

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



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Date Issued:
03/05/2019
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: <u>10672</u>	Contact Name and Telephone:
Name of Operator: <u>TIMBER CREEK OPERATING LLC</u>	Name: <u>DONALD KESSEL</u>
Address: <u>1001 17TH STREET #1000</u>	Phone: <u>(720) 330-9207</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>donkessel@tcenergy.us</u>

Additional Operator Contacts	Email
Joseph Amato	josephamato@tcenergy.us

Well Location, or Facility Information (if applicable):

API Number: 05-071-07280-00 Facility or Location ID: _____
 Name: HILL RANCH Number: 25-12V
 QtrQtr: NWSW Sec: 25 Twp: 34S Range: 67W Meridian: 6
 County: LAS ANIMAS

ALLEGED VIOLATION

Rule: 319.b
 Rule Description: Temporary Abandonment
 Initial Discovery Date: _____ Was this violation self-reported by the operator? No
 Date of Violation: _____ Approximate Time of Violation: _____
 Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 319.b., upon approval of the Director of COGCC, Timber Creek Operating LLC ("Operator") may temporarily abandon the Hill Ranch 25-12V (API No. 05-071-07280, "Well") after the Well passes a successful Mechanical Integrity Test ("MIT") per Rule 326, for a period not to exceed six months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. Operator shall close all temporarily abandoned wells to the atmosphere with a swedge and valve or packer, or other approved method. COGCC 100-series Rules defines a well as temporarily abandoned if the well becomes incapable of production. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT.

On February 22, 2019, COGCC Staff inspected the Well and observed venting of natural gas: the tubing head was not installed correctly, pressure was audibly escaping from the tubing head, and a ratchet strap was being used to secure the tubing. COGCC Staff required Operator securely fasten and maintain in good mechanical condition all valves, pipes, and fittings. In this condition, the Well was incapable of production (temporarily abandoned), and not closed to the atmosphere. (Field Inspection Report No. 695100244, including Video Document No. 695100246).

As of February 28, 2019, Operator has neither conducted MIT nor submitted any request for COGCC approval to temporarily abandoned the Well.

Operator temporarily abandoned the Well without approval or MIT, and failed to close the temporarily abandoned Well to the atmosphere, violating Rule 319.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/05/2019

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

Operator shall immediately close the Well to the atmosphere and contact COGCC area engineer.

If the Well is TA for 30 or more days but Operator has not conducted a successful MIT, then Operator shall conduct a successful MIT on the Well prior to returning it to production, 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.

Rule: 327

Rule Description: Loss of Well Control

Initial Discovery Date: _____ Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 327., Timber Creek Operating LLC ("Operator") shall take all reasonable precautions, in addition to fully complying with Rule 317 to prevent any oil, gas or water well from flowing uncontrolled and shall take immediate steps and exercise due diligence to bring under control any such well. Operator shall report all uncontrolled events to the Director as soon as practicable, but no later than 24 hours following the incident.

On February 22, 2019, COGCC Staff inspected Operator's Hill Ranch 25-12V (API No. 05-071-07280, "Well") location and observed uncontrolled flowing of natural gas: the tubing head was not installed correctly, pressure was audibly escaping from the tubing head, and a ratchet strap was being used to secure the tubing. COGCC Staff required Operator securely fasten and maintain in good mechanical condition all valves, pipes, and fittings. (Field Inspection Report No. 695100244, including Video Document No. 695100246).

At some point prior to the inspection on February 22, 2019, gas began flowing uncontrolled from the Well and Operator secured a ratchet strap to the incorrectly-installed tubing, which failed to halt the venting. Operator did not report this uncontrolled event to COGCC within 24 hours following the inspection.

On February 28, 2019, COGCC Staff conducted a follow up inspection of the Well and required Operator to submit daily reports for the last workover performed on the well to comply with Rule 205.g. by March 5, 2019. (Field Inspection Report No. 695100262).

Operator failed to take reasonable precautions to prevent the Well from flowing uncontrolled, such as correctly installing the tubing, maintaining the equipment in good mechanical condition, or effectively halting the venting, violating Rule 327. Operator failed to report the uncontrolled event to the Director within 24 hours, violating Rule 27.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 02/22/2019

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

Operator shall immediately cease the venting and contact COGCC area engineer.

By the end of the day Tuesday, March 5, 2019, Operator shall submit an eForm 4 Sundry Notice which provides copies of the daily work reports from the time the workover rig mobilized to the location until it moved off location on or prior to February 22, 2019.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 605.d., Timber Creek Operating LLC ("Operator") shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition.

On February 22, 2019, COGCC Staff inspected Operator's Hill Ranch 25-12V (API No. 05-071-07280, "Well") location and observed venting of natural gas: the tubing head was not installed correctly, pressure was audibly escaping from the tubing head, and a ratchet strap was being used to secure the tubing. COGCC Staff required Operator securely fasten and maintain in good mechanical condition all valves, pipes, and fittings. (Field Inspection Report No. 695100244, including Video Document No. 695100246).

Operator failed to maintain this equipment in good mechanical condition, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/05/2019

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

Operator shall immediately securely fasten all valves, pipes, and fittings, and perform maintenance to return the tubing head and related equipment to good mechanical condition.

By the corrective action due date, Operator shall participate in a COGCC Engineering Integrity audit, and shall submit an eForm 4 Sundry Notice which provides a copy of Operator's maintenance and inspection program, documentation of analysis and determination of the root cause of this venting, and documentation of implementation of an internal procedure to ensure that Operator will not allow a well to continue venting or flowing uncontrolled in future if an uncontrolled event is discovered.

Operator shall contact COGCC area engineer to schedule the audit.

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 912.a., Timber Creek Operating LLC ("Operator") shall not unnecessarily or excessively vent or flare natural gas produced from a well. Pursuant to Rule 912.b., except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, Operator shall flare or vent gas from a well only after Operator has given notice to and obtained approval from COGCC on a Sundry Notice ("Form 4") stating the estimated volume and content of the gas.

On February 22, 2019, COGCC Staff inspected Operator's Hill Ranch 25-12V (API No. 05-071-07280, "Well") location and observed venting of natural gas: the tubing head was not installed correctly, pressure was audibly escaping from the tubing head, and a ratchet strap was being used to secure the tubing. COGCC Staff observed that no upset conditions or other 912.b. exceptional circumstances were occurring at the time of the venting, and that Operator had neither requested nor received approval from COGCC for venting/flaring at the Well location. COGCC Staff required Operator securely fasten and maintain in good mechanical condition all valves, pipes, and fittings. (Field Inspection Report No. 695100244, including Video Document No. 695100246).

As of February 28, 2019, Operator has not submitted any Form 4 request for approval to vent or flare at the Well location.

On February 28, 2019, COGCC Staff conducted a follow up inspection of the Well and required Operator to submit daily reports for the last workover performed on the well to comply with Rule 205.g. by March 5, 2019. (Field Inspection Report No. 695100262).

Operator began venting gas from the Well, and secured a ratchet strap to the incorrectly-installed tubing, which failed to halt the venting. Operator failed to prevent or halt the venting, resulting in unnecessary and excessive venting, violating Rule 910.a. Operator failed to give notice to or seek approval from COGCC prior to such venting, violating Rule 912.b.

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

Operator shall immediately cease the venting and contact COGCC area engineer.

By the end of the day Tuesday, March 5, 2019, Operator shall submit an eForm 4 Sundry Notice which provides copies of the daily work reports from the time the workover rig mobilized to the location until it moved off location on or prior to February 22, 2019.

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.

ANSWERPursuant 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.**NOAV ISSUED**

NOAV Issue Date: 03/05/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) email

CORRECTIVE ACTION COMPLETED

Rule: 319.b

Rule Description: Temporary Abandonment

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order 1V-711.

Rule: 327

Rule Description: Loss of Well Control

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order 1V-711.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order 1V-711.

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order 1V-711.

FINAL RESOLUTION

Cause #: 1V Order #: 711 Docket #: 190900584

Enforcement Action: Administrative Order of Consent

Final Resolution Date: 11/11/2020

Final Resolution Comments:

NOAV closed pursuant to Order 1V-711.

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>
401957130	NOAV CERTIFIED MAIL RECEIPT
401960328	NOAV COVER LETTER
401960356	NOAV ISSUED
401960387	NOAV IN PROCESS
401970280	NOAV CERTIFIED MAIL RETURN RECEIPT
402125365	NOAV OPERATOR ANSWER

Total Attach: 6 Files