

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
04/21/2023
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>8667</u>	Contact Name and Telephone:
Name of Operator: <u>PETROGLYPH OPERATING CO INC ADBA PETROGLYPH ENERGY</u>	Name: <u>PAUL POWELL</u>
Address: <u>C/O ONE THORNDAL CIRCLE</u>	Phone: <u>(208) 685-7600</u> Fax: <u>()</u>
City: <u>DARIEN</u> State: <u>CT</u> Zip: <u>06820</u>	Email: <u>ppowell@pgei.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-055-06221-00 Facility or Location ID: _____
Name: STATE Number: 9W
QtrQtr: SWNE Sec: 36 Twp: 28S Range: 67W Meridian: 6
County: HUERFANO

ALLEGED VIOLATION

Rule: 1002.f
Rule Description: Stormwater Management
Initial Discovery Date: 02/27/2020 Was this violation self-reported by the operator? No
Date of Violation: 02/27/2020 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1002.f.(2), Petroglyph Operating Co., Inc. ("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 February 27, 2020 (document no. 689901844) of the STATE #9W ("Location") and observed BMPs to minimize erosion, transport of sediment offsite, site degradation, and properly control runoff were insufficient and not maintained along the access road, resulting in erosion and degradation. Staff required corrective actions for Operator to repair or install BMPs per Rule 1002.f.(2), by May 1, 2020.

COGCC Staff conducted follow-up inspections on July 27, 2020 (document no. 690200477), September 17, 2021 (document no.

690202085), May 11, 2022 (document no. 690202900), August 8, 2022 (document no. 690203281), and each time observed corrective actions to repair or install BMPs along the access road have not been taken by the Operator, while erosion degradation persisted.

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)C. and F.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/24/2023

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: 02/27/2020 Was this violation self-reported by the operator? No

Date of Violation: 02/27/2020 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.e., Petroglyph Operating Co., Inc. ("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.,

COGCC staff conducted an inspection on February 27, 2020 (document no. 689901844) of the STATE #9W ("Location") and observed noxious plant species at the Location. Staff required corrective actions for Operator to remove noxious plant species from the Location by May 1, 2020.

COGCC Staff conducted follow-up inspections on July 27, 2020 (document no. 690200477), September 17, 2021 (document no. 690202085), May 11, 2022 (document no. 690202900), and August 8, 2022 (document no. 690203281), and each time observed noxious plant species remained at the Location.

Operator failed to control noxious weeds at the Location, violating Rule 1004.e. and the Colorado Noxious Weed Act, C.R.S. §35-5.5-115.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/01/2023

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

Control noxious plant species along the access road, Location, and all other areas being reclaimed. Ongoing noxious weed monitoring and management is required until the Location receives a passing, final reclamation inspection.

Rule: 523.

Rule Description: Enforcement

Initial Discovery Date: 07/15/2022 Was this violation self-reported by the operator? No

Date of Violation: 07/15/2022 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 523.f., an operator's failure to diligently implement corrective action pursuant to an Administrative Order by Consent, Order Finding Violation, or other Commission order constitutes an independent violation that may result in a Notice of Alleged Violation, additional penalties, or corrective action requirements.

On July 24, 2017, the Commission entered Order No. 1V-638, memorializing an agreement between Petroglyph Operating Co., Inc. ("Operator") and Commission Staff to resolve violations of Rule 1004. Order No. 1V-638 required Operator to pay a penalty of \$150,924 for six violations of COGCC Rule 1004 – Final Reclamation and three violations of Rule 1002.f. – Stormwater Management, at five locations in Huerfano County, Colorado. Of the total penalty, \$135,000 was suspended pending Operator's timely completion of corrective actions set forth in Paragraph 3.f., of the Order section, in Order 1V-638. Corrective actions of Order 1V-638, included an obligation to complete final reclamation tasks at the State #9W location and additional well locations listed in Appendix A of Order 1V-638, by July 15, 2022.

COGCC staff conducted inspections on February 27, 2020 (document no. 689901844), July 27, 2020 (document no. 690200477), September 17, 2021 (document no. 690202085), May 11, 2022 (document no. 690202900), and August 8, 2022 (document no. _____)

690203281), of the State #9W location and each time observed corrective actions for completing final reclamation tasks were not complete.

Operator failed to complete final reclamation tasks at the State #9W location, violating Order 1V-638 and Rule 523.f.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/21/2023

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

Operator shall comply with the corrective actions set forth in Paragraph 3, of the Order section, in Order 1V-638 and pay the remaining suspended penalty of \$135,000.

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: 04/21/2023

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: 523.

Rule Description: Enforcement

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>
403380868	NOAV CERTIFIED MAIL RECEIPT
403380873	NOAV ISSUED

Total Attach: 2 Files