

State of Colorado  
Oil and Gas Conservation Commission

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Date Issued:  
01/12/2021  
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: 46290  
Name of Operator: KP KAUFFMAN COMPANY INC  
Address: 1675 BROADWAY, STE 2800  
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: ROSS WATZMAN  
Phone: (303) 825-4822 Fax: ( )  
Email: rwatzman@kpk.com

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

API Number: 05- -00 Facility or Location ID: 478395  
Name: Jillson #5 Flowline Number:  
QtrQtr: NWNW Sec: 27 Twp: 2N Range: 68W Meridian: 6  
County: WELD

### ALLEGED VIOLATION

Rule: 906.b

Rule Description: Spill Reporting

Initial Discovery Date: 10/13/2020

Was this violation self-reported by the operator? No

Date of Violation: 07/15/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 906.b., KP Kauffman Company, Inc. ("Operator") shall report to COGCC and the local government a spill or release of any size that impacts or threatens to impact a public byway as soon as practicable but no more than 24 hours after discovery; and shall submit Spill/Release Reports ("Form 19") Initial within 72 hours and Supplemental within 10 calendar days of discovery.

On October 13, 2020, a complaint was submitted to the COGCC regarding a gas flowline that was found leaking on the complainant's property. According to the complaint, an excavation was still open on their property and Operator was no longer returning communication (Complaint Report, Document No. 200449220).

On October 14, 2020, COGCC EPS staff inspected (Field Inspection No. 688500231) the location referenced in the complainant's report and observed an open excavation on the complainant's property. As a corrective action Operator was required to submit a Form 19 Initial Spill/Release Report by October 22, 2020, for the spill reported in the complaint.

On October 22, 2020, Operator submitted a Form 19 Initial Spill/Release Report indicating that the flowline release was reported to the operator by the surface owner on July 15, 2020. In the form, Operator reported that a Public Byway was impacted or threatened by the spill and Operator notified Weld County of the spill on October 22, 2020 (Spill/Release Point ID 478395; Form 19 Spill/Release Report, Document No. 402516807). On November 06, 2020, Operator submitted a Form 19 Supplemental Spill/Release Report (Form 19 Spill/Release Report, Document No. 402527334).

Operator failed to provide COGCC with verbal or written notification of a spill that threatened to impact a public byway within 24 hours

of discovery, violating Rule 906.b.(1)A. Operator failed to notify local government of a spill that threatened to impact a public byway within 24 hours of discovery, violating Rule 906.b.(2). Operator failed to submit an Initial Form 19 within 72 hours of discovery of a reportable spill and Supplemental within 10 calendar days of discovery, violating Rule 906.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/31/2021

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

A Form 27 was submitted by KPK and approved by COGCC on November 06, 2020 (Reference Remediation Project #16103). Site investigation and remediation to remove all impacted soil must be completed and reported to COGCC on a supplemental Form 27 no later than January 31, 2021. Report must include soil disposal documentation, sample location diagram, confirmation soil sample analytical results and summary table compared to Table 910-1 standards. If groundwater is encountered in excavation the supplemental Form 27 shall include a detailed plan to characterize groundwater conditions at the location. Operator shall notify COGCC area EPS 48-hours in advance of confirmation sample collection.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall provide an explanation of how Operator will implement an internal procedure to ensure timely compliance in the future with Rule 906.b. reporting requirements.

Rule: 906.c

Rule Description: Remediation of spills/releases

Initial Discovery Date: 10/13/2020

Was this violation self-reported by the operator? No

Date of Violation: 08/24/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 906.c.(2), KP Kauffman Company, Inc. ("Operator") shall make good faith efforts to notify and consult with the affected Surface Owner prior to commencing operations to remediate E&P waste from a spill/release in an area not being utilized for oil and gas operations.

On October 13, 2020, a complaint was submitted to the COGCC regarding a gas flowline that was found leaking on the complainant's property. According to the complaint, an excavation was still open on their property and Operator was no longer returning communication (Complaint Report, Document No. 200449220).

On October 14, 2020, COGCC EPS staff inspected (Field Inspection No. 688500231) the location referenced in the complainant's report and observed an open excavation on the complainant's property. As a corrective action Operator was required to communicate with the surface owner regarding completion of work on the property (Field Inspection No. 688500231).

On October 22, 2020, Operator submitted a Form 19 Initial Spill/Release Report indicating that the flowline release was reported to the Operator by the surface owner on July 15, 2020. In the form, Operator reported an email was sent to the complainant to coordinate a timeline for resolution of the spill (Spill/Release Point ID 478395; Form 19 Spill/Release Report, Document No. 402516807). According to the Complainant, communication on July 15, 2020 from the Operator did not provide details in regards to the planned work for resolution of the spill. Complainant made multiple attempts to contact the Operator and received no response before excavation began on August 24, 2020.

Operator failed to make good faith efforts to notify and consult with the affected Surface Owner prior to commencing operations to remediate E&P waste from a spill/release in an area not being utilized for oil and gas operations, violating Rule 906.c.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/31/2021

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

Operator shall continue to consult with the surface owner regarding spill remediation as required in the Form 19 Initial Spill/Release Report (Document No. 402516807) Conditions of Approval (COAs). Operator shall provide written documentation of consultation with the surface owner. Written documentation can include copies of correspondence sent to the surface owner by email or logs of person to person conversations or phone calls including date, time of conversation, summary of conversation, name of contact and phone number. Documentation shall be provided on supplemental Form 27s under Remediation Project #16103.

## 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. An answer will, at a minimum, discuss the allegations contained in the NOAV, responding to each; identify corrective actions taken in response to the NOAV, if any; and identify facts known to the operator at the time that are relevant to the operator's response to the alleged violations. 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: 01/12/2021

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: 906.b

Rule Description: Spill Reporting

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: 906.c

Rule Description: Remediation of spills/releases

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>
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402572990	NOAV ISSUED
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402572991	NOAV CERTIFIED MAIL RECEIPT
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Total Attach: 2 Files