

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

403429381

Date Issued:

06/09/2023

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: 10241

Name of Operator: PRE RESOURCES INC

Address: 1888 SHERMAN STREET #760

City: DENVER State: CO Zip: 80203

Contact Name and Telephone:

Name: MARK J CHOURY

Phone: (303) 825-2324 Fax: ()

Email: mchoury@prellc.com

Well Location, or Facility Information (if applicable):

API Number: 05-045-05108-00

Facility or Location ID:

Name: GOVERNMENT BUTTRAM

Number: 1

QtrQtr: W2SW

Sec: 30

Twp: 5S

Range: 102W

Meridian: 6

County: GARFIELD

ALLEGED VIOLATION

Rule: 1002.f

Rule Description: Stormwater Management

Initial Discovery Date: 06/14/2022

Was this violation self-reported by the operator? No

Date of Violation: 06/14/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1002.f.(2), PRE Resources 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.

COGCC staff conducted an inspection on August 23, 2022 (document no. 696204007), of the Government Buttram 1 ("Location") and observed that control measures to stabilize, and minimize erosion and degradation were missing or insufficient at the access road, and cut slopes of the Location. Staff observed gully erosion and sediment transport on and from the cut slopes and erosion degradation due to inadequate stabilization occurring at the access road. Staff required corrective actions for Operator to implement and maintain stormwater and erosion control BMPs and comply with Rule 1002.f.(2) by August 25, 2022.

COGCC staff conducted a follow-up inspection on December 5, 2022 (document no. 696204441) and observed corrective actions to comply with Rule 1002.f.(2) have not been performed, resulting in persisting erosion degradation at the access road, and on the cut slopes.

Operator failed to implement BMPs to control potential sediment discharges, minimize 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: 06/13/2023

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

Operator shall comply with Rule 1002.f.(2) and implement and maintain control measures per good engineering practices to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and degradation.

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 06/14/2022

Was this violation self-reported by the operator? No

Date of Violation: 07/16/2017

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a., PRE Resources Inc. ("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. The Director may grant an extension where unusual circumstances are encountered, but every reasonable effort shall be made to complete reclamation before the next local growing season.

According to the Form 6, Subsequent Report of Abandonment (document no. 2452215) the Government Buttram 1 ("Location") well was plugged on July 16, 2016. COGCC staff conducted an inspection on June 14, 2022 (document no. 696203758), of the Location and observed that reclamation of the Location was not completed in accordance with the requirements of Rule 1004.a. Specifically, staff observed surface equipment remaining at the Location and compaction alleviation, restoration, and revegetation of the access road and Location were not performed. Staff required corrective actions for Operator to conduct final reclamation of the Location and access road and comply with Rule 1004.a by July 31, 2022.

COGCC staff conducted follow-up inspections on August 23, 2022 (document no. 696204007), and December 5, 2022 (document no. 696204441), and each time observed corrective actions to conduct final reclamation of the Location and access road were not performed.

Operator failed to complete final reclamation of 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: 06/19/2023

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

Comply with Rule 1004.a. and complete final reclamation of the Location.

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: 06/09/2023

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.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>
403429388	NOAV CERTIFIED MAIL RECEIPT
403429390	NOAV ISSUED

Total Attach: 2 Files