

State of Colorado
Oil and Gas Conservation Commission

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NOTICE OF ALLEGED VIOLATION - RESOLVED

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: 10654

Name of Operator: LASSO OIL & GAS LLC

Address: 3021 RIDGE RD #156

City: ROCKWALL State: TX Zip: 75032

Contact Name and Telephone:

Name: KRIS FREEMAN

Phone: (254) 717-0435 Fax: ()

Email: kfreeman@31operating.com

Well Location, or Facility Information (if applicable):

API Number: 05-103-60008-00

Facility or Location ID:

Name: PHILLIPS

Number: S-10

QtrQtr: NWSW

Sec: 36

Twp: 2N

Range: 103W

Meridian: 6

County: RIO BLANCO

ALLEGED VIOLATION

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Initial Discovery Date:

Was this violation self-reported by the operator? No

Date of Violation:

Approximate Time of Violation:

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 605.d., Operator shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition.

On October 2, 2019, COGCC Staff inspected the Well, and observed venting of natural gas from the casing: the inspector detected the gas by smell at a distance of approximately 10 feet from the Wellhead, and by feel as the gas exited at gaps in the welds. (Field Inspection Report No. 679705686).

Operator failed to maintain this equipment in good mechanical condition, violating Rule 605.d.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/09/2019

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

Operator shall immediately repair the equipment to prevent further escape of natural gas to the atmosphere.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure all valves, pipes, and fittings are securely fastened, inspected at regular intervals,

and maintained in good mechanical condition.

Rule: 912.b

Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 912.b., except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, Operator shall flare or vent gas from a well only after Operator has given notice to and obtained approval from COGCC on a Sundry Notice ("Form 4") stating the estimated volume and content of the gas.

On October 2, 2019, COGCC Staff inspected the Well, and observed venting of natural gas from the casing: the inspector detected the gas by smell at a distance of approximately 10 feet from the Wellhead, and by feel as the gas exited at gaps in the welds. COGCC Staff also observed that none of the Rule 912.b. exception conditions were occurring at the time of the venting. (Field Inspection Report No. 679705686).

As of October 31, 2019, Operator has not submitted a Form 4 request to vent from the Well, and has not obtained COGCC approval for venting gas from the Well.

Without approval from COGCC, Operator vented gas from the Well during non-upset conditions, violating Rule 912.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/09/2019

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

Operator shall immediately cease venting and flaring at the Well location, and shall ensure it has obtained written COGCC approval via Form 4 prior to resuming venting or flaring.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure COGCC approval is obtained prior to any venting or flaring at its locations, as required by Rule 912.b.

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. 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.

NOAV ISSUED

NOAV Issue Date: 11/08/2019

COGCC Representative Signature: _____

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: () _____

CORRECTIVE ACTION COMPLETED

Rule: 605.d

Rule Description: O&G Facilities - Mechanical Conditions

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order No. 1V-786.

Rule: 912.b

Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? No

Description of Actual Corrective Action Performed by Operator

NOAV closed pursuant to Order No. 1V-786.

FINAL RESOLUTION

Cause #: 1V Order #: 786 Docket #: 210900152

Enforcement Action: Dismissed by Issuing Unit Final Resolution Date: _____

Final Resolution Comments:

NOAV closed pursuant to Order No. 1V-786.

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>
402234494	NOAV APPROVED
402234755	NOAV COVER LETTER
402234756	NOAV CERTIFIED MAIL RECEIPT
402234757	NOAV ISSUED
402234800	NOAV IN PROCESS

Total Attach: 5 Files