

State of Colorado
Energy & Carbon Management Commission

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Document Number:
403483534
Date Issued:
08/01/2023
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>10456</u>	Contact Name and Telephone:
Name of Operator: <u>CAERUS PICEANCE LLC</u>	Name: <u>KRISTEN LINGLEY</u>
Address: <u>1001 17TH STREET #1600</u>	Phone: <u>(720) 547-8746</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>klingley@caerusoilandgas.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-077-08020-00 Facility or Location ID: _____
Name: MILHOLLAND Number: 3
QtrQtr: SENW Sec: 24 Twp: 10S Range: 96W Meridian: 6
County: MESA

ALLEGED VIOLATION

Rule: 1004
Rule Description: Final Reclamation of Well Sites and Associated Production Facilities
Initial Discovery Date: 08/10/2022 Was this violation self-reported by the operator? No
Date of Violation: 02/28/2009 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.e., Caerus Piceance LLC ("Operator") shall keep all areas being reclaimed, as free as practicable of all undesirable plant species designated to be noxious weeds.

CECMC staff conducted an inspection on August 10, 2022 (document no. 696203922), of the Milholland #3 ("Location") and observed Undesirable Plant Species established throughout the Location, including Russian Thistle, Kochia, Purple Mustard, Cheatgrass, Redstem Filaree, and Field penny-cress Bulbous Bluegrass. Staff required Operator to conduct comply with 1004 Rules, with a corrective action date of October 1, 2022.

CECMC staff conducted a follow-up inspection on May 23, 2023 (document no. 696204973), and observed corrective actions to manage noxious weeds have not been taken at the Location.

Operator failed to implement adequate weed control measures to keep the Location free of all noxious weeds, violating Rule 1004.e.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 08/29/2023

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

Within 28 days of receipt of NOAV, Operator shall submit a schedule of "Weed Management Activities", for the management of all

Undesirable Plant Species on the Location and access road. The schedule shall include monitoring and integrated weed management, with a minimum monitoring and control efforts of three (3) times a year, to be conducted during the Spring, Summer and Fall seasons until the Location receives a passing final reclamation inspection. Operator shall keep accurate and complete records of management activities, and immediately provide such records upon the request of the Director.

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 08/10/2022

Was this violation self-reported by the operator? No

Date of Violation: 02/28/2009

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, Caerus Piceance LLC ("Operator") shall, upon the plugging and abandonment of a well, backfill all pits, mouse and rat holes, and cellars. 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. 2611777), the Milholland #3 ("Location") well was cut and capped on February 28, 2008.

CECMC staff conducted an inspection on August 10, 2022 (document no. 696203922) of the Location, and observed that final reclamation has not been completed. Specifically gravel had not been removed from the Location and access road, and the Location and access road were not decompacted, graded and reclaimed. Staff required Operator to conduct final reclamation, with a corrective action date of October 1, 2022.

CECMC staff conducted a follow-up inspection on May 23, 2023 (document no. 696204973) and observed that 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: 08/29/2023

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

Operator shall comply with 1004 Rules and conduct Final Reclamation on the Location and access road.

Rule: 606

Rule Description: Equipment, Weeds, Waste, and Trash Requirements

Initial Discovery Date: 08/10/2022

Was this violation self-reported by the operator? No

Date of Violation: 02/28/2009

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 606.c, Caerus Piceance LLC ("Operator") shall keep Oil and Gas Locations free of all Undesirable Plant Species.

CECMC staff conducted an inspection on August 10, 2022 (document no. 696203922), of the Milholland #3 ("Location") and observed Undesirable Plant Species established throughout the Location, including Russian Thistle, Kochia, Purple Mustard, Cheatgrass, Redstem Filaree, and Field penny-cress Bulbous Bluegrass. Staff required Operator to comply with 1004 Rules, with a corrective action date of October 1, 2022.

CECMC staff conducted a follow-up inspection on May 23, 2023 (document no. 696204973), and observed corrective actions to manage Undesirable Plant Species have not been taken at the Location.

Operator failed to implement adequate weed control measures to keep the Location free of all Undesirable Plant Species, violating Rule 606.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 08/29/2023

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

Within 28 days of receipt of NOAV, Operator shall submit a schedule of "Weed Management Activities", for the management of all Undesirable Plant Species on the Location and access road. The schedule shall include monitoring and integrated weed management, with a minimum monitoring and control efforts of three (3) times a year, to be conducted during the Spring, Summer and Fall seasons until the Location receives a passing final reclamation inspection. Operator shall keep accurate and complete records of management activities, and immediately provide such records upon the request of the Director.

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: 08/01/2023

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: 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

Rule: 606

Rule Description: Equipment, Weeds, Waste, and Trash Requirements

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>
403483545	NOAV CERTIFIED MAIL RECEIPT
403483552	NOAV ISSUED

Total Attach: 2 Files