

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:
06/24/2021

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, 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 525, 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>46290</u>	Contact Name and Telephone:
Name of Operator: <u>KP KAUFFMAN COMPANY INC</u>	Name: <u>ROSS WATZMAN</u>
Address: <u>1675 BROADWAY, STE 2800</u>	Phone: <u>(303) 825-4822</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>rwatzman@kpk.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-123-16158-00 Facility or Location ID: _____
Name: ANDERSON Number: 22-32
QtrQtr: SENW Sec: 32 Twp: 2N Range: 68W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 324A.a
Rule Description: General Environmental Protection
Initial Discovery Date: 09/14/2020 Was this violation self-reported by the operator? No
Date of Violation: 09/14/2020 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 324A.a., KP Kauffman Company, Inc. ("Operator") shall take precautions to prevent significant adverse environmental impacts to air, water, soil, or biological resources to the extent necessary to protect public health, safety and welfare, including the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility to prevent the unauthorized discharge or disposal of oil, gas, E&P waste, chemical substances, or other oilfield waste.

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed the wellhead leaking around the casing and bradenhead riser. The inspection also documented stained soils from accumulation of oily waste at the wellhead and bradenhead riser.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed that the leak around the casing and bradenhead riser had not been repaired. The inspection also documented that the stained soils from accumulation of oily waste at the wellhead and bradenhead riser had not been cleaned up.

Operator failed to prevent adverse environmental impacts on air, water, soil, or biological resources resulting from Oil and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and prevent the unauthorized discharge of gas and E&P waste, violating Rule 324A.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will submit documentation verifying that no remaining impacts to soil exist at the location after removal of the oily waste and repair of the leaking equipment. This information shall be submitted via supplemental Form 19 under Spill/Release Point ID: 469244. Information shall include soil sample results to confirm compliance with Table 915-1 standards for organic compounds in soil and soil suitability parameters as well as soil gas survey results from the area surrounding the wellhead.

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date: 09/14/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/29/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

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

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed the wellhead leaking around the casing and bradenhead riser. A corrective action date of September 29, 2020, was set for repairs to stop the leak.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed that the leak around the casing and bradenhead riser had not been repaired.

Operator failed to maintain the casing and bradenhead riser in good mechanical condition, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will repair the leak around the casing and bradenhead riser and provide COGCC with all records pertaining to inspection, maintenance, and repair associated with this wellhead, along with their written procedures for inspecting and maintaining their wells and associated equipment to prevent similar violations in the future.

Rule: 608.e.

Rule Description: Mechanical Conditions

Initial Discovery Date: 09/14/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/29/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 608.e., KP Kauffman Company, Inc. ("Operator") shall keep all Production Facilities, valves, pipes and fittings securely fastened or sealed, inspected at regular intervals, and maintained in good mechanical condition.

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed the wellhead leaking around the casing and bradenhead riser. A corrective action date of September 29, 2020, was set for repairs to stop the leak.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed that the leak around the casing and bradenhead riser had not been repaired.

Operator failed to maintain the casing and bradenhead riser in good mechanical condition, violating Rule 608.e.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will repair the leak around the casing and bradenhead riser and provide COGCC with all records pertaining to inspection, maintenance, and repair associated with this wellhead, along with their written procedures for inspecting and maintaining their wells and associated equipment to prevent similar violations in the future.

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 09/14/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/14/2020

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., KP Kauffman Company, Inc. ("Operator") will prevent Pollution. Pursuant to Rule 902.b., Operator will prevent adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 902.c., Operator will prevent the unauthorized discharge or disposal of oil, condensate, gas, E&P Waste, Chemical substances, trash, discarded equipment, and other oil field waste.

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed the wellhead leaking around the casing and bradenhead riser. The inspection also documented stained soils from accumulation of oily waste at the wellhead and bradenhead riser.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed that the leak around the casing and bradenhead riser had not been repaired. The inspection also documented that the stained soils from accumulation of oily waste at the wellhead and bradenhead riser had not been cleaned up.

Operator failed to prevent adverse environmental impacts on air, water, soil, or biological resources resulting from Oil and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and prevent the unauthorized discharge of gas and E&P waste, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will submit documentation verifying that no remaining impacts to soil exist at the location after removal of the oily waste and repair of the leaking equipment. This information shall be submitted via supplemental Form 19 under Spill/Release Point ID: 469244. Information shall include soil sample results to confirm compliance with Table 915-1 standards for organic compounds in soil and soil suitability parameters as well as soil gas survey results from the area surrounding the wellhead.

Rule: 905.e.

Rule Description: Oily Waste

Initial Discovery Date: 09/14/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/29/2020

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 905.e.(1), Operator may treat or dispose of Oily Waste through one of the following methods: Disposal at a commercial Solid Waste Disposal facility; Land Treatment onsite pursuant to 905.e.(2); Land Treatment at a Centralized E&P Waste Management Facility permitted pursuant to Rule 907; or onsite treatment, for Oily Waste other than Tank bottoms, using alternative methods described on a Form 27 submitted to the Director for prior approval.

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed oily waste around the wellhead and bradenhead riser. A corrective action date of September 29, 2020, was established to clean up and properly dispose of the oily waste.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed the oily waste around the wellhead and bradenhead riser had not been cleaned up and disposed of in accordance with 907.e.(1).

Operator failed to treat or dispose of releases and properly manage accumulations of oily waste, violating Rule 905.e.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will provide all documentation required by Rule 905.b.(3) regarding the volume of oily waste removed from the location. This information will be submitted via supplemental Form 19 under Spill/Release Point ID: 469244. Operator will also include a written plan that outlines steps and frequency for self-inspecting locations to document accumulations of oily waste and the procedures to properly and timely cleanup and dispose of such waste in accordance with all applicable rules in the 900 Series.

Rule: 907.e

Rule Description: Oily Waste

Initial Discovery Date: 09/14/2020

Was this violation self-reported by the operator? No

Date of Violation: 09/29/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 907.e.(1), KP Kauffman Company, Inc. ("Operator") shall treat or dispose of oily waste in accordance with options listed under 907.e.(1), such as disposal at a commercial solid waste disposal facility, land treatment onsite, or at a permitted centralized Exploration and Production ("E&P") waste management facility.

On September 14, 2020, COGCC staff inspected Operator's Anderson #22-32 location (document no. 699302543) and observed oily waste around the wellhead and bradenhead riser. A corrective action date of September 29, 2020, was established to clean up and properly dispose of the oily waste.

On May 27, 2021, COGCC staff performed a follow-up inspection (document no. 699303883) and observed the oily waste around the wellhead and bradenhead riser had not been cleaned up and disposed of in accordance with 907.e.(1).

Operator failed to treat or dispose of releases and properly manage accumulations of oily waste, violating Rule 907.e.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/24/2021

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

Operator will provide all documentation required by Rule 905.b.(3) regarding the volume of oily waste removed from the location. This information will be submitted via supplemental Form 19 under Spill/Release Point ID: 469244. Operator will also include a written plan that outlines steps and frequency for self-inspecting locations to document accumulations of oily waste and the procedures to properly and timely cleanup and dispose of such waste in accordance with all applicable rules in the 900 Series.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Answers are filed by email to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 06/24/2021

COGCC Representative Signature: Trent Lindley

COGCC Representative: Trent Lindley Title: NOAV Specialist

Email: trent.lindley@state.co.us Phone Num: (303) 894-2100 x5143

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (http://ogccweblink.state.co.us/) - Search by Document Number.

Document Number	Description

Total Attach: 0 Files