

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
403035259
Date Issued:
05/02/2022
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: <u>46290</u>	Contact Name and Telephone:
Name of Operator: <u>KP KAUFFMAN COMPANY INC</u>	Name: <u>ROSS WATZMAN</u>
Address: <u>1675 BROADWAY, STE 2800</u>	Phone: <u>(303) 825-4822</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>rwatzman@kpk.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 480275
Name: E. Stieber Consolidation Number: _____
QtrQtr: NWNE Sec: 23 Twp: 1N Range: 67W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 902.
Rule Description: Pollution
Initial Discovery Date: 07/07/2021 Was this violation self-reported by the operator? Yes
Date of Violation: 07/07/2021 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.d., no Operator, in the conduct of any Oil or Gas Operation, may violate numeric or narrative water quality standards or classifications established by the WQCC for Waters of the State, or any Point of Compliance established by the Director pursuant to Rule 914. The Director may require the Operator to establish one or more Points of Compliance for any event of Pollution.

On July 7, 2021, KP Kauffman Company, Inc. ("Operator") submitted an Initial Form 19, Spill/Release Report (document no. 402740890) for the spill (Spill/Release Point ID: 480275) of oil and produced water from the E. Stieber Consolidation line.

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed the spill was located directly adjacent to CR 8 and was approximately 80 feet from a residence and 150 feet from a shallow domestic water well (well permit no. 215661). COGCC staff observed free product in the excavation that was actively being worked and soil impacts were visible in the excavation side walls.

On July 28, 2021, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document No. 402762330) for the remediation of Spill ID 480275, proposing the installation of groundwater monitoring wells in the spill area. COGCC staff's Conditions of Approval ("COA") require Operator to perform a complete soil and groundwater characterization at the site to determine groundwater gradient/flow direction and the full extent of impacts to sensitive receptors and calculate and display groundwater elevation contours. In addition to an up-gradient, a down-gradient, two cross gradient, and a source well, monitoring wells shall be installed at the following locations: between release areas and the domestic water well on the north side of CR 8.

Operator corresponded via email on September 16, 2021 (document no.1585420), reporting that free product had been observed in two of the installed monitoring wells on location. Analytical results from two of the installed monitoring wells reported concentration exceedances of Table 915-1.

On January 19, 2022, Operator Submitted a Supplemental Form 27, Site Investigation and Remediation Workplan (document no. 402923411) with an attached monitoring well map including groundwater contours. The map demonstrated point of compliance had been lost on September 16, 2021 when Operator reported free product was observed in MW-3 and MW-4. Operator did not install additional monitoring wells to obtain a point of compliance and define the horizontal extent of impacts to soil and groundwater.

Operator violated narrative water quality standards established by the WQCC for Waters of the State and failed to establish a Point of Compliance of a Pollution event, violating Rule 902.d.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/02/2022

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

Operator will comply with the implementation schedule and conditions of approval for all remaining remediation of impacts to soil and groundwater, reclamation and reporting established in the COGCC remediation project 19161.

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 07/07/2021 Was this violation self-reported by the operator? Yes

Date of Violation: 07/07/2021 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., KP Kauffman Company, Inc. ("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.

On July 7, 2021, Operator submitted an Initial Form 19, Spill/Release Report (document no. 402740890) for the spill (Spill/Release Point ID: 480275) of oil and produced water from the E. Stieber Consolidation line.

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed the spill was located directly adjacent to CR 8 and was approximately 80 feet from a residence and 150 feet from a shallow domestic water well (well permit no. 215661). COGCC staff observed free product in the excavation that was actively being worked and soil impacts were visible in the excavation side walls.

Operator failed to prevent pollution and adverse environmental impacts on any air, water, soil, or biological resource 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 of oil, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/02/2022

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

Operator will comply with the implementation schedule and conditions of approval for all remaining remediation of impacts to soil and groundwater, reclamation and reporting established in the COGCC remediation project 19161.

Rule: 905.b.

Rule Description: E&P Waste Transportation

Initial Discovery Date: 10/04/2021 Was this violation self-reported by the operator? No

Date of Violation: 10/04/2021 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to 905.b.(3), any Operator that generates E&P Waste that is transported off-site will maintain, for not less than 5 years, copies of each invoice, bill, or ticket, and such other records as necessary to document the requirements listed in Rules 905.b. (3).A–F. Such records will be signed by the transporter and provided to the Director upon request.

On July 7, 2021, KP Kauffman Company, Inc. ("Operator") submitted an Initial Form 19, Spill/Release Report (document no. 402740890) for the spill (Spill/Release Point ID: 480275) of oil and produced water from the E. Stieber Consolidation line.

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed E&P Waste was being removed from location. As a Corrective Action COGCC required Operator to submit disposal manifests by October 4, 2021.

On November 4, 2021, Operator submitted a Supplemental Form 27, Site Investigation and Remediation Workplan (document no. 402842304) with attachments containing waste disposal manifests for water removed from the location between October 5, 2021 and October 28, 2021. Operator did not provide disposal manifests for any soil or water removed from location prior to October 5, 2021. As a Condition of Approval, COGCC staff again required Operator to submit the missing waste disposal manifests.

On November 24, 2021, Operator submitted a Supplemental Form 27, Site Investigation and Remediation Workplan (document no. 402879388) without disposal manifests for any soil or water removed from location prior to October 5, 2021. As a Condition of Approval, COGCC staff again required Operator to submit the missing waste disposal manifests.

As of April 28, 2022, Operator has still failed to provide requested E&P Waste Manifests, violating Rule 905.b.(3).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/01/2022

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

Operator will submit all waste generator documentation required by Rule 905.b(3)A-F via pdf. Submittal must include an individual page for each piece of documentation clearly demonstrating that it was waste generated from the Stieber Consolidation spill cleanup location.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 07/09/2021 Was this violation self-reported by the operator? No

Date of Violation: 07/09/2021 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.a.(1), immediately upon discovering any Spills or Releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas that meet the criteria of Rules 912.b.(1).H, I, or J, regardless of size or volume, Operator will control and contain the Spill or Release to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 912.a.(2), Operator will investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts are discovered.

On July 7, 2021, Operator submitted an Initial Form 19 Spill/Release Report for the spill of oil and produced water from the E. Stieber Consolidation line (Spill/Release Point ID 480275; Form 19 Spill/Release Report, Document No. 402740890).

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed the spill was located directly adjacent to CR 8 and was approximately 80 feet from a residence and 150 feet from a shallow domestic water well (well permit no. 215661). COGCC staff observed free product in the excavation that was actively being worked and soil impacts were visible in the excavation side walls. As a corrective action, COGCC staff required Operator to immediately remove the pooled product from the excavation.

COGCC environmental staff inspected the spill location on July 27, 2021 (document no. 689501305), and observed Operator backfilling the excavation with soil impacts remaining in-situ and free product present on groundwater.

Operator corresponded via email on September 16, 2021 (document no.1585420), reporting that free product had been observed in two of the installed monitoring wells on location, and proposed the installation of two additional standpipes.

Operator failed to control and contain the Spill or Release to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, violating Rule 912.a.(1). Operator failed to investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts were discovered, violating Rule 912.b.(2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/02/2022

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

Operator will comply with the implementation schedule and conditions of approval for all remaining remediation of impacts to soil and groundwater, reclamation and reporting established in the COGCC remediation project 19161.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 09/16/2021 Was this violation self-reported by the operator? No

Date of Violation: 09/16/2021

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.a.(3), the Director may require the Operator to perform any action the Director determines to be necessary and reasonable to prevent or mitigate adverse impacts on any air, water, soil, or biological resource caused by a Spill or Release.

On July 7, 2021, KP Kauffman Company, Inc. ("Operator") submitted an Initial Form 19, Spill/Release Report (document no. 402740890) for the spill (Spill/Release Point ID: 480275) of oil and produced water from the E. Stieber Consolidation line.

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed the spill was located directly adjacent to CR 8 and was approximately 80 feet from a residence and 150 feet from a shallow domestic water well (well permit no. 215661). COGCC staff observed free product in the excavation that was actively being worked and soil impacts were visible in the excavation side walls.

On July 28, 2021, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document No. 402762330) for the remediation of Spill ID 480275, proposing the installation of groundwater monitoring wells in the spill area. COGCC staff's Conditions of Approval ("COA") requiring Operator to perform a complete soil and groundwater characterization at the site to determine groundwater gradient/flow direction and the full extent of impacts to sensitive receptors and calculate and display groundwater elevation contours.

Operator corresponded via email on September 16, 2021 (document no.1585420), reporting that free product had been observed in two of the installed monitoring wells on location, and proposed the installation of two additional standpipes. Analytical results from two of the installed monitoring wells report concentration exceedances of Table 915-1.

Operator submitted Supplemental Form 27, Site Investigation and Remediation Workplans on November 4, 2021 (document no. 402842304) and November 24, 2021 (document no. 402879388) in which COGCC staff again included COAs requiring Operator to perform a complete soil and groundwater characterization at the site to determine groundwater gradient/flow direction and the full extent of impacts to sensitive receptors and calculate and display groundwater elevation contours.

On January 19, 2022, Operator submitted a Supplemental Form 27, Site Investigation and Remediation Workplan (document no. 402923411) with an attached monitoring well map including groundwater contours. The map demonstrated point of compliance had been lost on September 16, 2021 when Operator reported free product was observed in MW-3 and MW-4.

Operator failed to perform required actions to prevent or mitigate adverse impacts on any air, water, soil, or biological resource caused by a Spill or Release, violating Rule 912.a.(3).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/01/2022

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

Operator will submit a Supplemental Form 27 (Remediation Project No. 19616) with a plan and timeline for the installation of monitoring wells on location to obtain Point of Compliance.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 11/04/2021

Was this violation self-reported by the operator? No

Date of Violation: 11/04/2021

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.a.(3), the Director may require the Operator to perform any action the Director determines to be necessary and reasonable to prevent or mitigate adverse impacts on any air, water, soil, or biological resource caused by a Spill or Release.

On July 7, 2021, KP Kauffman Company, Inc. ("Operator") submitted an Initial Form 19, Spill/Release Report (document no. 402740890) for the spill (Spill/Release Point ID: 480275) of oil and produced water from the E. Stieber Consolidation line.

COGCC environmental staff inspected the spill location on July 9, 2021 and July 12, 2021 (document no. 691201519), and observed the spill was located directly adjacent to CR 8 and was approximately 80 feet from a residence and 150 feet from a shallow domestic water well (well permit no. 215661). COGCC staff observed free product in the excavation that was actively being worked and soil impacts were visible in the excavation side walls.

COGCC staff received a complaint, filed by the landowner on July 14, 2021 (document no. 200449776), regarding concerns surrounding the significant amount of oil in the spill excavation returning daily, poor air quality, and potential impacts to their domestic groundwater well which was their primary drinking water source.

On July 28, 2021, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document No. 402762330) for

the remediation of Spill ID 480275. COGCC staff's Conditions of Approval ("COA") required Operator to sample the domestic water well bi-weekly. Operator was required to submit results of the sampling by Form 27 within five business days of receipt of analytical results.

On November 4, 2021, Operator submitted a Supplemental Form 27, Site Investigation and Remediation Workplan on November 4, 2021 (document no. 402842304), November 24, 2021 (document no. 402879388), January 19, 2022 (document no. 402923411), and January 28, 2022 (document no. 402940159), with attachments containing recent analytical laboratory reports. Operator did not provide analytical results for bi-weekly sampling of the domestic water well performed the week of August 6, 2021, or the week of September 17, 2021.

Operator failed to perform required actions to prevent or mitigate adverse impacts on any air, water, soil, or biological resource caused by a Spill or Release, violating Rule 912.a.(3).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 06/01/2022

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

Operator will submit a Supplemental Form 27 (Remediation Project No. 19616) with analytical reports for the sampling of the domestic water well performed the week of August 6, 2021, and the week of September 17, 2021.

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: 05/02/2022

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: 902.

Rule Description: Pollution

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

Rule: 902.

Rule Description: Pollution

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

Rule: 905.b.

Rule Description: E&P Waste Transportation

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

Rule: 912.a.

Rule Description: Spills and Releases - General

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

Rule: 912.a.

Rule Description: Spills and Releases - General

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

Rule: 912.a.

Rule Description: Spills and Releases - General

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.

Document Number	Description
403035312	NOAV ISSUED
403035320	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files