

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:
402938899
Date Issued:
01/27/2022
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

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|---|--|
| OGCC Operator Number: <u>83130</u> | Contact Name and Telephone: |
| Name of Operator: <u>STRACHAN EXPLORATION INC</u> | Name: <u>STEVEN M STRACHAN</u> |
| Address: <u>383 INVERNESS PKWY, STE 360</u> | Phone: <u>(303) 790-9115</u> Fax: <u>()</u> |
| City: <u>ENGLEWOOD</u> State: <u>CO</u> Zip: <u>80112</u> | Email: <u>sms@strachanexploration.com</u> |

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 150131
Name: SALT LAKE UNIT Number: _____
QtrQtr: SW Sec: 9 Twp: 19S Range: 50W Meridian: 6
County: KIOWA

ALLEGED VIOLATION

Rule: 1004.a
Rule Description: Final Reclamation - Well Sites Reclamation
Initial Discovery Date: 02/02/2021 Was this violation self-reported by the operator? No
Date of Violation: 05/29/2020 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, Strachan Exploration Inc. ("Operator") shall, upon the plugging and abandonment of a well, all pits, mouse and rat holes and cellars shall be backfilled. All debris, abandoned gathering line risers and flowline risers, and surface equipment shall be removed within three (3) months. All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. All other equipment, supplies, weeds, rubbish, and other waste material shall be removed. All such reclamation work shall be completed within twelve (12) months on non-crop land after plugging a well or final closure of associated production facilities.

Operator's Form 6, Well Abandonment Report for the Helfrich 1 well (document no. 402115335), indicates the well was plugged and abandoned on May 29, 2019. The Helfrich 1 was the last well associated with the Salt Lake Unit facility ("Facility"), requiring reclamation work at the Facility to be completed by May 29, 2020.

COGCC staff conducted an inspection on February 2, 2021, of the Facility (document no 690201114), and observed the Facility was not reclaimed in accordance with Rule 1004.a. Specifically, the access road, shed, and electric utility equipment remained at the Facility and compaction alleviation, re-contouring and reclamation were not performed. Staff required Operator to comply with 1004 Rules.

COGCC Staff conducted follow-up inspections on May 12, 2021 (document no. 690201541), and January, 11, 2022 (document no. 690202480), and observed corrective actions to comply with 1004 Rules have not been corrected. Specifically, staff observed corrective actions to remove electrical equipment and debris, compaction alleviation, re-contouring and reclamation were not performed at the Facility.

Operator failed to remove surface equipment within (3) months of abandonment, and complete final reclamation at the Facility within twelve (12) months after plugging the well, violating Rule 1004.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/31/2022

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

Conduct final reclamation activities in accordance with Rule 1004.a on the Location and Associated Facilities.

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: 01/27/2022

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: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

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> |
|------------------------|-----------------------------|
| 402938905 | NOAV CERTIFIED MAIL RECEIPT |
| 402938907 | NOAV ISSUED |

Total Attach: 2 Files