

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
04/07/2020
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>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- - -00 Facility or Location ID: 444630
Name: Charter Schneider Tank Battery Number: _____
QtrQtr: NWSE Sec: 33 Twp: 1N Range: 67W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 1002.f
Rule Description: Stormwater Management
Initial Discovery Date: 08/22/2019 Was this violation self-reported by the operator? No
Date of Violation: 08/22/2019 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1002.f.(2), Operator shall implement and maintain Best Management Practices ("BMPs") at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation; and shall maintain BMPs until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004. Operator shall employ BMPs, as necessary to comply with this rule, at all oil and gas locations, including, but not limited to, well pads, soil stockpiles, access roads, tank batteries, compressor stations, and pipeline rights of way. BMPs shall be selected based on site-specific conditions, such as slope, vegetation cover, and proximity to water bodies, and may include maintaining in-place some or all of the BMPs installed during the construction phase of the facility. BMPs indicate that Operator shall implement such protection upon commencement of construction.

On August 22, 2019, COGCC staff inspected Operator's Charter Schneider Tank Battery (Facility ID 444630, the "Location") and observed stormwater BMPs were inadequate to prevent erosion of spoil piles. COGCC Staff required Operator to take corrective action to install stormwater BMPs by September 26, 2019 (Field Inspection No. 688500162).

On December 17, 2019, COGCC staff performed a follow up inspection at the location and observed that stormwater BMPs had not been installed to prevent erosion of the spoil piles on Location (Field Inspection No. 688500168).

Operator failed to install stormwater BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation, violating Rule 1002.f.(2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/17/2020

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

Operator shall develop and implement a plan to provide stormwater BMPs during remediation excavations to protect offsite properties, surface waters and right of way from impacts due to migrating E&P Waste.

Rule: 1105

Rule Description: Abandonment

Initial Discovery Date: 09/24/2019 Was this violation self-reported by the operator? No

Date of Violation: 09/24/2019 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1105.b., upon removing a flowline or crude oil transfer line from service, Operator must immediately lockout or tag out the risers while Operator is in the process of abandoning the pipeline. Lockout and tagout devices must stay in place at all times during the process of abandoning the flowline or crude oil transfer line until the operator removes the riser.

On September 24, 2019, COGCC engineering staff inspected the Location and observed numerous flowlines with cut ends around all sides of the excavation. The field inspection noted the ends of the flowlines were open and were not locked or tagged out. COGCC Staff required Operator to take corrective action to mark risers and seal ends by October 29, 2019, remove unused flowline risers, and abandon flowlines in accordance with Rule 1105. (Field Inspection No. 690101420).

On December 20, 2019, COGCC engineering staff performed a follow up inspection at the location and observed that the required corrective actions had not been completed by Operator. (Field Inspection No. 690101612).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/07/2020

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

Operator shall immediately lockout or tag out and seal the ends of the unused flowline risers and flowlines on the location and Operator shall submit an eForm 4 Sundry Notice which provides photograph evidence that the flowlines have been properly locked or tagged out. Unused flowline risers shall be removed in accordance with Rule 603.f. and the flowlines shall be abandoned in accordance with Rule 1105 within 30 days. Repair active flowlines and contact COGCC Integrity Inspector to witness flowline pressure testing prior to returning to service (verification of repairs completed).

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

Initial Discovery Date: 08/22/2019 Was this violation self-reported by the operator? No

Date of Violation: 08/22/2019 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

Pursuant to Rule 210.b.(2), within sixty (60) days after the installation of a battery, Operator shall install permanent signage at the battery.

On August 22, 2019, COGCC staff inspected Operator's Charter Schneider Tank Battery (Facility ID 444630, the "Location") and observed that a sign was not posted at the battery. COGCC Staff required Operator to take corrective action to install the signage by October 4, 2019 (Field Inspection No. 688500162).

On December 17, 2019, COGCC staff performed a follow up inspection at the location and observed that signage had not been installed at the battery (Field Inspection No. 688500168).

Operator failed to install permanent signage at the battery, violating Rule 210.b.(2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/17/2020

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

Operator shall install permanent signage at the battery including all information required by Rule 210.b. Operator shall submit a Field Inspection Resolution Report (FIRR) which provides photograph evidence of the installed signage.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

Initial Discovery Date: 09/24/2019 Was this violation self-reported by the operator? No

Date of Violation: 09/24/2019 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to rule 603.f, All locations, including wells and surface production facilities, shall be kept free of the following: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material.

On September 24, 2019, COGCC engineering staff inspected the Location and observed numerous flowlines with cut ends around all sides of the excavation. The field inspection noted the ends of the flowlines were open and were not locked or tagged out. COGCC Staff required Operator to take corrective action to mark risers and seal ends by October 29, 2019, remove unused flowline risers, and abandon flowlines in accordance with Rule 1105. (Field Inspection No. 690101420).

On December 20, 2019, COGCC engineering staff performed a follow up inspection at the location and observed that the required corrective actions had not been completed by Operator. (Field Inspection No. 690101612).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/07/2020

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

Operator shall immediately lockout or tag out and seal the ends of the unused flowline risers and flowlines on the location and Operator shall submit an eForm 4 Sundry Notice which provides photograph evidence that the flowlines have been properly locked or tagged out. Unused flowline risers shall be removed in accordance with Rule 603.f. and the flowlines shall be abandoned in accordance with Rule 1105 within 30 days. Repair active flowlines and contact COGCC Integrity Inspector to witness flowline pressure testing prior to returning to service (verification of repairs completed).

Rule: 605.c

Rule Description: O&G Facilities - Special Equipment

Initial Discovery Date: 08/22/2019 Was this violation self-reported by the operator? No

Date of Violation: 08/22/2019 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

Pursuant to Rule 605.c.(4), all pumps, pits, and producing facilities shall be adequately fenced to prevent access by unauthorized persons when the producing site or equipment is easily accessible to the public and poses a physical or health hazard.

On August 22, 2019, COGCC staff inspected Operator's Charter Schneider Tank Battery (Facility ID 444630, the "location") and observed that there was inadequate safety fencing around the open excavation present at the location. COGCC Staff required Operator to take corrective action to install adequate safety fencing to protect public safety by September 23, 2019 (Field Inspection No. 688500162).

On December 17, 2019, COGCC staff performed a follow up inspection at the location. During this inspection, COGCC staff observed that adequate fencing to protect public safety had not been installed around the open excavation. This field inspection also notes the proximity of the location to nearby residences. Field inspection corrective actions required Operator to install a more robust fencing system to prevent easy access by trespassers, livestock, and wildlife by September 23, 2019 (Field Inspection No. 688500168).

Operator failed to install adequate fencing to prevent access by unauthorized persons on a location which is easily accessible to the public and poses a physical hazard, violating Rule 605.c.(4).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/17/2020

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

Operator shall develop and implement an Operations plan for safely conducting excavations in areas accessible to the public, livestock or wildlife to comply with Rule 605.c.(4)

Rule: 901

Rule Description: Introduction

Initial Discovery Date: 08/22/2019

Was this violation self-reported by the operator? No

Date of Violation: 08/22/2019

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 901.c., whenever the Director has reasonable cause to believe that an operator, in the conduct of any oil or gas operation, is performing any act or practice which threatens to cause or causes a violation of Table 910-1, the Director may impose additional requirements, including but not limited to, sensitive area determination, sampling and analysis, remediation, monitoring, permitting and the establishment of points of compliance.

On February 4, 2016, Operator submitted an Initial Form 27 Site Investigation and Remediation Workplan for the remediation of a release (Spill ID 444879) at Operator's Charter Schneider Tank Battery (Facility ID 444630, the "Location") (Remediation Project 9522; Form 27 Site Investigation and Remediation Workplan, Document No. 2525911).

On March 18, 2019, Operator submitted an Initial Form 27 Site Investigation and Remediation Workplan for the remediation of another release (Spill ID 458797) on location (Remediation Project 12787; Form 27 Site Investigation and Remediation Workplan, Document No. 401970904).

On March 29, 2019, Operator submitted an Initial Form 27 Site Investigation and Remediation Workplan for the remediation of another release (Spill ID 455637) on location (Remediation Project 13053; Form 27 Site Investigation and Remediation Workplan, Document No. 401990128).

On August 22, 2019, COGCC staff inspected the location and documented that no updates had been provided for Remediation Project No. 9522 since the initial Form 27 submission. Corrective actions required the Operator to submit a Supplemental Form 27 Site Investigation and Remediation Workplan for Remediation Project No. 9522 by September 30, 2019 (Field Inspection No. 688500162).

On December 17, 2019, COGCC staff performed a follow up inspection at the location and documented that no Supplemental Form 27 Site Investigation and Remediation Workplan had been submitted for Remediation Project No. 9522 (Field Inspection No. 688500173) or Remediation Project No. 13053 (Field Inspection No. 688500173). Corrective actions on both Field Inspection Reports required the Operator to submit a Supplemental Form 27 Site Investigation and Remediation Workplan for Remediation Project Nos. 9522 and 13053 by January 10, 2020 (Field Inspection Nos. 688500173 and 688500170). COGCC staff also documented that a Supplemental Form 27 Site Investigation and Remediation Workplan had not been submitted for Remediation Project No. 12787 since April 24, 2019 (Field Inspection No. 688500168). Corrective actions required the Operator to submit a Supplemental Form 27 Site Investigation and Remediation Workplan for Remediation Project No. 12787 by September 30, 2019 (Field Inspection No. 688500168).

On December 23, 2019, Operator submitted a Supplemental Form 27 Site Investigation and Remediation Workplan for Remediation Project No. 12787 (Form 27 Site Investigation and Remediation Workplan, Document No. 402258345). This submittal was 84 days after the date required in the corrective actions for Field Inspection No. 688500168.

On January 14, 2020, Operator submitted Supplemental Form 27 Site Investigation and Remediation Workplans for Remediation Project Nos. 9522, 12787, and 13053, closing all three remediation projects (Form 27 Site Investigation and Remediation Workplan, Document Nos. 402285210, 402285044, and 402285279). Submittals for Remediation Project No. 9522 and 13053 were 4 days after the date required in the corrective actions for Field Inspection Nos. 688500173 and 688500170.

Operator failed to provide the additional documentation required by the COGCC corrective action dates required in field inspections, violating Rule 901.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/07/2020

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

Operator has 16 Remediation Projects open on Operator's locations, 7 of which have missed required deadlines by COA dates or have not been updated in over a year. Operator also has 8 unresolved spills. Operator shall review unresolved spills and remediations and provide the documentation required to resolve the open spills and remediations, or provide a compliance plan for resolving spills and remediations that lack supporting documentation.

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: 04/07/2020

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x

CORRECTIVE ACTION COMPLETED

Rule: 1002.f

Rule Description: Stormwater Management

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-772.

Rule: 1105

Rule Description: Abandonment

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-772.

Rule: 210.b

Rule Description: Signs & Markers- Wells & Batteries

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

Closed pursuant to Order 1v-772.

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? <u>No</u>	
Description of Actual Corrective Action Performed by Operator	
Closed pursuant to Order 1v-772.	

Rule: <u>605.c</u>	
Rule Description: <u>O&G Facilities - Special Equipment</u>	
Corrective Action Start Date: _____	Corrective Action Complete Date: _____
Has corrective action for this violation been performed as required? <u>No</u>	
Description of Actual Corrective Action Performed by Operator	
Closed pursuant to Order 1v-772.	

Rule: <u>901</u>	
Rule Description: <u>Introduction</u>	
Corrective Action Start Date: _____	Corrective Action Complete Date: _____
Has corrective action for this violation been performed as required? <u>No</u>	
Description of Actual Corrective Action Performed by Operator	
Closed pursuant to Order 1v-772.	

FINAL RESOLUTION

Cause #: <u>1v</u>	Order #: <u>772</u>	Docket #: <u>210200010</u>
Enforcement Action: <u>Order Finding Violation</u>	Final Resolution Date: _____	
Final Resolution Comments:		
Closed pursuant to Order 1v-772.		

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>
402364209	NOAV CERTIFIED MAIL RECEIPT
402364210	NOAV ISSUED
402364212	NOAV IN PROCESS

Total Attach: 3 Files