

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:

402982371

Date Issued:

03/11/2022

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

OGCC Operator Number: 10763

Name of Operator: BNL (ENTERPRISE) INC

Address: 5 TAMARADE DRIVE

City: LITTLETON State: CO Zip: 80127

Contact Name and Telephone:

Name: PAUL JORDAN

Phone: (281) 798-6164 Fax: ()

Email: paul.jordan@fticonsulting.com

Well Location, or Facility Information (if applicable):

API Number: 05-071-09918-00

Facility or Location ID:

Name: Enterprise State

Number: 16-1 (2962)

QtrQtr: NESE Sec: 16

Twp: 29S

Range: 62W

Meridian: 6

County: LAS ANIMAS

ALLEGED VIOLATION

Rule: 34-60-121(1) CRS-b

Rule Description: Statutory Violation - Permit Violation

Initial Discovery Date: 02/22/2022

Was this violation self-reported by the operator? No

Date of Violation: 02/22/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to §34-60-121(1)(a) C.R.S., any operator that violates this article, any rule or order of the commission, or any permit is subject to a penalty of not more than fifteen thousand dollars for each act of violation per day that such violation continues.

BNL (Enterprise), Inc. ("Operator") submitted a Form 2, Application for Permit to Drill on November 12, 2021 (document no. 402812915), indicating that Operator would use a Double Ram for their Blowout Prevention Equipment ("BOPE") when drilling Enterprise State 16-1 (2962). The APD was approved on December 22, 2021, incorporating the requirement to use a BOPE.

COGCC Staff conducted a routine inspection on February 22, 2022 (document no. 695105710), and observed Operator drilling the Well, with no BOPE. Staff followed General Safety Requirements per Rule 602.f., and required a safety shut-in of the Well and required Operator to install BOPE or obtain approval from COGCC for an alternative means of well control.

Operator submitted a Form 4, Sundry Notice on February 23, 2022 (document no. 402962678), requesting the APD be amended to allow for an Annular Preventor in place of a Double Ram for BOPE. The amendment was approved on February 23, 2022.

Operator failed to comply with the requirements of an approved APD, violating §34-60-121(1)(a) C.R.S.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/10/2022

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

In its Rule 523.c.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure permits are complied with and ensure timely communication with COGCC staff when changes to permits are necessary and/or require review and approval from staff.

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: 03/11/2022

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: 34-60-121(1)
CRS-b

Rule Description: Statutory Violation - Permit Violation

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>
402982381	NOAV CERTIFIED MAIL RECEIPT
402982382	NOAV ISSUED

Total Attach: 2 Files