

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:
403071779
Date Issued:
06/08/2022
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>71450</u>	Contact Name and Telephone:
Name of Operator: <u>PONCHO PRODUCTION COMPANY</u>	Name: <u>CARL DEAN</u>
Address: <u>5299 DTC BLVD #1300</u>	Phone: <u>(303) 771-2343</u> Fax: <u>()</u>
City: <u>GREENWOOD VILLAGE</u> State: <u>CO</u> Zip: <u>80111</u>	Email: <u>carl@ranchoil.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-009-05157-00 Facility or Location ID: _____
Name: STATE Number: 1
QtrQtr: NWSE Sec: 16 Twp: 32S Range: 41W Meridian: 6
County: BACA

ALLEGED VIOLATION

Rule: 1004.a
Rule Description: Final Reclamation - Well Sites Reclamation
Initial Discovery Date: 06/21/2021 Was this violation self-reported by the operator? No
Date of Violation: 10/30/2014 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, PONCHO PRODUCTION COMPANY ("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 June 21, 2021 (document no. 690201721) of Operator's STATE 1 location ("Location") and observed that final reclamation has not been completed in accordance with Rule 1004.a; specifically, surface equipment and debris remained and areas of the Location have not been revegetated. Operator's Form 6, Well Abandonment Report (document no. 400593853) indicates the well was plugged and abandoned on October 30, 2013. As a result, surface equipment and debris should have been removed by January 30, 2014, and reclamation should have been completed by October 30, 2014.

COGCC Staff conducted follow-up inspections on February 2, 2022 (document no. 696202550) and on May 6, 2022 (document no. 690202884), and each time observed that surface equipment and debris remained and areas of the Location have not been

revegetated.

Operator failed to remove surface equipment and debris 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: 06/16/2022

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

Comply with the requirements of Rule 1004.a., and remove surface equipment (two tanks, pipe risers, a meter run) and cement debris, and conduct final reclamation. Ensure cement, and other non-E&P waste is disposed up in accordance with Rule 906.

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: 06/08/2022

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: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

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>
403071796	NOAV CERTIFIED MAIL RECEIPT

