



1120 Lincoln Street, Suite 801  
Denver, CO 80203  
[www.colorado.gov/cogcc](http://www.colorado.gov/cogcc)

## WARNING LETTER # 402974665

03/07/2022

KP KAUFFMAN COMPANY INC (# 46290)  
ROSS WATZMAN  
rwatzman@kpk.com

1675 BROADWAY, STE 2800  
DENVER, CO 80202

MCCALLUM UNIT 9 (API# 057-05115)  
NWNW, 2, 9N, 79W, JACKSON

**This Warning Letter is to inform you that KP KAUFFMAN COMPANY INC (“Operator”) may be in violation of the rules and regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”) and corrective action is required.**

COGCC has reasonable cause to believe that Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 525, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

### Alleged Violation(s) and Required Corrective Action(s):

414 Form 5, Drilling Completion Report

Violation Date: 01/15/2022

Violation Discovery Date: 01/15/2022

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Drilling Completion Reports (“Form 5”), are outstanding for the Well.

Pursuant to Rule 414.b., Operator is required to submit a Final Form 5 within 30 days of the completion of Well operations in which the casing or cement in the wellbore is changed. Changes to the wellbore casing or cement configuration include, but are not limited to, the operations listed in Rule 408.e.(5). The Form 5 will include the information required by Rule 414.b.(2).

This requirement of Form 5 was noticed by COA on repair Form 4 Sundry Doc. 402882531.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the COGCC Representative indicated below, confirming that all required Form 5s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 414 in the future. Operator shall



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reference this Warning Letter document number in the subject of the email.  
Corrective Action Deadline Date: 04/07/2022

#### 417 Mechanical Integrity Testing

Violation Date: 01/15/2022

Violation Discovery Date: 01/15/2022

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if this is a shut-in (“SI”) or temporarily abandoned (“TA”) well past due for a Mechanical Integrity Test (“MIT”).

Pursuant to Rule 417.a., a new mechanical integrity test will be performed after any casing repairs, after resetting the tubing or mechanical isolation device, or whenever the tubing or mechanical isolation device is moved during workover operations; and all injection Well mechanical integrity tests will be witnessed by the Director; and as long as it is used for the injection of Fluids, mechanical integrity tests will be performed at the rate of not less than 1 test every 5 years

Pursuant to Rule 417.e., Operator is required to submit notice to the Director on a Form 42, Field Operations Notice - Mechanical Integrity Test ("MIT"), at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

Pursuant to Rule 417.f., all Wells which lack mechanical integrity, as determined through a mechanical integrity test, or other means, will be repaired or Plugged and Abandoned within 6 months. If the Operator has not performed a mechanical integrity test within the required time frames in Rules 417.b.(1) & c.(1), the Operator will not be given an additional 6 months in the event of an unsuccessful test.

Failed MIT on 7/15/2021: well was to be successfully Tested for mechanical integrity OR Plugged and Abandoned by January 15, 2022. COGCC prompted update on January 12, 2022. Operator performed MIT after apparent casing repair without required notice or witnessing on January 17, 2022.

Required Corrective Action: Rule 417.a requires all mechanical integrity tests on injection wells to be witnessed by the Director; and as long as it is used for the injection of Fluids, mechanical integrity tests will be performed at the rate of not less than 1 test every 5 years

Rule 417.n., requires notice to the Director on a Form 42, Field Operations Notice at least ten (10) days prior to conducting an MIT and Rule 418, requires submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 417.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 417.f.

Operator will respond in writing to the UIC Lead detailing a plan for successfully complying with mechanical integrity Rules pertaining to Injection Wells in the McCallum EOR Unit.

Corrective Action Deadline Date: 04/07/2022



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## 811 Enhanced Recovery Injection Projects

Violation Date: 01/15/2022

Violation Discovery Date: 01/15/2022

Description of Alleged Violation: Pursuant to Rule 811.d, when any Well in an approved enhanced recovery unit operation is converted to or from an injection to production status, the Operator will provide notice on a Form 4 within 30 days.

The Operator has indicated their intention was to remove this well from injection status, but no such Form 4 was submitted.

Required Corrective Action: Operator shall submit any delinquent forms, notices, or reports; and correct any incomplete or inaccurate reports. Operator shall send an email to the COGCC Representative indicated below, confirming that all required Form 4s are submitted, accurate, and up-to-date; and detailing an internal procedure for timely compliance with Rule 811 in the future. Operator shall reference this Warning Letter document number in the subject of the email.

Corrective Action Deadline Date: 04/07/2022

### **How to Comply with Warning Letter:**

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the COGCC staff identified below by the Corrective Action Deadline Date(s):

COGCC Representative: Morgan, John

Title: Underground Injection Con

Phone Num: (303) 894-2100x5147

Email: [john.morgan@state.co.us](mailto:john.morgan@state.co.us)

If you have any questions about this Warning Letter, please contact the COGCC Representative identified above.

### **Failure to Comply with Warning Letter:**

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 525, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

### **Disclaimers:**

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the COGCC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.

All well data, rules and forms are available on our website at [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc).

Sincerely,

Morgan, John



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## Underground Injection Con

### **Attachments**

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

<u>Document Number</u>	<u>Description</u>

Total Attach: 0 Files