

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:
403044586
Date Issued:
05/11/2022
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: <u>10208</u>	Contact Name and Telephone:
Name of Operator: <u>EDWARDS ENERGY CORPORATION</u>	Name: <u>J KEITH EDWARDS</u>
Address: <u>1225 17TH STREET #2420</u>	Phone: <u>(303) 298-1400</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>keith@bearcatinc.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-055-06283-00 Facility or Location ID: _____
Name: LA VETA Number: 1-26
QtrQtr: NWNE Sec: 26 Twp: 29S Range: 69W Meridian: 6
County: HUERFANO

ALLEGED VIOLATION

Rule: 1002.f
Rule Description: Stormwater Management
Initial Discovery Date: 05/20/2021 Was this violation self-reported by the operator? No
Date of Violation: 05/20/2021 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1002.f.(2). Edwards Energy Corporation ("Operator") shall implement and maintain Best Management Practices ("BMPs") to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Operator shall employ BMPs, as necessary to comply with this rule, at all oil and gas locations, including, but not limited to, well pads, soil stockpiles, access roads, tank batteries, compressor stations, and pipeline rights of way. BMPs shall be selected based on site-specific conditions, such as slope, vegetation cover, and proximity to water bodies, and may include maintaining in-place some or all of the BMPs installed during the construction phase of the facility. Where applicable based on site specific conditions, Operator shall implement BMPs in accordance with good engineering practices including measures such as:

- C. Erosion controls designed to minimize erosion from unpaved areas, including operational well pads, road surfaces and associated culverts, stream crossings, and cut/fill slopes.
- F. Vehicle tracking control practices to control potential sediment discharges from operational roads, well pads, and other unpaved surfaces. Practices could include road and pad design and maintenance to minimize rutting and tracking, controlling site access, street sweeping or scraping, tracking pads, wash racks, education, or other sediment controls.

COGCC staff conducted an inspection on May 20, 2021 (document no.690201563) of the La Veta #1-26 ("Location") and observed stormwater and erosion control measures to properly stabilize, minimize erosion, and manage runoff were missing or insufficient along the access road. Specifically, staff observed a sediment plugged culvert, which resulted in stormwater by-passing the control, and erosion degradation and vehicle rutting at the access road. COGCC staff required the Operator to install or repair required BMPs per Rule 1002.f.(2).

COGCC Staff conducted a follow-up inspection on October 5, 2021 (document no. 690202127), and observed corrective actions to comply with Rule 1002.f.(2) had not been implemented and BMPs had not been implemented or maintained along the access road, while erosion degradation and vehicle rutting persisted.

Operator failed to implement or maintain BMPs to control potential sediment discharges and minimize erosion and site degradation from operational roads and other unpaved areas, violating Rule 1002.f.(2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/12/2022

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

Operator shall implement and maintain required stormwater and erosion control BMPs in accordance with good engineering practices per Rule 1002.f.(2), to manage stormwater runoff and erosion degradation and control sediment discharges from operational roads, well pads, and other unpaved surfaces.

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 05/20/2021 Was this violation self-reported by the operator? No

Date of Violation: 02/12/2013 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

Pursuant to Rule 1004.a, Edwards Energy Corporation ("Operator") shall, upon the plugging and abandonment of a well, all pits, mouse and rat holes and cellars shall be backfilled. All debris, abandoned gathering line risers and flowline risers, and surface equipment shall be removed within three (3) months. All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. All other equipment, supplies, weeds, rubbish, and other waste material shall be removed. All such reclamation work shall be completed within twelve (12) months on non-crop land after plugging a well or final closure of associated production facilities.

COGCC staff conducted an inspection on May 20, 2021 (document no.690201563) of the La Veta #1-26 ("Location") and observed the Location was not reclaimed in accordance with Rule 1004.a. Specifically, staff observed the Location was not recontoured and regraded, the pit remained open and not backfilled, and guy line anchors were not removed. The Location was abandoned on February 12, 2012 and reclamation work was required to be completed by February 12, 2013.

COGCC Staff conducted a follow-up inspection on October 5, 2021 (document no. 690202127), and observed the Location remained out of compliance with the requirements of Rule 1004.a. and corrective actions required by staff.

Operator failed to backfill pits and remove surface equipment within three (3) months of abandonment, and complete final reclamation at the Location within twelve (12) months after plugging the well, violating Rule 1004.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/17/2022

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

Remove surface equipment (anchors) and conduct final reclamation activities in accordance with Rule 1004.a on the Location and Pit.

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: <u>05/11/2022</u>	
COGCC Representative Signature: _____	
COGCC Representative: <u>Trent Lindley</u>	Title: <u>NOAV Specialist</u>
Email: <u>trent.lindley@state.co.us</u>	Phone Num: <u>(303) 894-2100 x5143</u>

CORRECTIVE ACTION COMPLETED

Rule: <u>1002.f</u>	
Rule Description: <u>Stormwater Management</u>	
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	
<input type="text"/>	

Rule: <u>1004.a</u>	
Rule Description: <u>Final Reclamation - Well Sites Reclamation</u>	
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	
<input type="text"/>	

FINAL RESOLUTION

Cause #: _____	Order #: _____	Docket #: _____
Enforcement Action: _____	Final Resolution Date: _____	
Final Resolution Comments:		
<input type="text"/>		

ATTACHMENT LIST

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

Document Number	Description
403044600	NOAV ISSUED
403044601	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files