

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

403165975

Date Issued:

09/14/2022

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: 10082

Name of Operator: MANZANO LLC

Address: P O BOX 2107

City: ROSWELL State: NM Zip: 88202

Contact Name and Telephone:

Name: MIKE HANAGAN

Phone: (575) 623-1996 Fax: ()

Email: mike@manzanoenergy.com

Well Location, or Facility Information (if applicable):

API Number: 05-055-06306-00

Facility or Location ID:

Name: MAGNINO 2 FEE

Number: 1

QtrQtr: NWNE

Sec: 2

Twp: 30S

Range: 69W

Meridian: 6

County: HUERFANO

ALLEGED VIOLATION

Rule: 1002.f

Rule Description: Stormwater Management

Initial Discovery Date: 10/05/2021

Was this violation self-reported by the operator? No

Date of Violation: 10/05/2021

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1002.f.(2). Manzano, LLC ("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.

COGCC staff conducted an inspection on October 5, 2021 (document no.690202129), of the Magnino 2 Fee 1 well's location and observed BMPs to minimizes erosion, transport of sediment offsite, site degradation, and to properly control stormwater runoff were missing or insufficient along the access road. Staff observed stormwater erosion and degradation of the access road, and the culvert at the stream crossing was not maintained in proper functioning condition, resulting in erosion, degradation, and transport of sediment.

COGCC Staff conducted follow-up inspections on April 6, 2022 (document no. 690202773) and June 7, 2022 (document no. 690203016), and each time observed BMPs had not been implemented or maintained along the access road, while erosion, degradation, and transport of sediment persists.

Operator failed to implement or maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, 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: 09/17/2022

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 control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation, from operational roads and other unpaved areas.

Rule: 1004

Rule Description: Final Reclamation of Well Sites and Associated Production Facilities

Initial Discovery Date: 07/08/2020

Was this violation self-reported by the operator? No

Date of Violation: 12/02/2010

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.e., Manzano, LLC ("Operator") shall keep all areas being reclaimed as free as practicable of all undesirable plant species designated to be noxious weeds. Weed control measures shall be conducted in compliance with the Colorado Noxious Weed Act, C.R.S. §35-5.5-115 and the current rules pertaining to the administration and enforcement of the Colorado Noxious Weed Act. It is recommended that the operator consult with the local weed control agency or other weed control authority when weed infestation occurs. It is the responsibility of the operator to monitor affected and reclaimed lands for noxious weed infestations. If applicable, the Director may require a weed control plan.

COGCC staff conducted an inspection on July 8, 2020 (document no. 690200420) of the Magnino 2 Fee 1 well location and observed undesirable and noxious plant species.

COGCC staff conducted follow-up inspections on May 26, 2021 (document no. 690201583), October 5, 2021 (document no. 690202129), April 6, 2022 (document no. 690202773), and June 7, 2022 (document no. 690203016), and observed Operator failed to remove and control undesirable and noxious plant species, violating Rule 1004.e.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 09/22/2022

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

Operator shall control undesirable and noxious plant species along the access road, well location, and all other areas being reclaimed. Ongoing undesirable and noxious weed monitoring and management is required until the Magnino 2 Fee 1 well location receives a passing, final reclamation inspection.

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 12/04/2014

Was this violation self-reported by the operator? No

Date of Violation: 12/02/2010

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, Manzano, LLC ("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 December 4, 2014 (document no. 673501899), of the Magnino 2 Fee 1 well and observed the well location and access road have not been decompacted, recontoured and reclaimed, and the cellar ring, gravel material, cattle guard, and culverts have not been removed.

COGCC staff conducted follow-up inspections on July 8, 2020 (document no. 690200420), May 26, 2021 (690201583), October 5, 2021 (document no. 690202129), April 6, 2022 (document no. 690202773), and June 7, 2022 (document no. 690203016), and each time observed the well location and access road remained out of compliance with final reclamation requirements.

Operator failed to conduct and complete final reclamation requirements for the Magnino 2 Fee 1 well location and access road 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: 09/22/2022

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

Operator shall conduct final reclamation on the Magnino 2 Fee 1 well location and access road in accordance with Rule 1004.a.

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: 09/14/2022

COGCC Representative Signature:

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

Rule: 1002.f

Rule Description: Stormwater Management

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: 1004

Rule Description: Final Reclamation of Well Sites and Associated Production Facilities

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: 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:		
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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>
403166131	NOAV CERTIFIED MAIL RECEIPT
403166137	NOAV ISSUED

Total Attach: 2 Files