

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
09/09/2020
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: 10730

Name of Operator: CWC PETRO LLC

Address: 6957 #A ISABELL LN

City: ARVADA State: CO Zip: 80007

Contact Name and Telephone:

Name: CHRISTOPHER CLARK

Phone: (303) 519-7870 Fax: ()

Email: cwclark@cwcpetro.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID:

Name:

Number:

QtrQtr: Sec: Twp: Range: Meridian:

County:

ALLEGED VIOLATION

Rule: 1102

Rule Description: Operations, Maintenance, and Repair

Initial Discovery Date: 01/06/2020

Was this violation self-reported by the operator? No

Date of Violation: 05/03/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1102.n.(3), within 30 days of completing an asset purchase, a transfer, construction or relocation of a flowline or crude oil transfer line, CWC Petro, LLC ("Operator") must update the operator's location information with the Utility Notification Center of Colorado ("CO 811").

According to a Form 10 (document # 1732223) submitted to COGCC by McElvain Energy, Inc., on March 12, 2019, the Effective Date of Change for Operator to become the operator of a number of wells, was April 3, 2019.

According to CO 811 staff, Operator became a member of CO 811 in January 2020, and did not update the Operator's location information with CO 811 after completion of a transfer, violating Rule 1102.n.(3).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/09/2020

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 submit a plan detailing how Operator will avoid violating Rule 1102.n.(3) going forward.

Rule: 1102

Rule Description: Operations, Maintenance, and Repair

Initial Discovery Date: 01/06/2020

Was this violation self-reported by the operator? No

Date of Violation: 01/06/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1102.n., CWC Petro, LLC ("Operator"), an operator with underground facilities as defined in §9-1.5-102(7), C.R.S., including wells and below-ground flowlines and crude oil transfer lines, must become a Tier One member of the Utility Notification Center of Colorado ("CO 811") and participate in Colorado's One Call notification system, the requirement of which are established by §9-1.5-101., C.R.S. et seq.

According to CO 811 staff, Operator did not become a Tier One member of CO 811 until January 2020, while operating a number of underground facilities, violating Rule 1102.n.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/09/2020

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 submit a plan detailing how Operator will avoid violating Rule 1102.n. going forward.

Rule: 208

Rule Description: Corrective Action

Initial Discovery Date: 01/06/2020

Was this violation self-reported by the operator? No

Date of Violation: 04/12/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 206, all producers, operators, transporters, refiners, gasoline and other extraction plant operators, and initial purchasers of oil and gas within the State shall from time to time file accurate and complete reports containing such information and covering such geographic areas or periods as the Commission or Director shall require.

COGCC staff received a Form 1 (document # 2154835) from Operator on April 12, 2019, indicating that CWC Petro, LLC ("Operator") was a Tier One member of the Utility Notification Center of Colorado ("CO 811") and participates in Colorado's One Call Notification system.

According to CO 811 staff, Operator did not become a Tier One member of CO 811 until January 2020.

Operator made an inaccurate entry in their Form 1 (document # 2154835), indicating Tier One membership with CO 811, violating Rule 206.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/09/2020

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 submit a plan detailing how Operator will avoid violating Rule 206 going forward.

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: 09/09/2020

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

Rule: 1102

Rule Description: Operations, Maintenance, and Repair

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: 1102

Rule Description: Operations, Maintenance, and Repair

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: 208

Rule Description: Corrective Action

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> |
|-------------------------------|-----------------------------|
| 402485346 | NOAV CERTIFIED MAIL RECEIPT |
| 402485347 | NOAV ISSUED |

Total Attach: 2 Files