

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:  
402409058  
Date Issued:  
06/03/2020  
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: 81490  
Name of Operator: ST CROIX OPERATING INC  
Address: P O BOX 13799  
City: DENVER State: CO Zip: 80201  
Contact Name and Telephone:  
Name: PAUL MELNYCHENKO  
Phone: (303) 489-9298 Fax: ( )  
Email: stcroixexp@aol.com

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

API Number: 05- - -00 Facility or Location ID: 236381  
Name: STATE Number: 2-16  
QtrQtr: SESE Sec: 16 Twp: 3S Range: 52W Meridian: 6  
County: WASHINGTON

**ALLEGED VIOLATION**

Rule: 324A.a  
Rule Description: General Environmental Protection  
Initial Discovery Date: 01/08/2020 Was this violation self-reported by the operator? No  
Date of Violation: 01/08/2020 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 324A.a., St. Croix Operating, Inc. ("Operator") 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 or disposal of oil, gas, E&P waste, and chemical substances, or other oilfield waste.

During a routine inspection on January 8, 2020 (document # 688306730) of the State #2-16 well ("Well"), COGCC Staff observed holes and gaps in the wildlife protection cover over the skim tank. COGCC Staff required repairs to the wildlife protection cover over the skim tank to be completed by January 31, 2020.

COGCC Staff re-inspected the Well on May 8, 2020 (document # 688307820), and observed that the wildlife protection cover over the skim tank had not been repaired. Staff also observed two deceased song birds in the skim tank.

During an inspection of the Well on May 15, 2020 (document # 688307854), COGCC Staff observed corrective actions were taken to repair the holes and gaps in the wildlife protection cover over the skim tank.

Operator failed to take precautions to prevent significant adverse impacts to wildlife resources, resulting in wildlife mortality at Operator's skim tank, violating Rule 324A.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/03/2020

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

Operator shall install and maintain precautions to prevent significant adverse environmental impacts to biological resources to protect wildlife resources. Operator shall provide documentation of procedures, policies and practices implemented to prevent adverse impacts to wildlife resources in the future.

Rule: 605.a.(4)

Rule Description: Oil & Gas Facilities- Berms

Initial Discovery Date: 01/08/2020

Was this violation self-reported by the operator? No

Date of Violation: 01/08/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.a.(4), St. Croix Operating, Inc. ("Operator") shall construct, inspect at regular intervals, and maintain in good condition: berms or other secondary containment devices around crude oil, condensate, and produced water tanks (collectively: "ASTs") to provide secondary containment for the largest single tank and sufficient freeboard to contain precipitation.

During an inspection on January 8, 2020 (document # 688306730) of the State #2-16 well ("Well"), COGCC Staff observed burrowed animal holes on the northwest corner of the production tank secondary containment berms. COGCC Staff required repairs to the secondary containment berms to be completed by January 31, 2020.

COGCC Staff re-inspected the Well on May 8, 2020 (document # 688307820), and observed the burrowed animals holes in the secondary containment for the production tank were not repaired.

During an inspection of the Well on May 15, 2020 (document # 688307854), COGCC Staff observed an additional animal hole in the secondary containment berm.

Operator failed to maintain adequate earthen berms or other secondary containment surrounding the production tank, violating Rule 604.a.(4).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/03/2020

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

Operator shall immediately repair earthen berms surrounding crude oil and produced water ASTs . Operator shall provide documentation of procedures, policies and practices implemented to maintain and inspect berms and other secondary containment devices in regular intervals.

### 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: <u>06/03/2020</u>	
COGCC Representative Signature: _____	
COGCC Representative: <u>Trent Lindley</u>	Title: <u>NOAV Specialist</u>
Email: <u>trent.lindley@state.co.us</u>	Phone Num: <u>(303) 894-2100x</u>

## CORRECTIVE ACTION COMPLETED

Rule: <u>324A.a</u>	
Rule Description: <u>General Environmental Protection</u>	
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	
<input type="text"/>	

Rule: <u>605.a.(4)</u>	
Rule Description: <u>Oil &amp; Gas Facilities- Berms</u>	
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	
<input type="text"/>	

## FINAL RESOLUTION

Cause #: _____	Order #: _____	Docket #: _____
Enforcement Action: _____	Final Resolution Date: _____	
Final Resolution Comments:		
<input type="text"/>		

## 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>
402412495	NOAV CERTIFIED MAIL RECEIPT
402412557	NOAV ISSUED

Total Attach: 2 Files