

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
02/08/2022

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>10705</u>	Contact Name and Telephone:
Name of Operator: <u>EVERGREEN NATURAL RESOURCES LLC</u>	Name: <u>MACKENZIE SMITH</u>
Address: <u>1875 LAWRENCE ST STE 1150</u>	Phone: <u>(720) 234-5572</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>mackenzie.smith@enrllc.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-071-06428-00 Facility or Location ID: _____
Name: RED DOG Number: 21-32
QtrQtr: NENW Sec: 32 Twp: 32S Range: 65W Meridian: 6
County: LAS ANIMAS

ALLEGED VIOLATION

Rule: 902.
Rule Description: Pollution
Initial Discovery Date: 06/17/2021 Was this violation self-reported by the operator? No
Date of Violation: 06/17/2021 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., Evergreen Natural Resources, LLC ("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.

COGCC staff inspected Operator's Red Dog 21-32 location (Location ID 307427, "Location") on June 17, 2021 (document no. 695104459) and June 21, 2021 (document no. 700600270), and observed, what the Operator described as, the disposal of coal fines from pigging the sales line into the unlined produced water pit (Pit Facility ID 112908).

On June 22, 2021, Operator submitted an Initial Form 19 Spill/Release Report (document no. 402724778) to document the pigging wastes discharged into the unlined produced water pit (Spill/Release Point ID 480207).

On August 4, 2021, Operator submitted a Supplemental Form 19 Spill/Release Report (document no. 402769919) documenting analytical results (document nos. 402769931 & 402769926) from soil samples collected from the produced water pit area. The results showed an exceedance of Table 915-1 concentrations for Total Petroleum Hydrocarbons (TPH) for the collected Pit Bottom sample. Based on produced water characteristics, TPH exceedances would be the result of oil added to the pit, and would not be expected in the produced water pit under normal use.

Operator failed to prevent pollution and 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 and disposal of E&P waste, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/10/2022

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

Operator will update their waste management plan to specifically address the proper disposal of pigging waste including the storage, transportation and disposal of such waste. Operator will provide a written training program on the proper disposal of Other E&P Waste, as defined in Rule 905.f., and train personnel responsible for the handling and disposal of such waste. Operator will remediate all impacts to the unlined produced water pit in accordance with the implementation schedule and requirements of the previously approved Form 27, Site Investigation and Remediation Workplan (document no. 402782552) - COGCC Remediation Project 19662.

Rule: 905.f.

Rule Description: Other E&P Waste

Initial Discovery Date: 06/17/2021

Was this violation self-reported by the operator? No

Date of Violation: 06/17/2021

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 905.f., Evergreen Natural Resources, LLC ("Operator") may treat and dispose other E&P Waste, including but not limited to workover Fluids, Tank bottoms, pigging wastes from Pipelines, and gas gathering, processing, and storage wastes through one of the following methods: (1) Disposal at a commercial Solid Waste Disposal facility; (2) Treatment at a Centralized E&P Waste Management Facility permitted pursuant to Rule 907; (3) Injection into a Class II UIC Well permitted pursuant to the Commission's 800 Series Rules; or (4) An alternative method proposed in a waste management plan pursuant to Rule 905.a.(4) and approved by the Director.

On February 27, 1998, the previous operator of the Red Dog 21-32 location (Location ID 307427, "Location") submitted a Form 15, Application for Permit to Use Unlined Earthen Pit ("Permit"), for the produced water pit located on Location (Document Nos. 656652 & 656653). The Permit states the pit will be used for the evaporation/percolation of produced water from the Red Dog 21-32 gas well (API 05-071-06428). The permit did not approve disposal of pigging wastes in the pit.

COGCC staff inspected Operator's Location on June 17, 2021 (document no. 695104459) and June 21, 2021 (document no. 700600270), and observed, what the Operator described as, the disposal of coal fines from pigging the sales line into the unlined produced water pit (Pit Facility ID 112908).

On June 22, 2021, Operator submitted an Initial Form 19 Spill/Release Report (document no. 402724778) to document the pigging wastes discharged into the unlined produced water pit (Spill/Release Point ID 480207).

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Operator discharged pigging wastes into an unlined produced water pit failing to properly dispose of the wastes, violating Rule 905.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 03/10/2022

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

Operator will update their waste management plan to specifically address the proper disposal of pigging waste, including the storage, transportation and disposal of such waste. Operator will provide a written training program on the proper disposal of Other E&P Waste, as defined in Rule 905.f., and train personnel responsible for the handling and disposal of such waste.

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: 02/08/2022

COGCC Representative Signature: 

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.

<u>Document Number</u>	<u>Description</u>
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Total Attach: 0 Files