

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:

402987523

Date Issued:

03/17/2022

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: 10749

Name of Operator: SIMCOE LLC

Address: 1199 MAIN AVE SUITE 101

City: DURANGO State: CO Zip: 81301

Contact Name and Telephone:

Name: SCOTT QUILLIN

Phone: (405) 420-4292 Fax: ()

Email: squillin@ikavenergy.com

Well Location, or Facility Information (if applicable):

API Number: 05-067-07186-00

Facility or Location ID:

Name: PICCOLI A

Number: 1

QtrQtr: SWSE Sec: 23

Twp: 34N Range: 9W

Meridian: M

County: LA PLATA

ALLEGED VIOLATION

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 01/11/2022

Was this violation self-reported by the operator? Yes

Date of Violation: 01/11/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., Simcoe, 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.

Operator submitted an Initial Form 19, Spill/Release Report on January 12, 2022 (document no. 402924225), reporting a release, discovered on January 11, 2022 at the Piccoli A #1 location. The Form 19 indicated a discharge valve on a water transfer line froze and broke, causing a release of produced water that traveled southeast across and off of the location toward Cottonwood Gulch.

Operator submitted a Supplemental Form 19, Spill/Release Report on February 10, 2022 (document no. 402953369), reporting analytical results from investigative soil samples. The results showed an exceedance of Table 915-1 concentrations in multiple soil samples throughout the path of the spill. A Site Investigation Plan (document no. 402953498), attached to the Form 19, reported the cause of the spill stemmed from a power outage that supplied power to a heat trace, used to prevent the discharge valve and the water transfer line from freezing.

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: 03/17/2022

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

The Operator will comply with the Conditions of Approval in the Supplemental Form 19 (document no. 402953369) and prepare and obtain the Director's approval of a Form 27, Site Investigation and Remediation Workplan, prior to conducting operations and remediation activities.

Rule: 905.a.

Rule Description: General Requirements for Management of E&P Waste

Initial Discovery Date: 01/11/2022

Was this violation self-reported by the operator? Yes

Date of Violation: 01/11/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 905.a.(2), Simcoe, LLC ("Operator") will conduct E&P Waste management activities, and construct and operate all Oil and Gas Locations, to protect the Waters of the State from adverse environmental impacts caused by E&P Waste.

Operator submitted an Initial Form 19, Spill/Release Report on January 12, 2022 (document no. 402924225), reporting a release, discovered on January 11, 2022 at the Piccoli A #1 location. The Form 19 indicated a discharge valve on a water transfer line froze and broke, causing a release of produced water that traveled southeast across and off of the location toward Cottonwood Gulch.

Operator submitted a Supplemental Form 19, Spill/Release Report on February 10, 2022 (document no. 402953369), reporting analytical results from investigative soil samples. The results showed an exceedance of Table 915-1 concentrations in multiple soil samples throughout the path of the spill. A Site Investigation Plan (document no. 402953498), attached to the Form 19, reported the cause of the spill stemmed from a power outage that supplied power to a heat trace, used to prevent the discharge valve and the water transfer line from freezing.

The Operator failed to construct and operate their Oil and Gas Location to protect Waters of the State from adverse environmental impacts caused by E&P Waste, violating Rule 905.a.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 04/16/2022

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

The Operator will comply with the Conditions of Approval in the Supplemental Form 19 (document no. 402953369) and prepare and obtain the Director's approval of a Form 27, Site Investigation and Remediation Workplan, prior to conducting operations and remediation activities.

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: 03/17/2022

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