

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
402668910
Date Issued:
04/23/2021
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: <u>42950</u>	Contact Name and Telephone:
Name of Operator: <u>INDUSTRIAL GAS SERVICES INC</u>	Name: <u>ROBERT OXFORD</u>
Address: <u>4891 INDEPENDENCE ST STE 200</u>	Phone: <u>(303) 422-3400</u> Fax: <u>()</u>
City: <u>WHEATRIDGE</u> State: <u>CO</u> Zip: <u>80033</u>	Email: <u>igsinc@att.net</u>

Well Location, or Facility Information (if applicable):

API Number: 05-123-05210-00 Facility or Location ID: _____
Name: HENDERSHOT Number: 1
QtrQtr: SENW Sec: 25 Twp: 6N Range: 61W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 326.b
Rule Description: Shut-in Wells
Initial Discovery Date: 04/21/2021 Was this violation self-reported by the operator? No
Date of Violation: 03/01/2018 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 326.b., Industrial Gas Services Inc ("Operator") shall pass a mechanical integrity test ("MIT") on each shut-in ("SI") well within two years of the initial SI date and subsequently perform an MIT on each SI well on five year intervals as long as the well remains SI.

COGCC Staff performed a record review on April 21, 2021, and observed Operator has not conducted an MIT on the well. COGCC records indicate Operator has reported the well as SI since March 1, 2016. As of April 21, 2021, Operator has not submitted an MIT for the SI well, violating Rule 326.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/23/2021

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

Operator shall perform a mechanical integrity test or plug and abandon the well.

Rule: 603.f
Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

Initial Discovery Date: 10/24/2017

Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 603.f., Industrial Gas Services Inc ("Operator") shall keep free of the following at all locations, including wells and surface production facilities: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material.

On October 24, 2017 (document no. 684904638), COGCC Staff performed a routine inspection and observed weeds in the produced water pit and unused equipment at the wellhead and pit manifold. Staff required Operator to comply with Rule 603.f., and remove weeds and unused equipment as corrective actions.

On April 5, 2018 (document no. 684905256), April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions to remove weeds and unused equipment were not complete..

Operator failed to remove unused equipment and adequately control weedy vegetation, violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/23/2021

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

Remove all unused equipment and control and maintain weeds to comply with rule 603.f.

Rule: 605.a.(4)

Rule Description: Oil & Gas Facilities- Berms

Initial Discovery Date: 10/24/2017

Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.a.(4), Industrial Gas Services Inc ("Operator") shall construct, inspect at regular intervals, and maintain in good condition: berms or other secondary containment devices around crude oil, condensate, and produced water tanks (collectively: "ASTs") to provide secondary containment for the largest single tank and sufficient freeboard to contain precipitation.

On October 24, 2017 (document no. 684904638), COGCC Staff performed a routine inspection and observed erosion and animal burrows in the secondary containment tank battery berms. Staff required Operator to repair or install berms or other secondary containment devices as a corrective action.

On April 5, 2018 (document no. 684905256), April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions from previous inspections to repair or install berms or other secondary containment devices were not complete.

Operator's tank batteries exhibited poor condition from animal burrowing and wind erosion, violating of Rule 605.a.(4).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/23/2021

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

Operator shall rebuild and maintain berms around production tanks to ensure secondary containment per rule 605.a.(4).

Rule: 605.b.

Rule Description: Road Signage Requirements During Drilling Operations

Initial Discovery Date: 10/24/2017

Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.b.(7), Industrial Gas Services Inc ("the operator") shall equip all stacks, vents, or other openings with screens or other appropriate equipment to prevent entry by wildlife, including migratory birds.

On October 24, 2017 (document no. 684904638), COGCC Staff performed a routine inspection and observed possible point of wildlife ingress in vertical heater treater. Staff required Operator to prevent wildlife access to the vertical heater treater as a corrective action.

On April 5, 2018 (document no. 684905256), April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions from previous inspections to prevent wildlife access to the vertical heater treater were not complete.

Operator failed to equip equipment with screens or other appropriate equipment to prevent possible ingress of wildlife into a heated unit, violating Rule 605.b.(7).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/23/2021

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

Operator shall equip all stacks, vents, or other openings with screens or other appropriate equipment to prevent entry by wildlife, including migratory birds.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date: 10/24/2017 Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.d., Industrial Gas Services Inc ("Operator") shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition.

On October 24, 2017 (document no. 684904638), COGCC Staff performed a routine inspection and observed stained soil from equipment at the vertical heater treater unit and gas engine. Staff required Operator to remove or remediate the stained soil and fasten all valves, pipes, and fittings to ensure good mechanical condition as corrective actions.

On April 5, 2018 (document no. 684905256), April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions from previous inspections to remove or remediate stained soil and ensure valves, pipes, and fittings were in good mechanical condition were not complete.

Operator failed to ensure mechanical condition of equipment, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/23/2021

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

Operator shall repair and maintain all equipment to preserve mechanical condition of equipment.

Rule: 902.d

Rule Description: Pits - Netting and Fencing

Initial Discovery Date: 04/05/2018 Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.d., where necessary to protect public health, safety and welfare or to prevent significant adverse environmental impacts resulting from access to a pit by wildlife, migratory birds, domestic animals, or members of the general public, Industrial Gas Services Inc ("Operator") shall install appropriate netting or fencing.

On April 5, 2018 (document no. 684905256), COGCC Staff performed an inspection and observed gaps around the edges of fencing over the produced water pit. Staff required Operator to repair or replace the fence to prevent wildlife access to the pit as a corrective action.

On April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions from previous inspections to prevent

wildlife access to the produced water pit were not complete.

Operator failed to repair or replace the gaps around the edges of fencing over the produced water pit, violating Rule 902.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/23/2021

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

Operator shall repair and maintain pit fencing.

Rule: 907.a

Rule Description: General E&P Waste management Requirements

Initial Discovery Date: 10/24/2017

Was this violation self-reported by the operator? No

Date of Violation: 10/24/2017

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 907.a.(1), Industrial Gas Services Inc ("Operator") shall ensure that E&P waste is properly stored, handled, transported, treated, recycled, or disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil, or biological resources or to the extent necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications.

On October 24, 2017 (document no. 684904638), COGCC Staff performed a routine inspection and observed stained soil from equipment at the vertical heater treater unit and gas engine. Staff required corrective actions for Operator to remove or remediate the stained soil.

On April 5, 2018 (document no. 684905256), April 25, 2019 (document no. 696100828), May 4, 2020 (document no. 696301780), and October 26, 2020 (document no. 696302590), COGCC Staff performed followup inspections and observed corrective actions from previous inspections to remove or remediate stained soil were not complete.

Operator failed to appropriately store, treat, or dispose of E&P waste that accumulated in the soil from production equipment, violating Rule 907.a.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/23/2021

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

Operator shall remove or remediate stained soil in compliance with rule 907.e.

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.

NOAV ISSUED

NOAV Issue Date: <u>04/23/2021</u>	
COGCC Representative Signature: _____	
COGCC Representative: <u>Trent Lindley</u>	Title: <u>NOAV Specialist</u>
Email: <u>trent.lindley@state.co.us</u>	Phone Num: <u>(303) 894-2100x5143</u>

CORRECTIVE ACTION COMPLETED

Rule: <u>326.b</u>
Rule Description: <u>Shut-in Wells</u>
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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Rule: <u>603.f</u>
Rule Description: <u>Statewide Equipment, Weeds, Waste, and Trash Requirements</u>
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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Rule: <u>605.a.(4)</u>
Rule Description: <u>Oil & Gas Facilities- Berms</u>
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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Rule: <u>605.b.</u>
Rule Description: <u>Road Signage Requirements During Drilling Operations</u>
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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Rule: <u>605.d</u>
Rule Description: <u>O&G Facilities - Mechanical Conditions</u>
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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Rule: 902.d

Rule Description: Pits - Netting and Fencing

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: 907.a

Rule Description: General E&P Waste management Requirements

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>
402668935	NOAV ISSUED
402668937	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files