

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
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Document Number:  
402603355  
Date Issued:  
02/18/2021  
Date Resolved:

## NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, 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 523, 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: 10711

Name of Operator: PAINTED PEGASUS PETROLEUM LLC

Address: 16820 BARKER SPRINGS RD #521

City: HOUSTON State: TX Zip: 77084

Contact Name and Telephone:

Name: KEITH HUBBARD

Phone: (832) 549-5521 Fax: ( )

Email: khubbard@p3petro.com

### Well Location, or Facility Information (if applicable):

API Number: 05-001-08187-00

Facility or Location ID:

Name: JUANITA STATE

Number: 1

QtrQtr: SWSW

Sec: 36

Twp: 1S

Range: 64W

Meridian: 6

County: ADAMS

### ALLEGED VIOLATION

Rule: 210.d.

Rule Description: Signs and Markers Tanks and Containers

Initial Discovery Date: 01/14/2021

Was this violation self-reported by the operator? No

Date of Violation:

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 210.d., Painted Pegasus Petroleum LLC ("Operator") shall (1) label all tanks with a capacity of 10 barrels or greater with the following information: name of Operator, Operator's emergency contact telephone number, tank capacity, tank contents, and National Fire Protection Association ("NFPA") Label; and (2) retain the markings, placards, and labels on all containers that are used to store, treat, or otherwise handle a hazardous material in accordance with the U.S. Department of Transportation's Hazardous Materials Regulations.

On January 14, 2021, COGCC Staff performed a routine inspection (document # 699502133) of the battery and observed an open top tank containing hydrocarbons with no label.

On January 25, 2021, COGCC Staff re-inspected (document # 699502179) the battery and observed corrective actions have not been performed. The open top tank containing hydrocarbons did not have a label.

Operator failed to post or label the tank with the name of Operator, Operator's emergency contact telephone number, tank capacity, tank contents, and NFPA Label, violating Rule 210.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/20/2021

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

Operator shall install signage on the tank that clearly indicates the name of Operator, Operator's emergency contact telephone number, tank capacity, and tank contents; as well as the appropriate NFPA Label.

Rule: 324A.a

Rule Description: General Environmental Protection

Initial Discovery Date: 01/14/2021

Was this violation self-reported by the operator? No

Date of Violation:

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 324A.a., Painted Pegasus Petroleum LLC ("Operator") shall take precautions to prevent significant adverse environmental impacts to air, water, soil, or biological resources to the extent necessary to protect public health, safety and welfare, including the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility to prevent the unauthorized discharge or disposal of oil, gas, E&P waste, chemical substances, or other oilfield waste.

On January 14, 2021, COGCC Staff performed a routine inspection (document # 699502133) of the battery and observed an open top tank containing hydrocarbons without netting, which caused a wildlife mortality of a bird of prey.

On January 25, 2021, COGCC Staff re-inspected (document # 699502179) the battery and observed corrective actions had not been performed. Hydrocarbons were observed in an open top tank without netting, which caused a wildlife mortality of a bird of prey.

Operator failed to take precautions to prevent significant adverse environmental impacts to wildlife resources, resulting in wildlife mortality, violating Rule 324A.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/20/2021

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

Operator shall remove hydrocarbons from the tank and install wildlife netting on the open top tank.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

Initial Discovery Date: 01/14/2021

Was this violation self-reported by the operator? No

Date of Violation:

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 603.f., Painted Pegasus Petroleum LLC ("Operator") shall keep free of the following at all locations, including wells and surface production facilities: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material.

On January 14, 2021, COGCC Staff performed a routine inspection (document # 699502133) of the location and observed waste material, including a mattress and hottub, and unmanaged weeds on location.

On January 25, 2021, COGCC Staff re-inspected (document # 699502179) the location and observed corrective actions have not been performed. Waste material, including a mattress and hottub, and unmanaged weeds remained on location.

Operator failed to keep the location free of supplies not necessary for use, including waste material and rubbish, and failed to control weeds, violating Rule 603.f.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/20/2021

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

Operator shall remove supplies not necessary for use on the lease, including rubbish and waste material, from location and manage weeds to comply with Rule 603.f.

## PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

## ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. An answer will, at a minimum, discuss the allegations contained in the NOAV, responding to each; identify corrective actions taken in response to the NOAV, if any; and identify facts known to the operator at the time that are relevant to the operator's response to the alleged violations. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to [dnr\\_cogccenforcement@state.co.us](mailto:dnr_cogccenforcement@state.co.us).

## NOAV ISSUED

NOAV Issue Date: 02/18/2021

COGCC Representative Signature: \_\_\_\_\_

COGCC Representative: Trent Lindley

Email: trent.lindley@state.co.us

Title: NOAV Specialist

Phone Num: (303) 894-2100x5143

## CORRECTIVE ACTION COMPLETED

Rule: 210.d.

Rule Description: Signs and Markers Tanks and Containers

Corrective Action Start Date: \_\_\_\_\_

Corrective Action Complete Date: \_\_\_\_\_

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to OFV No. 1V-780.

Rule: 324A.a

Rule Description: General Environmental Protection

Corrective Action Start Date: \_\_\_\_\_

Corrective Action Complete Date: \_\_\_\_\_

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to OFV No. 1V-780.

Rule: 603.f

Rule Description: Statewide Equipment, Weeds, Waste, and Trash Requirements

Corrective Action Start Date: \_\_\_\_\_

Corrective Action Complete Date: \_\_\_\_\_

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Closed pursuant to OFV No. 1V-780.

## FINAL RESOLUTION

Cause #: <u>1v</u>	Order #: <u>780</u>	Docket #: <u>211000188</u>
Enforcement Action: <u>Order Finding Violation</u>		Final Resolution Date: <u>03/10/2022</u>
Final Resolution Comments:		
<div>Closed pursuant to OFV No. 1V-780.</div>		

## 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>
402603461	NOAV ISSUED
402603462	NOAV CERTIFIED MAIL RECEIPT
402603465	NOAV IN PROCESS

Total Attach: 3 Files