

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:
402506688

Date Issued:
10/08/2020

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: 10160	Contact Name and Telephone:
Name of Operator: ENERGY INVESTMENT PARTNERS LLC	Name: BOB FLOURNOY
Address: P O BOX 225878	Phone: (214) 978-2500 Fax: ()
City: DALLAS State: TX Zip: 75222	Email: bobfournoy@att.net

Well Location, or Facility Information (if applicable):

API Number: 05- - -00	Facility or Location ID: 279267
Name: GIACOMINI	Number: 1
QtrQtr: SESE Sec: 23	Twp: 10N Range: 53W Meridian: 6
County: LOGAN	

ALLEGED VIOLATION

Rule: 309	
Rule Description: Operator's Monthly Report of Operations	
Initial Discovery Date: 08/18/2020	Was this violation self-reported by the operator? No
Date of Violation: 05/15/2006	Approximate Time of Violation:
Was this a discrete violation of obvious duration? Unknown	
Description of Alleged Violation:	
<p>Pursuant to Rule 309, Energy Investment Partner, LLC ("Operator") shall report every existing oil and gas well that is not plugged and abandoned on the Operator's Monthly Report of Operations ("Form 7"), within 45 days after the end of each month. Operator shall report each well every month from the month it is spud until it has been reported for one month as abandoned. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.</p> <p>COGCC Staff conducted an audit of COGCC records for Operator and found the Form 7 reporting for Giacomini #1 well is missing or incorrect for April 2006, October 2018, and for the months of February 2019 through August 2020, violating Rule 309.</p>	
Abatement or Corrective Action Required to be Performed by Operator:	Corrective Action Due Date: 11/07/2020
Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.	
Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Confirm that all required Form 7s are submitted, accurate, and up-to-date.	
In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include a compliance plan	

detailing an internal procedure for timely compliance with Rule 309.

Rule: 319.b

Rule Description: Temporary Abandonment

Initial Discovery Date: 08/18/2020

Was this violation self-reported by the operator? No

Date of Violation: 03/15/2018

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 319.b., Energy Investment Partners, LLC ("Operator") is required to conduct an Mechanical Integrity Test ("MIT") and receive Director approval prior to temporary abandonment of a well. COGCC Rule 100 defines a well as temporarily abandoned if the well becomes incapable of production (for example, through the removal of necessary production equipment or a well that has all downhole completed intervals isolated with a plug set above the highest perforation). Any well incapable of production should have a well status of Temporary Abandonment ("TA") in filings with COGCC, including the Form 7, Monthly Reports of Operations. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT.

COGCC Staff conducted an audit of COGCC records for Operator and found the Giacomini #1 well is TA but Operator has not conducted a successful MIT, as required by Rules 319.b. and Rule 326.c., and/or Operator has not requested Director approval for TA status, violating Rule 319.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/07/2020

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

If the Well is TA but Operator has not conducted a successful MIT, then Operator shall conduct a successful MIT on the Well or plug and abandon the Well.

Additionally, if the Well is TA but Operator has not submitted a request for Director approval for TA status, or if Operator has previously received approval but has not submitted an annual Form 4, Sundry Notice, Operator shall submit a Form 4, Sundry Notice, requesting TA status or continued TA status for the Well and stating the method by which the Well is closed to atmosphere and plans for future operation.

Rule 316B. requires notice to the Director on a Form 42, Field Operations Notice, at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1.

Rule 311. requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include a compliance plan detailing an internal procedure for timely compliance with Rule 319.b.

Rule: 326.b

Rule Description: Shut-in Wells

Initial Discovery Date: 08/18/2020

Was this violation self-reported by the operator? No

Date of Violation: 03/15/2018

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.b., Energy Investment Partners, LLC ("Operator") is required to conduct an Mechanical Integrity Test ("MIT") on shut-in ("SI") wells within two years of the initial shut-in date and then at five (5) year intervals after an initial successful MIT. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT. If the above referenced Well has been SI for over two years and Operator has not conducted an initial MIT or is SI and has not had an MIT for over five years after the initial MIT, then Operator is in violation of Rule 326.b.

COGCC staff conducted an audit of COGCC records for Operator and found the Giacomini #1 well as temporarily abandoned ("TA") and past due for an MIT, violating Rule 326.b.

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

If the Well is SI or TA but Operator has not conducted an initial MIT or a follow-up five year MIT, then Operator shall conduct an MIT on the Well or plug and abandon the Well.

Rule 316B requires notice to the Director on a Form 42, Field Operations Notice at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1.

Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include a compliance plan detailing an internal procedure for timely compliance with Rule 326.b.

Rule: 326.c

Rule Description: MIT - Temporarily Abandoned Wells

Initial Discovery Date: 08/18/2020

Was this violation self-reported by the operator? No

Date of Violation: 03/15/2018

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.c., Energy Investment Partners, LLC ("Operator") is required to conduct an Mechanical Integrity Test ("MIT") on temporarily abandoned ("TA") wells within thirty (30) days of temporarily abandoning the well, and then at five (5) year intervals after an initial successful MIT. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT. If the above referenced Well has been TA for over thirty days and Operator has not conducted an initial MIT or is TA and has not had an MIT for over five years after the initial MIT, then Operator is in violation of Rule 326.c.

COGCC staff conducted an audit of COGCC records for Operator and found the Giacomini #1 well is reported as TA and past due for an MIT, violating Rule 326.c.

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

If the Well is SI or TA but Operator has not conducted an initial MIT or a follow-up five year MIT, then Operator shall conduct an MIT on the Well or plug and abandon the Well.

Rule 316B requires notice to the Director on a Form 42, Field Operations Notice at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1.

Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include a compliance plan detailing an internal procedure for timely compliance with Rule 326.c.

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: 10/08/2020

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

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>
------------------------	--------------------

--	--

Total Attach: 0 Files