

State of Colorado
Energy & Carbon Management Commission

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Date Issued:
03/13/2024
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: 10386

Name of Operator: POC-I LLC

Address: P.O. BOX 51208

City: CASPER State: WY Zip: 82605

Contact Name and Telephone:

Name: WAYNE NEUMILLER

Phone: (307) 237-7854 Fax: ()

Email: wayne@sunshinevalleypetroleum.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 116587

Name: ILES GATHERIN FACILITIES

Number:

QtrQtr: NENW

Sec: 23

Twp: 4N

Range: 92W

Meridian: 6

County: MOFFAT

ALLEGED VIOLATION

Rule: 1202.

Rule Description: Operating Requirements

Initial Discovery Date: 12/13/2023

Was this violation self-reported by the operator? No

Date of Violation: 12/13/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1202.a.(4), to prevent access by wildlife, including birds and bats, POC-I LLC. ("Operator") will fence and net or install other CPW-approved exclusion devices on new Drilling Pits, Production Pits, and other Pits associated with Oil and Gas Operations that are intended to contain Fluids; and 1202.a.(4) C. Operator will maintain and repair all fences, nets, and CPW-approved exclusion devices.

On December 13, 2023, ECMC Environmental Staff conducted an inspection (document no. 2573162) of Operator's Iles Gathering Facilities Pit (Facility ID: 116587). During this inspection Staff observed between 60-80% of the existing pit surface consisted of hydrocarbon fluids without adequate wildlife protection. Staff notified Operator via email of the violations on December 15, 2023 (document no. 2573162).

On December 18, 2023, Operator corresponded with ECMC Environmental Staff via email (document no. 2573162) saying more oil had come out of the ground as moisture had accumulated in the pit on the soil, indicating the Pit liner had been compromised. Operator also communicated that Operator's previous contractor removed netting to prevent wildlife access and removed and destroyed the framing for the netting.

On December 21, 2023, ECMC Environmental Staff conducted a follow-up inspection (document no. 694500611) of Operator's Iles Gathering Facilities Pit (Facility ID: 116587), and observed fluid inside the pit with visible hydrocarbons on the pit surface and wildlife

protection remained inadequate and unchanged. Staff also observed wildlife tracks inside the pit facility and in the snow at the main gate where the fence was not maintained.

Operator failed to prevent access by wildlife by installing and maintaining adequate wildlife protection, violating Rule 1202.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/13/2024

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

Operator will immediately remove any accumulation of oil or condensate, including free product or hydrocarbon sheen.

Operator will prevent access by wildlife, including birds and bats, and fence and net, or install other CPW-approved exclusion devices, and Operator will maintain and repair all fences, nets, and CPW-approved exclusion devices.

Rule: 909.b

Rule Description: General Site Investigation & Remediation Requirements

Initial Discovery Date: 12/13/2023

Was this violation self-reported by the operator? No

Date of Violation: 12/13/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 909.b., POC-I LLC. ("Operator") will construct, maintain, and operate Pits used for exploration and production of oil and gas in a manner that protects and minimizes adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Operator will operate and maintain Pits and Pit liners to prevent Spills and Releases.

On December 13, 2023, ECMC Environmental Staff conducted an inspection (document no. 2573162) of Operator's Iles Gathering Facilities Pit (Facility ID: 116587). During this inspection Staff observed between 60-80% of the existing pit surface consisted of mainly hydrocarbon fluids without adequate wildlife protection. Staff notified Operator via email of the existing violations on December 15, 2023 (document no. 2573162).

On December 18, 2023, Operator corresponded with ECMC Environmental Staff via email (document no. 2573162) saying more oil had come out of the ground as moisture had accumulated in the pit on the soil, indicating the Pit liner had been compromised.

On December 21, 2023, ECMC Environmental Staff conducted a follow-up inspection (document no. 694500611) of Operator's Iles Gathering Facilities Pit, and observed fluid inside the pit with visible hydrocarbons on the pit surface without adequate wildlife protection.

Operator failed to maintain and operate the Iles Gathering Facilities Pit in a manner that protects and minimizes adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and maintain the Iles Gathering Facilities Pit and Pit liner to prevent Spills and Releases, violating Rule 909.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/13/2024

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

Operator will immediately remove any accumulation of oil or condensate, including free product or hydrocarbon sheen.

Rule: 913.

Rule Description: Site Investigation, Remediation, and Closure

Initial Discovery Date: 06/10/2023

Was this violation self-reported by the operator? No

Date of Violation: 06/10/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 913.e., after initial approval of a Form 27, POC-I LLC. ("Operator") will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and Remediation; and 913.e.(4) each calendar year, in one of the quarterly reports, Operator will address the adequacy of general liability insurance held by the Operator pursuant to Rule 705, or Financial Assurance otherwise provided by the Operator, to fully address the anticipated costs of Remediation.

On March 10, 2023, Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan (document no. 403272607) for the Iles Gathering Facilities Pit (Facility ID: 116587) Remediation (Remediation Project no. 28244). The Initial Form 27 was approved on March 20, 2023.

As of March 13, 2024, Operator has not filed any Supplemental Form 27s documenting progress of site investigation and

Remediation for the Iles Gathering Facilities Pit, or addressed the adequacy of general liability insurance held by Operator pursuant to Rule 705, or Financial Assurance otherwise provided by Operator, to fully address the anticipated costs of Remediation.

Operator failed to provide quarterly update reports and fully address the anticipated costs of Remediation in a Supplemental Form 27, violating Rule 913.e.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 03/13/2024

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

Operator will immediately submit a Supplemental Form 27, Site investigation and Remediation Workplan to address the adequacy of general liability insurance held by Operator pursuant to Rule 705, or Financial Assurance otherwise provided by Operator, to fully address the anticipated costs of Remediation, and to document progress of site investigation and Remediation.

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_ecmc_enforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 03/13/2024

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (720) 765-0031

CORRECTIVE ACTION COMPLETED

Rule: 1202.

Rule Description: Operating 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

Rule: 909.b

Rule Description: General Site Investigation & Remediation 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

Rule: 913. _____
Rule Description: Site Investigation, Remediation, and Closure _____
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>
403718560	NOAV CERTIFIED MAIL RECEIPT
403718573	NOAV ISSUED

Total Attach: 2 Files