

State of Colorado  
Oil and Gas Conservation Commission

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Date Issued:  
03/29/2021

**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: 52530  
Name of Operator: MAGPIE OPERATING INC  
Address: 2707 SOUTH COUNTY RD 11  
City: LOVELAND State: CO Zip: 80537  
Contact Name and Telephone:  
Name: JAMES M WARNER  
Phone: (970) 669-6308 Fax: ( )  
Email: jwarner105@gmail.com

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

API Number: 05-001-07212-00 Facility or Location ID: \_\_\_\_\_  
Name: STATE Number: 4-24  
QtrQtr: SENE Sec: 4 Twp: 2S Range: 57W Meridian: 6  
County: ADAMS

**ALLEGED VIOLATION**

Rule: 1101.a.  
Rule Description: Off-Location Flowline Registration 2018  
Initial Discovery Date: 02/17/2021 Was this violation self-reported by the operator? No  
Date of Violation: 10/31/2019 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? Unknown

**Description of Alleged Violation:**

Pursuant to Rule 1101.a.(1), Magpie Operating, Inc. ("Operator") shall register off-location flowlines by submitting a Flowline Report ("Form 44") to COGCC no later than: 30 days after the flowline is placed into service (for flowlines constructed on or after May 1, 2018); or October 31, 2019, for flowlines in existence prior to May 1, 2018. Operator must include in the Form 44 off-location flowline registration the information required by Rule 1101.a.(2).

Operator failed to ever submit a complete Form 44 registration for existing off-location Flowline(s) by October 31, 2019.

As of February 17, 2021, Operator has not registered off-location flowlines by submitting a Form 44, violating Rule 1101.a.(1).

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 04/28/2021

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

Operator shall perform an audit of its facilities and document the Form 44 registration status of all of its off-location flowlines. 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 its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include all of the following:

A summary of the results of its off-location flowline registration audit, stating the actual 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:

- A) An aggressive schedule for properly registering all delinquent off-location flowlines.
- B) The implementation of an internal procedure for ensuring future compliance with COGCC Rule 1100-series off-location flowline registration requirements. Among other things, future compliance includes 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 (NAD 83) and in a format approved by the Director. 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.

Rule: 1105

Rule Description: Abandonment

Initial Discovery Date: 02/17/2021

Was this violation self-reported by the operator? No

Date of Violation: 02/14/2019

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1105.d., Magpie Operating, Inc. ("Operator") is required to submit a Flowline Report ("Form 44") within 30 days of completing abandonment requirements for an off-location flowline or crude oil transfer line.

According to the approved Well Abandonment Report ("Form 6") Intent (document # 401835014), Conditions of Approval ("COA") included the requirement to properly abandon on-location flowlines as per Rule 1105, and submit a Flowline Report ("Form 44") within 30 days of completing abandonment requirements for an off-location flowline or crude oil transfer line. The Form 6 (document # 401924486) Subsequent Report of Abandonment has an abandoned date of January 14, 2019.

As of February 17, 2021, Operator has not submitted the Form 44, violating Rule 1105.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/28/2021

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

Operator shall perform an audit of its facilities and document the Form 44 registration status of all of its off-location flowlines. 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 its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include all of the following:

A summary of the results of its off-location flowline registration audit, stating the actual 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:

- A) An aggressive schedule for properly registering all delinquent off-location flowlines.
- B) The implementation of an internal procedure for ensuring future compliance with COGCC Rule 1100-series off-location flowline registration requirements. Among other things, future compliance includes 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 (NAD 83) and in a format approved by the Director. 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.

## 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: 03/29/2021

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>
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Total Attach: 0 Files