

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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Document Number:

402502012

Date Issued:

10/01/2020

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: 10091

Name of Operator: BERRY PETROLEUM COMPANY LLC

Address: 5201 TRUXTUN AVENUE #100

City: BAKERSFIELD State: CA Zip: 90339

Contact Name and Telephone:

Name: JOSEPH COBB

Phone: (661) 616-4234 Fax: ()

Email: jcobb@bry.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 474500

Name: Long Ridge J15

Number:

QtrQtr: NW/SE Sec: 15

Twp: 5S

Range: 95W

Meridian: 6

County: GARFIELD

ALLEGED VIOLATION

Rule: 1101.b.

Rule Description: Off-Location Flowline Registration

Initial Discovery Date: 09/30/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/30/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

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

On March 30, 2020 Operator noticed a mist coming from the pipeline right of way near the Long Ridge J15. On March 31, 2020 Operator submitted Initial Spill/Release Report (Document #402356758) estimating the release to be approximately 5 bbl. of produced water and between 0 and 1 bbl. of condensate. Supplemental Spill/Release Report (Document #402377897) submitted on April 22, 2020 detailed that 40 bbl. of produced water was released and 10 bbl. of condensate. The root cause was determined to be a pinhole leak due to internal corrosion in a three phase gathering line. A four hundred foot section of ten inch pipe was replaced.

COGCC staff conducted an Engineering Integrity Inspection on April 24, 2020 and observed the replacement of the flowline at the time of the inspection. COGCC staff required corrective actions to be completed by May 15, 2020. COGCC staff conducted a record review of the pipeline and determined the pipeline was an unregistered off-location flowline.

Operator failed to submit a completed Form 44 for off-location flowline(s) within 90 days of the flowline being placed into service, violating Rule 1101.b. As of October 1, 2020, there has been no Form 44 submitted to COGCC staff.

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

Operator shall complete the Corrective Actions from the Engineering Integrity Inspection (document # 693200649), which include:

Providing pressure test results performed before returning pipeline back to service.

Providing Root Cause when information becomes available.

Providing flowline annual pressure test data results for previous year.

Operator shall perform an audit of its facilities and document the Form 44 registration status of all of its off-location flowline. 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:

(1) An aggressive schedule for properly registering all delinquent off-location flowlines.

(2) 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: 1102

Rule Description: Operations, Maintenance, and Repair

Initial Discovery Date: 03/30/2020

Was this violation self-reported by the operator? Yes

Date of Violation: 03/30/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1102.i. Berry Petroleum Company ("Operator") must take reasonable actions to prevent failure and leakage, and minimize corrosion of flowlines and crude oil transfer lines.

On March 30, 2020 Operator noticed a mist coming from the pipeline right of way near the Long Ridge J15. On March 31, 2020 Operator submitted Initial Spill/Release Report (Document #402356758) estimating the release to be approximately 5 bbl. of produced water and between 0 and 1 bbl. of condensate. Supplemental Spill/Release Report (Document #402377897) submitted on April 22, 2020 detailed that 40 bbl. of produced water was released and 10 bbl. of condensate. The root cause was determined to be a pinhole leak due to internal corrosion in a three phase gathering line. A four hundred foot section of ten inch pipe was replaced.

Operator did not take reasonable actions to prevent failure and leakage, and minimize corrosion of flowlines, violating Rule 1102.i.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/31/2020

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

Operator shall submit any information that is available concerning failure analysis, integrity/pressure testing, and any data concerning the root causes of the spill. Provide all pipeline integrity data to the COGCC Western Integrity Inspector, Richard Murray, at (970) 989-3092 or g.richard.murray@state.co.us.

Operator shall also submit records required by Rule 1102.m, which requires Operator to maintain records of flowline or crude oil transfer line size, route, materials, maximum anticipated operating pressure, pressure or other integrity test results, inspections,

repairs, integrity management documentation, applicable technical standard(s) used, design, installation, cover for subsurface flowlines and crude oil transfer lines, top soil management and reclamation, marking, maintenance and corrosion control, until Operator submits abandonment information pursuant to Rule 1105.f.

Rule: 324A.a

Rule Description: General Environmental Protection

Initial Discovery Date: 03/30/2020

Was this violation self-reported by the operator? Yes

Date of Violation: 03/30/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 324A.a, Berry Petroleum Company ("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, trash, discarded equipment or other oil field waste.

On March 30, 2020, Operator noticed a mist coming from the pipeline right of way near the Long Ridge J15. On March 31, 2020 Operator submitted Initial Spill/Release Report (Document #402356758) estimating the release to be approximately 5 bbl. of produced water and between 0 and 1 bbl. of condensate. Supplemental Spill/Release Report (Document #402377897) submitted on April 22, 2020 detailed that 40 bbl. of produced water was released and 10 bbl. of condensate. The root cause was determined to be a pinhole leak due to internal corrosion in a three phase gathering line. A four hundred foot section of ten inch pipe was replaced.

Operator did not take precautions to prevent significant adverse environmental impacts to prevent the unauthorized discharge of E&P waste, violating Rule 324A.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 10/16/2020

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

Operator shall submit a Supplemental Form 27 for REM #15535, proposing a plan to determine the vertical and horizontal extent of the impacts, as well as updating the continued efforts to remediate the release.

Operator shall submit a Supplemental Form 19 Spill/Release Report requesting closure of Spill/Release Point ID #474500 with work proceeding under Remediation Project #15535.

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: 10/01/2020

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Email: trent.lindley@state.co.us

Title: NOAV Specialist

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

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

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: 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

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>
402502019	NOAV ISSUED
402502022	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files