

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
403465295
Date Issued:
07/14/2023
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: 46290
Name of Operator: KP KAUFFMAN COMPANY INC
Address: 1700 LINCOLN ST STE 4550
City: DENVER State: CO Zip: 80203

Contact Name and Telephone:

Name: ROSS WATZMAN
Phone: (303) 825-4822 Fax: ()
Email: rwatzman@kpk.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00 Facility or Location ID: 482598
Name: 3 Farms Consolidation line Number:
QtrQtr: NENW Sec: 23 Twp: 1n Range: 67W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 07/22/2022

Was this violation self-reported by the operator? No

Date of Violation: 07/20/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., KP Kauffman Company, Inc. ("Operator") will prevent Pollution. Pursuant to Rule 902.b., Operator will prevent adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 902.c., Operator will prevent the unauthorized discharge or disposal of oil, condensate, gas, E&P Waste, Chemical substances, trash, discarded equipment, and other oil field waste.

On July 22, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403113129) for a spill (Spill/Release Point ID: 482598, "Spill") of unknown amounts of produced water and oil discovered by the landowner at the Three Farms 11-23 Flowline (Flowline Facility ID: 478673) valve. In this Form 19, Operator reports free product was discovered in the valve access can ("Tin Horn") and on the surface around the Tin Horn due to a valve seal failure.

ECMC conducted an inspection on August 10, 2022 (document no. 697601844), and observed stained surface soils had been removed but no excavation had been performed below the valve access where free product had been observed.

On July 5, 2023, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document no. 403186285) for the Spill, reporting 64 cubic yards of impacted material were removed from site and that additional impacted soil remains in-situ. The Form 27 has been denied and Operator is required to submit a replacement Form 27 to address missing and conflicting information.

Operator failed to prevent pollution and adverse environmental impacts on air, water, soil, or biological resources resulting from Oil

and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and prevent the unauthorized discharge of oil, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/14/2023

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

Operator will comply with all conditions of approval and corrective actions for all remaining remediation of soil and groundwater impacts, reclamation and reporting established for ECMC Spill ID 482598.

Rule: 912.b.

Rule Description: Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Initial Discovery Date: 10/18/2022

Was this violation self-reported by the operator? No

Date of Violation: 10/18/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Yes

Description of Alleged Violation:

Pursuant to Rule 912.b.(6), no later than 90 days after a Spill or Release is discovered, KP Kauffman Company, Inc. ("Operator") will have submitted, and obtained the Director's approval of either: A. A Form 19 – Supplemental requesting closure pursuant to Rule 913.h and supported by adequate documentation to demonstrate that the Spill or Release has been fully cleaned up and complies with Table 915-1; or B. A Form 27 if any of the criteria listed in Rules 912.b.(6).B.i–iii apply. If Remediation will continue under an approved Form 27, the Operator will also submit a Form 19 – Supplemental which requests closure of the Spill or Release and includes the Remediation project number assigned by the Director.

On July 22, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403113129) for a spill (Spill/Release Point ID: 482598, "Spill") of unknown amounts of produced water and oil discovered by the landowner at the Three Farms 11-23 Flowline (Flowline Facility ID: 478673) valve. In this Form 19, Operator reports that free product was discovered in the valve access can ("Tin Horn") and on the surface around the Tin Horn due to a valve seal failure, with a discovery date of July 20, 2022.

On July 5, 2023, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document no. 403186285) for the Spill, reporting that Operator removed 64 cubic yards of impacted material from the site and that additional impacted soil remains in-situ. On July 6, 2023, Commission Staff denied the Form 27 due to missing and conflicting information, and required Operator to submit a replacement Form 27.

As of July 14, 2023, Operator has not submitted an approvable Form 27, Site Investigation and Remediation Workplan or Supplemental Form 19, Spill/Release Report requesting closure of the release.

Operator failed to submit a Form 27, Site Investigation and Remediation Workplan and Form 19, Supplemental Spill/Release Report requesting closure no later than 90 days after the discovery of a Spill or Release, violating Rule 912.b.(6).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 08/13/2023

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

Operator shall submit a replacement Form 27, Site Investigation and Remediation Workplan, and a Supplemental Form 19, Spill/Release Report requesting closure of Spill/Release Point ID: 482598.

Rule: 912.b.

Rule Description: Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Initial Discovery Date: 08/01/2022

Was this violation self-reported by the operator? No

Date of Violation: 07/30/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.b.(4), KP Kauffman Company, Inc. ("Operator") will file a Form 19 – Supplemental not more than 10 days after a Spill or Release is discovered.

On July 22, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403113129) for a spill (Spill/Release Point ID: 482598, "Spill") of unknown amounts of produced water and oil discovered by the landowner at the Three Farms 11-23 Flowline (Flowline Facility ID: 478673) valve. In this Form 19, Operator reports that free product was discovered in the valve access can ("Tin Horn") and on the surface around the Tin Horn due to a valve seal failure, with a discovery date of July 20, 2022.

On August 1, 2022, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 403122905) for the Spill, 12 days after the spill discovery date.

Operator failed to submit a Form 19, Supplemental within 10 days after the discovery of a Spill or Release, violating Rule 912.b.(4).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/14/2023

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

Operator will comply with all conditions of approval and corrective actions for all remaining remediation of soil and groundwater impacts, reclamation and reporting established for ECMC Spill ID 482598.

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: 07/14/2023

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: 902.

Rule Description: Pollution

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: 912.b.

Rule Description: Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

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: 912.b.

Rule Description: Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

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>
403465315	NOAV CERTIFIED MAIL RECEIPT
403465325	NOAV ISSUED

Total Attach: 2 Files