUCTION MANAGEMENT INC

Address: 5000 BUTTE ST #107

City: BOULDER State: CO Zip: 80301

Contact Name and Telephone:

Name: WILLIAM M WARREN

Phone: (720) 381-1314 Fax: ()

Email: williamwarren@hotmail.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 208225

Name: COE TRUST 12B-18

Number: 2

QtrQtr: SWNW

Sec: 18

Twp: 16S

Range: 45W

Meridian: 6

County: CHEYENNE

ALLEGED VIOLATION

Rule: 1101.a.

Rule Description: Off-Location Flowline Registration 2018

Initial Discovery Date: 11/01/2019

Was this violation self-reported by the operator? No

Date of Violation: 11/01/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1101.a.(1), PRODUCTION MANAGEMENT INC ("Operator") shall register off-location flowlines constructed after May 1, 2018, by submitting a Flowline Report ("Form 44") to COGCC within 30 days after the flowline is placed into service. An off-location flowline in existence prior to May 1, 2018, must be registered by October 31, 2019.

During an inspection on January 6, 2020, COGCC Staff observed an off-location flowline, running approximately 1260' SW from the facility/ battery to the COE Trust 12B-18 #2 wellhead, that was in service on or prior to the inspection date. According to COGCC records, Operator last reported injection for the well on Feb 1, 2020. As of May 15, 2020, Operator has not submitted a Form 44 containing all required information to register the Flowline.

Operator failed to submit a completed Form 44 for off-location flowline(s) by October 31, 2019, or within 30 days after the flowline was placed into service, violating Rule 1101.a.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 06/28/2020

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

Operator shall perform an audit of its facilities and document the Form 44 registration status of all of its off-location flowlines. Without

waiting for COGCC's response to Operator's audit and compliance plan, Operator shall promptly complete and submit all delinquent Form 44 off-location flowline registrations.

With the Operator's Rule 522.d.(2) Answer, Operator shall include all of the following:

A summary of the results of its off-location flowline registration audit, stating the number of delinquent registrations, and the percentage of its off-location flowlines which were not properly registered as of the issuance date of this NOAV.

A proposed compliance plan, which details:

A. An aggressive schedule for properly registering all delinquent off-location flowlines.

B. The implementation of an internal procedure for ensuring future compliance with COGCC Rule 1100-series off-location flowline registration requirements, including, but not limited to, timely submittal of Geographic Information System ("GIS") data that includes the flowline alignment and the following attributes: fluid type, pipe material type, and pipe size. GIS data must be submitted in the North American Datum of 1983 and in a format approved by COGCC. The GIS data for these off-location flowlines must be the most accurate data possible without using invasive methods and a minimum horizontal positional accuracy of +/- 25 feet. GIS data must be submitted on or before December 1, 2020.

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

dnr_cogccenforcement@state.co.us
Mark.Schlagenhauf@state.co.us
Ellice.Whittington@state.co.us

COGCC Forms, including Form 44, are available at <http://cogcc.state.co.us/reg.html/#/forms>

Rule: 1101.b.

Rule Description: Off-Location Flowline Registration

Initial Discovery Date: 12/04/2019 Was this violation self-reported by the operator? No
Date of Violation: 11/01/2019 Approximate Time of Violation:
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to 1101.b.(1), Operator must register every off-location flowline either individually or as part of a flowline system. Operator may register individual off-location flowlines or a flowline system by submitting a Form 44, to COGCC within 90 days after the flowline or flowline system is placed in active status.

During an inspection on January 6, 2020, COGCC Staff observed an off-location flowline, running approximately 1260' SW from the facility/ battery to the COE Trust 12B-18 #2 wellhead, that was in service on or prior to the inspection date. According to COGCC records, Operator last reported injection for the well on Feb 1, 2020. As of May 15, 2020, Operator has not submitted a Form 44 containing all required information to register the Flowline.

Operator failed to submit a completed Form 44 for off-location flowline(s) within 90 days after the flowline was placed into service, violating Rule 1101.b.(1).

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 06/28/2020

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

Operator shall perform an audit of its facilities and document the Form 44 registration status of all of its off-location flowlines. Without waiting for COGCC's response to Operator's audit and compliance plan, Operator shall promptly complete and submit all delinquent Form 44 off-location flowline registrations.

With the Operator's Rule 522.d.(2) Answer, Operator shall include all of the following:

A summary of the results of its off-location flowline registration audit, stating the number of delinquent registrations, and the percentage of its off-location flowlines which were not properly registered as of the issuance date of this NOAV.

A proposed compliance plan, which details:

A. An aggressive schedule for properly registering all delinquent off-location flowlines.

B. The implementation of an internal procedure for ensuring future compliance with COGCC Rule 1100-series off-location flowline registration requirements, including, but not limited to, timely submittal of Geographic Information System ("GIS") data that includes the flowline alignment and the following attributes: fluid type, pipe material type, and pipe size. GIS data must be submitted in the North American Datum of 1983 and in a format approved by COGCC. The GIS data for these off-location flowlines must be the most accurate data possible without using invasive methods and a minimum horizontal positional accuracy of +/- 25 feet. GIS data must be submitted on or before December 1, 2020.

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COGCC Forms, including Form 44, are available at <http://cogcc.state.co.us/reg.html/#/forms>

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: 05/29/2020

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x

CORRECTIVE ACTION COMPLETED

Rule: 1101.a.

Rule Description: Off-Location Flowline Registration 2018

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: 1101.b.

Rule Description: Off-Location Flowline Registration

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>
402409252	NOAV CERTIFIED MAIL RECEIPT
402409253	NOAV ISSUED

Total Attach: 2 Files