

State of Colorado
Oil and Gas Conservation Commission

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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: <u>46290</u>	Contact Name and Telephone:
Name of Operator: <u>KP KAUFFMAN COMPANY INC</u>	Name: <u>ROSS WATZMAN</u>
Address: <u>1675 BROADWAY, STE 2800</u>	Phone: <u>(303) 825-4822</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>rwatzman@kpk.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 477263
Name: soil spreadfield Number: _____
QtrQtr: NWSE Sec: 9 Twp: 2N Range: 67w Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 324A.a
Rule Description: General Environmental Protection
Initial Discovery Date: 06/25/2020 Was this violation self-reported by the operator? No
Date of Violation: 04/23/2020 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 324A.a., 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, chemical substances, or other oilfield waste.

On June 25, 2020, a complaint was submitted to the COGCC alleging that E&P wastes were being dumped in the field to the north of Operator's field offices (Complaint Report, Document No. 200449041).

On June 30, 2020, COGCC environmental staff inspected the location reported in the complaint (Facility ID 477263). COGCC staff noted hydrocarbon odors emanating from soils spread on the location and observed hydrocarbon staining on some soils at the location. During the inspection, COGCC staff collected 11 soil samples to submit for laboratory analysis (Field Inspection No. 697601045). Maps attached to the field inspection document that the spreadfield location is located near USFWS mapped wetlands and a freshwater pond (Aerial Imagery Document No. 697601046).

On August 7, 2020, Operator submitted a FIR Resolution Form ("FIRR") in response to the June 30, 2020 Field Inspection (FIR Resolution Form, Document No. 402462200) indicating that the material spread on location was from the excavation of impacted soils at a nearby spill site (Spill/Release Point ID 468759, Remediation Project No. 14962). According to the approved Form 27, Site Investigation and Remediation Workplan (Supplemental Form) (Document No. 402370392), all excavated soil from the spill (Spill/Release Point ID 468759) will be disposed of at Front Range Landfill.

On August 10, 2020, COGCC environmental staff submitted a follow-up inspection to report the analytical results of the soil samples collected during the June 30, 2020 inspection. Analytical results for the composite soil samples demonstrate Table 910-1 exceedances for concentrations of TPH, Sodium Adsorption Ratio ("SAR"), Electrical Conductivity ("EC"), and Arsenic (Field Inspection No. 697601052; Analytical Results, Document Nos. 402445468, 402445471 & 402445790). Collectively, these documented impacts constitute significant adverse environmental impacts from improper management of E&P waste.

Operator failed to take reasonable precautions to prevent the contamination of soil and surface water by the unauthorized disposal of E&P waste, violating Rule 324A.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/01/2020

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

Operator shall continue to submit to the COGCC, Supplemental Form 27 Site Investigation and Remediation Workplans (Remediation Project No. 15951) documenting the remediation of the soil spreadfield. Operator shall address all Conditions of Approval ("COA") described in the previous Form 27 Document No. 40286065. Operator must develop and implement practices to effectively characterize impacts to soils and not solely rely on screening using photo-ionization detector (PID) which is totally ineffective screening for sodicity and salinity impacts measured in soils brought to site. Use of PID as screening tool is also not effective in determining the presence of aliphatic hydrocarbons analytically determined to be present in soils brought to the site.

Operator shall dispose of E&P waste immediately.

Rule: 907.a

Rule Description: General E&P Waste management Requirements

Initial Discovery Date: 06/25/2020 Was this violation self-reported by the operator? No

Date of Violation: 04/23/2020 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 907.a.(1)-(2), Operator shall ensure that E&P waste is properly disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources or to the extent necessary to ensure compliance with the concentration levels in Table 910-1. E&P waste management activities shall be conducted to protect the waters of the state from significant adverse environmental impacts from E&P waste.

On June 25, 2020, a complaint was submitted to the COGCC alleging that E&P wastes were being dumped in the field to the north of Operator's field offices (Complaint Report, Document No. 200449041).

On June 30, 2020, COGCC environmental staff inspected the location reported in the complaint (Facility ID 477263) and documented soil spread over an area of approximately 90,000 square feet with a thickness of approximately 1 to 2 feet. COGCC staff noted hydrocarbon odors emanating from some soils spread on the locations and observed hydrocarbon staining on some soils at the location. During the inspection, COGCC staff collected eleven soil samples to submit for laboratory analysis (Field Inspection No. 697601045). Maps attached to the field inspection document that the spreadfield location is located near USFWS mapped wetlands and a freshwater pond (Aerial Imagery Document No. 697601046). As a corrective action, Operator was required to provide a written explanation/documentation of the source of earthen materials brought to the location.

On August 7, 2020, Operator submitted a FIR Resolution Form ("FIRR") in response to the June 30, 2020 Field Inspection (FIR Resolution Form, Document No. 402462200) indicating that the material spread on location was from the excavation of impacted soils at a nearby spill site (Spill/Release Point ID 468759, Remediation Project No. 14962). According to the approved Form 27, Site Investigation and Remediation Workplan (Supplemental Form) (Document No. 402370392), all excavated soil from the spill (Spill/Release Point ID 468759) will be disposed of at Front Range Landfill.

On August 10, 2020, COGCC environmental staff submitted a follow-up inspection to report the analytical results of the soil samples collected during the June 30, 2020 inspection. Analytical results for the composite soil samples demonstrate Table 910-1 exceedances for concentrations of TPH, Sodium Adsorption Ratio ("SAR"), Electrical Conductivity ("EC"), and Arsenic (Field Inspection No. 697601052; Analytical Results, Document Nos. 402445468, 402445471 & 402445790).

Operator failed to properly manage their E&P Waste to the extent necessary to ensure compliance with the concentration levels in Table 910-1, violating Rule 907.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/01/2020

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

Operator shall continue to submit to the COGCC, Supplemental Form 27 Site Investigation and Remediation Workplans (Remediation Project No. 15951) documenting the remediation of the soil spreadfield. Operator shall address all Conditions of Approval ("COA")

described in the previous Form 27 Document No. 40286065. Operator must develop and implement practices to effectively characterize impacts to soils and not solely rely on screening using photo-ionization detector (PID) which is totally ineffective screening for sodicity and salinity impacts measured in soils brought to site. Use of PID as screening tool is also not effective in determining the presence of aliphatic hydrocarbons analytically determined to be present in soils brought to the site.

Operator shall dispose of E&P waste immediately.

Rule: 907.e

Rule Description: Oily Waste

Initial Discovery Date: 06/25/2020

Was this violation self-reported by the operator? No

Date of Violation: 04/23/2020

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 907.e.(1), oily waste may be treated or disposed as follows: disposal at a commercial solid waste disposal facility; land treatment onsite (with an approved Form 27); or land treatment at a centralized E&P waste management facility permitted in accordance with Rule 908.

On June 25, 2020, a complaint was submitted to the COGCC alleging that E&P wastes were being dumped in the field to the north of Operator's field offices (Complaint Report, Document No. 200449041).

On June 30, 2020, COGCC environmental staff inspected the location reported in the complaint (Facility ID 477263) and documented soil spread over an area of approximately 90,000 square feet with a thickness of approximately 1 to 2 feet. COGCC staff noted hydrocarbon odors emanating from some soils spread on the locations and observed hydrocarbon staining on some soils at the location (Field Inspection No. 697601045). As a corrective action, Operator was required to provide a written explanation/documentation of the source of earthen materials brought to the location.

On August 7, 2020, Operator submitted a FIR Resolution Form ("FIRR") in response to the June 30, 2020 Field Inspection (FIR Resolution Form, Document No. 402462200) indicating that the material spread on location was from the excavation of impacted soils at a nearby spill site (Spill/Release Point ID 468759, Remediation Project No. 14962). According to the approved Form 27, Site Investigation and Remediation Workplan (Supplemental Form) (Document No. 402370392), all excavated soil from the spill (Spill/Release Point ID 468759) will be disposed of at Front Range Landfill. Operator failed to collect confirmation soil samples to be analyzed by an accredited laboratory to verify that material being removed from the spill location and transported to the KPK property complied with Table 910-1 standards.

Operator failed to properly dispose of or treat oily waste from Spill Release Point 468756, and disposed of untreated, contaminated soil at an unpermitted facility, violating Rule 907.e.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/01/2020

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

Operator shall continue to submit to the COGCC, Supplemental Form 27 Site Investigation and Remediation Workplans (Remediation Project No. 15951) documenting the remediation of the soil spreadfield. Operator shall address all Conditions of Approval ("COA") described in the previous Form 27 Document No. 40286065. Operator must develop and implement practices to effectively characterize impacts to soils and not solely rely on screening using photo-ionization detector (PID) which is totally ineffective screening for sodicity and salinity impacts measured in soils brought to site. Use of PID as screening tool is also not effective in determining the presence of aliphatic hydrocarbons analytically determined to be present in soils brought to the site.

Operator shall dispose of E&P waste immediately.

Rule: 908

Rule Description: Centralized E&P Waste Management Facilities

Initial Discovery Date: 06/25/2020

Was this violation self-reported by the operator? No

Date of Violation: 04/23/2020

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 908.b., before Operator shall commence construction of a centralized E&P waste management facility, Operator shall file with the Director an application on Form 28 and pay a filing and service fee established by the Commission, and obtain the Director's approval.

On June 25, 2020, a complaint was submitted to the COGCC alleging that E&P wastes were being dumped in the field to the north of Operator's field offices (Complaint Report, Document No. 200449041).

On June 30, 2020, COGCC environmental staff inspected the location reported in the complaint (Facility ID 477263) and documented soil spread over an area of approximately 90,000 square feet with a thickness of approximately 1 to 2 feet. COGCC staff noted hydrocarbon odors emanating from some soils spread on the locations and observed hydrocarbon staining on some soils at the location (Field Inspection No. 697601045). As a corrective action, Operator was required to provide a written explanation/documentation of the source of earthen materials brought to the location.

On August 7, 2020, Operator submitted a FIR Resolution Form ("FIRR") in response to the June 30, 2020 Field Inspection (FIR Resolution Form, Document No. 402462200) indicating that the material spread on location was from the excavation of impacted soils at a nearby spill site (Spill/Release Point ID 468759, Remediation Project No. 14962). According to the approved Form 27, Site Investigation and Remediation Workplan (Supplemental Form) (Document No. 402370392), all excavated soil from the spill (Spill/Release Point ID 468759) will be disposed of at Front Range Landfill. Work tickets included as attachments to the FIRR indicate that the soil was transported from the excavation of Spill ID 468759 to the soil spreadfield between April 23, 2020 and May 21, 2020 (Work Tickets, Document No.402462200). No Form 28 Centralized E&P Waste Management Facility Permit had been submitted to the COGCC for this location.

Operator failed to submit a Form 28 Centralized E&P Waste Management Facility Permit before creating a centralized E&P waste management facility, violating Rule 908.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 10/01/2020

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

Operator shall continue to submit to the COGCC, Supplemental Form 27 Site Investigation and Remediation Workplans (Remediation Project No. 15951) documenting the remediation of the soil spreadfield. Operator shall address all Conditions of Approval ("COA") described in the previous Form 27, Document No. 40286065. Operator must develop and implement practices to effectively characterize impacts to soils and not solely rely on screening using photo-ionization detector (PID) which is totally ineffective screening for sodicity and salinity impacts measured in soils brought to site. Use of PID as screening tool is also not effective in determining the presence of aliphatic hydrocarbons analytically determined to be present in soils brought to the site.

Operator shall dispose of E&P waste immediately.

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: 09/21/2020

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: 324A.a
 Rule Description: General Environmental Protection
 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: 907.a
 Rule Description: General E&P Waste management Requirements
 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: 907.e
 Rule Description: Oily Waste
 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: 908
 Rule Description: Centralized E&P Waste Management Facilities
 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>
402494471	NOAV CERTIFIED MAIL RECEIPT
402494474	NOAV ISSUED

Total Attach: 2 Files