

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
402885989
Date Issued:
12/02/2021
Date Resolved:

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>10391</u>	Contact Name and Telephone:
Name of Operator: <u>STONEHAM PRODUCTION LLC</u>	Name: <u>WILLIAM PENNEY</u>
Address: <u>5945 ZINNIA COURT</u>	Phone: <u>(720) 881-7102</u> Fax: <u>()</u>
City: <u>ARVADA</u> State: <u>CO</u> Zip: <u>80004</u>	Email: <u>sierragas@aol.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-123-17621-00 Facility or Location ID: _____
Name: CRAIG Number: 3
QtrQtr: SWSW Sec: 29 Twp: 9N Range: 56W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 1101.b.
Rule Description: Off-Location Flowline Registration

Initial Discovery Date: 11/22/2021 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.b.(1), Stoneham Production, LLC ("Operator") must register every off-location flowline either individually or as part of a flowline system. Operator may register individual off-location flowlines or a flowline system by submitting a Flowline Report, Form 44, to the Director within 90 Days after the flowline or flowline system is placed in active status. An off-location flowline in existence prior to May 1, 2018, must be registered by October 31, 2019.

COGCC staff conducted an inspection on November 22, 2021 (document no. 69010025), of Operator's Craig 3 well, and observed an off-location flowline running approximately 905 ft. from the Craig 3 wellhead to the tank battery. During an audit of Operator's records on November 22, 2021, COGCC staff determined Operator's Flowline Report, Form 44 was in draft status and Operator failed to submit the Form 44, violating Rule 1101.b.(1).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/01/2022

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

Operator shall comply with Rule 1101.b. and submit a completed Flowline Report, Form 44.

Rule: 1101.b.
Off-Location Flowline Registration

Rule Description: _____

Initial Discovery Date: 11/22/2021 Was this violation self-reported by the operator? No

Date of Violation: 12/01/2020 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1101.b.(3)C., for off-location flowlines in existence prior to May 1, 2018, and already registered with the Commission, Stoneham Production, LLC ("Operator") must submit, on or before December 1, 2020, a Flowline Report, Form 44, that includes: C. 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.

COGCC staff conducted an inspection on November 22, 2021 (document no. 69010025), of Operator's Craig 3 well, and observed an off-location flowline running approximately 905 ft. from the Craig 3 wellhead to the tank battery. During an audit of Operator's records on November 22, 2021, COGCC staff determined Operator's Flowline Report, Form 44, was in draft status and Operator failed to submit the Form 44 with the required GIS data by December 1, 2020, violating Rule 1101.b.(3)C.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/01/2022

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

Operator shall comply with Rule 1101.b. and submit a completed Flowline Report, Form 44 with the required GIS data.

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: 12/02/2021

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: 1101.b.

Rule Description: Off-Location Flowline Registration

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: 1101.b.

Rule Description: Off-Location Flowline Registration

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>
402885995	NOAV CERTIFIED MAIL RECEIPT
402885996	NOAV ISSUED

Total Attach: 2 Files