

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:

402706540

Date Issued:

06/02/2021

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: 10705

Name of Operator: EVERGREEN NATURAL RESOURCES LLC

Address: 1875 LAWRENCE ST STE 1150

City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: CHRIS SANCHEZ

Phone: (719) 846-7898 Fax: ()

Email: chris.sanchez@enrllc.com

Well Location, or Facility Information (if applicable):

API Number: 05-071-08408-00

Facility or Location ID:

Name: PARACHUTE

Number: 34-25

QtrQtr: SWSE

Sec: 25

Twp: 31S

Range: 66W

Meridian: 6

County: LAS ANIMAS

ALLEGED VIOLATION

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 02/22/2021

Was this violation self-reported by the operator? No

Date of Violation: 02/22/2021

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.c., Evergreen Natural Resources LLC ("Operator") will prevent the unauthorized discharge or disposal of E&P Waste.

On February 22, 2021, a complaint (Document No. 200449442) was submitted to the COGCC regarding the discharge of E&P Waste consisting of produced water at the Parachute 34-25 location (API No. 05-071-08408, the "Location"). According to the complaint, on February 10, 2021, and on February 19, 2021, Operator was observed intentionally discharging produced water onto the ground.

On February 23, 2021 COGCC staff inspected the Location and observed the area where produced water was discharged (Field Inspection No. 700600249). Also included in the inspection report were photos provided by the complainant documenting Operator opening gas lines from the pipeline riser and allowing produced water to discharge to the ground (Field Inspection Photos Doc No. 700600250).

Operator failed to prevent the unauthorized discharge of E&P Waste, violating Rule 902.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/02/2021

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

Operator will submit a plan documenting how similar occurrences of the unauthorized discharge of produced water will be prevented in the future. The plan will include the specific procedure for Operator personnel to properly transfer, contain, transport, store, and dispose of the produced water from associated pipeline risers. The plan will be provided as an addendum to the existing E&P Waste Management Plan required by Rule 905.a.(4). Operator will include documentation of training of field personnel regarding COGCC Rule 905 Management of E&P Waste requirements.

Rule: 905.c.

Rule Description: Produced Water

Initial Discovery Date: 02/22/2021

Was this violation self-reported by the operator? No

Date of Violation: 02/22/2021

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 905.c.(2), produced water may be disposed as follows: Injection into a Class II UIC Well, permitted pursuant to the Commission's 800 Series Rules, or a Class I well permitted by EPA; Evaporation/percolation in a properly permitted Pit at an Oil and Gas Location, operated in accordance with permit conditions that will not cause a violation of any applicable WQCC Regulation 41 numeric or narrative Groundwater quality standards and classifications, as incorporated by reference in Rule 901.b; Disposal at permitted commercial facilities; Discharging into Waters of the State under the following conditions pursuant to the Water Quality Control Act and all applicable regulations; or Evaporation in a properly lined Pit.

On February 22, 2021, a complaint (Document No. 200449442) was submitted to the COGCC regarding the discharge of E&P Waste consisting of produced water at the Parachute 34-25 location (API No. 05-071-08408, the "Location"). According to the complaint, on February 10, 2021 and on February 19, 2021 Operator was observed intentionally discharging produced water onto the ground.

On February 23, 2021 COGCC staff inspected the Location and observed the area where produced water was discharged (Field Inspection No. 700600249). Also included in the inspection report were photos provided by the complainant documenting Operator opening gas lines from the pipeline riser and allowing produced water to spill to the ground (Field Inspection Photos Doc No. 700600250).

Operator failed to properly dispose of produced water, violating Rule 905.c.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/02/2021

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

Operator will submit a plan documenting how similar occurrences of the unauthorized discharge of produced water will be prevented in the future. The plan will include the specific procedure for Operator personnel to properly transfer, contain, transport, store, and dispose of the produced water from associated pipeline risers. The plan will be provided as an addendum to the existing E&P Waste Management Plan required by Rule 905.a.(4). Operator will include documentation of training of field personnel regarding COGCC Rule 905 Management of E&P Waste requirements.

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: 06/02/2021

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100 x5143

CORRECTIVE ACTION COMPLETED

Rule: 902.

Rule Description: Pollution

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: 905.c.

Rule Description: Produced Water

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>
402706558	NOAV ISSUED
402706559	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files